

ENROLLED HOUSE
BILL NO. 1469

By: Kinnamon of the House

and

Robinson of the Senate

An Act relating to banks and trust companies;
amending 6 O.S. 1991, Section 714, which relates to
directors and officers; providing for quarterly
meetings of board of directors of trust companies;
providing for quarterly review of certain reports
by board of directors of trust companies; and
providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 1991, Section 714, is
amended to read as follows:

Section 714. A. Monthly meeting - Special meeting - Minutes. The board of directors of a bank shall meet at least once every month and the board of directors of a trust company shall meet at least once every quarter. The Commissioner, a director or an executive officer may call a special meeting. A majority of the board of directors shall constitute a quorum. The board shall keep minutes of each meeting, including a record of attendance and a record of all votes of the directors that would be pertinent to the business of the bank, to any officer, or to any stockholder. A copy of the minutes of each meeting of the board of directors shall be furnished to the Commissioner.

B. Transactions to be reviewed by bank and trust company board of directors - Minutes to be signed. The board of directors of each bank ~~and trust company~~ shall review at least monthly and the board of directors of each trust company shall review at least quarterly written reports prepared by the president or other officer of the corporation setting forth such transactions occurring during the calendar month or quarter, as appropriate, preceding the meeting as the Commissioner shall require by appropriate regulations.

C. Annual examination - Banks and trust companies. The board of directors of every bank and trust company shall examine, at least once in each calendar year at intervals of not more than fifteen (15) months, all the affairs of the corporation including the character and value of investments and loans, the efficiency of operating procedures and such other matters as the Commissioner prescribes. A report of the examination shall be submitted promptly to the Commissioner and shall embody such information as the Commissioner requires. The board of directors may provide that such examination shall be conducted by a committee of not less than three (3) directors, by certified public accountants, or by independent auditors responsible only to the board of directors. Such examination shall be made when practicable without the assistance of the executive officers of the bank or trust company. Such report of

examination shall be reviewed by the directors at the next meeting of the board of directors.

D. Board of directors - Bank having trust powers. A bank authorized to exercise trust powers shall not accept or voluntarily relinquish a fiduciary account without approval or ratification of the board of directors or of a committee of officers or directors designated by the board to perform this function, but the board of directors or the committee may prescribe general rules governing acceptance or relinquishment of fiduciary accounts, and action taken by an officer in accordance with these rules is sufficient approval. Any committee so designated shall keep minutes of its meetings and report at each monthly meeting of the board of directors all action taken since the previous meeting of the board. The board of directors shall designate one or more committees of not less than three qualified officers or directors to supervise the investment of fiduciary funds. No such investment shall be made, retained or disposed of without the approval of a committee to which the bank has delegated investment or review responsibility. At least once in every calendar year at intervals of not more than twelve (12) months, the committee shall review all the assets of each fiduciary account as to which the bank has investment or review responsibility and shall determine their current value, safety and suitability and whether the investments should be modified or retained. The committee shall keep minutes of its meetings and shall report at each monthly meeting of the board of directors its conclusions on all questions.

E. Official communications from banking department; submission to directors. Every official communication directed by the Commissioner or any examiner to any bank or trust company or to any officer thereof, relating to an investigation or examination conducted by the State Banking Department or containing suggestions or recommendations as to the conduct of the business of the bank or trust company, shall be submitted by the officer receiving it to the board of directors at the next meeting of the board and duly noted in the minutes of the meeting of the board in such form and in such manner as may be prescribed and directed by the Commissioner. No officer of any bank or trust company shall fail to comply with this subsection.

SECTION 2. This act shall become effective November 1, 1995.

Passed the House of Representatives the 10th day of May, 1995.

Speaker of the House of
Representatives

Passed the Senate the 10th day of May, 1995.

President of the Senate