

REGULAR STATE BANKING BOARD MEETING
OFFICE OF THE COMMISSIONER
DEPARTMENT OF FINANCIAL INSTITUTIONS
1200 MEMORIAL HIGHWAY
BISMARCK, NORTH DAKOTA

July 6, 2022

The regular meeting of the State Banking Board was held in the Office of the Commissioner, Department of Financial Institutions, 1200 Memorial Highway, Bismarck, North Dakota. Acting Chair Krebs called the meeting to order at 9:01 a.m., Wednesday, July 6, 2022.

MEMBERS PRESENT: Corey Krebs, Acting Chair
Todd Heilman, Member
Pao-Yueh (Claudia) Schollmeyer, Member
Brenda Foster, Member
Pete Jahner, Member
John Schmid, Member
Steven Rehovsky, Member

ALSO PRESENT: Megan Sauer, Acting Secretary
Ryan Spah, Chief Examiner
Angie Mills Fischer, Review Examiner
Dean DePountis, Assistant Attorney General
Scott Coleman, Ballard Spahr

APPROVAL OF MINUTES

Acting Chair Krebs indicated the Board received copies of the minutes of the regular meeting held on March 22 and May 10, 2022.

It was moved by Member Heilman, seconded by Member Foster, and carried by a vote of 6 to 0, with Member Rehovsky absent, to approve the minutes of the regular meeting held on March 22 and May 10, 2022.

WESTERN STATE BANK, DEVILS LAKE – REQUEST FOR APPROVAL TO AMEND ARTICLES OF INCORPORATION AND APPROVAL TO RESTATE THE ARTICLES OF INCORPORATION

Assistant Commissioner Corey Krebs reviewed the memorandum. The complete application was received on April 19, 2022.

Member Heilman stated he will be abstaining from voting, as he is currently employed by Western State Bank and there would be a conflict of interest if he were to vote.

Scott Coleman reiterated the reason to amend and restate the Articles of Association is to correct an error and simplify the process for examiners to review the articles.

There were no comments or questions from the Board.

Assistant Commissioner Corey Krebs stated it is the recommendation of the Department that the applications be approved.

It was moved by Member Schmid, seconded by Member Foster, and carried by a vote of 5 to 0, with Member Heilman abstaining and Member Rehovsky absent, to the articles changes.

Member Rehovsky joined the meeting.

FIRST UNITED BANK, PARK RIVER – APPLICATION TO MERGE RAMSEY NATIONAL BANK, DEVILS LAKE, WITH AND INTO FIRST UNITED BANK; AND APPLICATION FOR FIRST UNITED BANK TO ACQUIRE TRUST POWERS

Review Examiner Mills-Fischer reviewed the memorandum. The request was received on June 3, 2022.

Member Rehovsky stated he will be abstaining from voting, as he is currently employed by First United Bank and there would be a conflict of interest if he were to vote. Member Heilman stated he will be abstaining from voting, as his wife is currently employed by Ramsey National Bank and there may be a conflict of interest if he were to vote.

Member Jahner asked a question regarding Ramsey National Bank's trust department's size and complexity.

Review Examiner Mills-Fischer stated it is the recommendation of the Department that the merger application be approved, and that the Commissioner be authorized to sign the proposed Order on behalf of the Board.

It was moved by Member Foster, seconded by Member Schollmeyer, and carried by a vote of 5 to 0, with Member Rehovsky and Member Heilman abstaining, to approve the merger.

It was moved by Member Jahner, seconded by Member Schmid, and carried by a vote of 5 to 0, with Member Rehovsky and Member Heilman abstaining, to approve the application to acquire trust powers.

Scott Coleman left the meeting.

2022 SEMI-ANNUAL ASSESSMENT POLICY FOR STATE CHARTERED BANKS AND TRUST COMPANIES

Assistant Commissioner Krebs gave an overview of the assessments memorandum and assessment policy for state-chartered banks and trust companies and requested input from the Board about frequency of reviewing the assessment policy going forward. The Board discussed different options and it was agreed to approve the policy annually but for the Board to be updated more frequently if needed.

It was moved by Member Heilman, seconded by Member Foster, and carried by a vote of 7 to 0, to approve the 2022 Semi-Annual Assessment Policy and 50% discount for State Chartered Banks and Trust Companies.

ITEMS TO BE NOTED

Acting Chair Krebs gave an overview of approvals that were done by the Commissioner since the last State Banking Board meeting. Etana Trust Company, Denver, CO; Prime Trust, LLC, Las Vegas, NV; One Trust, LLC, Atlanta, GA; Minnesota Land Trust, St. Paul, MN; Trusted Land Transfer, LLC, Plano, TX; Island Housing Trust, Denver, CO, requested to use the word "trust" in the registered trade names of the businesses. Ameris Bank, Atlanta, GA; Coldwell Banker Realty Network LLC, Boston, MA; First Interstate Bank, Billings, MT; Osgood Bank, Osgood, OH; Yellowstone Bank, Billings, MT, requested to use the word "bank" in the registered trade name.

First Western Bank & Trust, Minot, ND established a facility at 1414 12th Ave N, Fargo, ND. Cornerstone Bank, Fargo, ND established a facility at 415 20th Ave SW, Minot, ND.

First Financial Corporation, Arthur, ND changed control by Williams Family 2021 Irrevocable Trust acquiring 10% or more of the voting shares and thereby joining the Williams Family Group, a group acting in concert which controls 25%

or more of First Financial Corporation, Arthur, ND, which controls 100% of BankNorth, Arthur, ND.

BANK BUDGET UPDATE

Acting Commissioner Krebs gave an overview of the Department's budget. He stated the Department expenditures, and what is remaining for the biennium are tracking within budget.

EXECUTIVE SESSION

It was moved by Member Heilman seconded by Member Rehovsky and carried by a vote of 7 to 0 to adjourn to executive session.

The Board went into closed session at 9:51 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1, and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2. Those that were present during the executive session were Acting Chair Krebs, Member Foster, Member Jahner, Member Heilman, Member Schollmeyer, Member Schmid, Member Rehovsky, Ryan Spah, Angie Mills Fischer, Dean DePountis, and Megan Sauer.

PUBLIC SESSION

The Board returned to open session at 10:12 a.m.

The meeting adjourned at 10:13 a.m.



Corey Krebs, Acting Chair



Megan Sauer, Acting Secretary