

1 STATE OF OKLAHOMA

2 2nd Session of the 47th Legislature (2000)

3 COMMITTEE SUBSTITUTE
4 FOR
5 HOUSE BILL NO. 2676

By: Weaver

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to banks and trust companies;
9 amending 6 O.S. 1991, Section 101, as amended by
10 Section 1, Chapter 111, O.S.L. 1997 (6 O.S. Supp.
11 1991, Section 101), which relates to short title;
12 modifying short title; amending 6 O.S. 1991, Section
13 102, as last amended by Section 2, Chapter 111,
14 O.S.L. 1997 (6 O.S. Supp. 1999, Section 102), which
15 relates to definitions; modifying and deleting
16 definitions; amending 6 O.S. 1991, Section 204, as
17 last amended by Section 8, Chapter 111, O.S.L. 1997
18 (6 O.S. Supp. 1999, Section 204), which relates to
19 powers of the State Banking Commissioner; authorizing
20 certain fees to be deposited or paid out of certain
21 revolving fund; including trust companies in certain
22 interpretive statements and opinions; amending 6 O.S.
23 1991, Section 207, as last amended by Section 3,
24 Chapter 27, O.S.L. 1999 (6 O.S. Supp. 1999, Section
25 207), which relates to judicial review of orders from
26 the Banking Board or the State Banking Commissioner;
27 modifying the setting of certain bond; obligating
28 certain person to request bond amount; prohibiting
29 request from postponing or extending certain time
30 period; permitting prevailing party to make certain
31 application; amending 6 O.S. 1991, Section 208, as
32 last amended by Section 10, Chapter 111, O.S.L. 1997
(6 O.S. Supp. 1999, Section 208), which relates to
records of the Oklahoma State Banking Department;
permitting Oklahoma State Banking Department to
retain and preserve records electronically in lieu of
retaining original records or copies; stating that
electronically stored documents shall have same force
and effect as originals; amending 6 O.S. 1991,
Section 209, as last amended by Section 4, Chapter
27, O.S.L. 1999 (6 O.S. Supp. 1999, Section 209),
which relates to examinations and reports; modifying
time period certain examinations and reports to be
preserved; amending 6 O.S. 1991, Section 211, as last
amended by Section 12, Chapter 111, O.S.L. 1997 (6
O.S. Supp. 1999, Section 211), which relates to fees
and assessments; updating statutory references;
modifying basis of certain assessment; defining term;
changing fee to assessment and clarifying that
assessment is in addition to other assessment;
amending Section 13, Chapter 111, O.S.L. 1997 (6 O.S.
Supp. 1999, Section 211.1), which relates to the
Oklahoma State Banking Department Revolving Fund;
adding statutory reference for funds to be deposited
into revolving fund; amending Section 14, Chapter
111, O.S.L. 1997 (6 O.S. Supp. 1999, Section 211.2),

1 which relates to the Bank Examination Revolving Fund;
2 referencing certain provision allowing for
3 expenditure of funds; permitting revolving fund to
4 include certain amounts received by the Oklahoma
5 State Banking Department; amending 6 O.S. 1991,
6 Section 303, as amended by Section 20, Chapter 111,
7 O.S.L. 1997 (6 O.S. Supp. 1999, Section 303), which
8 relates to incorporators of banks or trust companies;
9 modifying persons eligible to organize a bank or
10 trust company; amending 6 O.S. 1991, Section 303.1,
11 as amended by Section 21, Chapter 111, O.S.L. 1997 (6
12 O.S. Supp. 1999, Section 303.1), which relates to
13 capital structure of a bank; increasing amount of
14 capital necessary to obtain a state charter; amending
15 6 O.S. 1991, Section 407, as amended by Section 42,
16 Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999, Section
17 407), which relates to trust powers; increasing
18 amount of capital necessary for consideration of
19 application to exercise trust powers; amending 6 O.S.
20 1991, Section 414, as last amended by Section 47,
21 Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999, Section
22 414), which relates to real estate and equipment of
23 bank or trust company; permitting state bank to
24 purchase real estate for certain purposes after
25 certain approval; providing exception to certain
26 prohibition against holding real estate; requiring
27 current appraisal; amending 6 O.S. 1991, Section 415,
28 as last amended by Section 48, Chapter 111, O.S.L.
29 1997 (6 O.S. Supp. 1999, Section 415), which relates
30 to drive-in or walk-up facilities; requiring detached
31 facilities to be on certain property; deleting
32 certain restrictions on detached facilities; deleting
certain restrictions for obtaining certificate for a
detached facility; deleting measurements for distance
limitations; deleting requirements and procedures for
bank relocations; amending Section 3, Chapter 295,
O.S.L. 1992, as last amended by Section 53, Chapter
111, O.S.L. 1997 (6 O.S. Supp. 1999, Section 424),
which relates to origination of loans at locations
other than main or branch office; permitting bank to
establish certain locations upon application and
payment of fee; amending 6 O.S. 1991, Section 501.1,
as last amended by Section 7, Chapter 27, O.S.L. 1999
(6 O.S. Supp. 1999, Section 501.1), which relates to
branch banking; deleting certain branch banking
restrictions and procedures relating to the
application and establishment of branch banks;
deleting banks locations and mobile facilities on the
campus of an institution of higher education;
deleting branch banks by acquisition; deleting
prohibition and procedures relating thereto for
certain banks to acquire other banks; deleting
prohibition against banks from being acquired until
in existence for a certain time period; deleting
requirement that branch bank only be established upon
certificate from State Banking Commissioner or
Comptroller of Currency and the procedure relating
thereto; deleting certain construction of certain
provisions; deleting policy of Legislature relating
to branch banking; deleting restrictions and
procedure for relocating branch banks; deleting
permission for Banking Board to establish procedure
relating to relocations of branch banks; deleting

1 restriction for out-of-state banks to establish
2 separate branch banks, limited service facilities or
3 de novo branches; permitting out-of-state banks to
4 establish de novo branches upon certain
5 circumstances; prohibiting certain banks from
6 establishing certain branch banks; modifying certain
7 procedures relating to acquisitions; increasing
8 certain deposit limitation; prohibiting a bank from
9 establishing and operating branch bank or relocate
10 branch bank without certain certificate; permitting
11 banks to establish and operate branch banks upon
12 certain approval; setting forth procedure, standards
13 and requirements for certain branch bank application;
14 stating that all existing branch banks become lawful;
15 permitting banks to opt-out certain detached
16 facilities and setting forth procedure therefor;
17 defining terms; authorizing banks and savings
18 associations to operate on the campus of institutions
19 of higher education; setting forth certain
20 restrictions; permitting temporary branches; defining
21 term; permitting Banking Board to establish certain
22 rules relating to branch banks; permitting the
23 assessment of application fee for branch banks;
24 prohibiting certain banks from acquiring other banks;
25 providing exceptions; protecting certain rights to
26 operate and maintain facilities; stating that certain
27 operation is not considered a branch bank; amending 6
28 O.S. 1991, Section 502, as last amended by Section 2,
29 Chapter 404, O.S.L. 1997 (6 O.S. Supp. 1999, Section
30 502), which relates to bank holding companies;
31 increasing certain deposit limitations; deleting
32 certain requirements for bank board of directors;
deleting certain limitations and prohibitions on
acquisitions and de novo charters; amending 6 O.S.
1991, Section 506, as last amended by Section 57,
Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999, Section
506), which relates to out-of-state bank holding
companies; deleting certain prohibited transactions
and acquisition bid procedures; prohibiting certain
ownership; amending 6 O.S. 1991, Section 714, as last
amended by Section 69, Chapter 111, O.S.L. 1997 (6
O.S. Supp. 1999, Section 714), which relates to bank
directors; permitting board members to participate in
board meetings by electronic means; authorizing board
meeting minutes to be transmitted electronically;
amending 6 O.S. 1991, Section 1103, as last amended
by Section 88, Chapter 111, O.S.L. 1997 (6 O.S. Supp.
1999, Section 1103), which relates to approval of the
board of directors; modifying statutory reference to
certain revolving fund; amending 6 O.S. 1991, Section
1109, as last amended by Section 39, Chapter 104,
O.S.L. 1998 (6 O.S. Supp. 1999, Section 1109), which
relates to sale or purchase of assets of bank, trust
company, or savings association; clarifying language;
amending 6 O.S. 1991, Section 1206, as last amended
by Section 96, Chapter 111, O.S.L. 1997 (6 O.S. Supp.
1999, Section 1206), which relates to conservator;
modifying statutory reference for certain revolving
fund; amending 6 O.S. 1991, Section 2107, as last
amended by Section 10, Chapter 27, O.S.L. 1999 (6
O.S. Supp. 1999, Section 2107), which relates to
annual license fees, renewals, and license
certificates pursuant to the Sale of Checks Act;

1 deleting certain maximum annual fee; modifying
2 statutory reference to certain revolving fund;
3 amending 6 O.S. 1991, Section 2113, as last amended
4 by Section 14, Chapter 27, O.S.L. 1999 (6 O.S. Supp.
5 1999, Section 2113), which relates to examination of
6 books and records under Sale of Checks Act; requiring
7 fee to be paid for audit or review; permitting State
8 Banking Commissioner to accept certain examination
9 and charge certain fees; modifying statutory
10 reference to certain revolving fund; amending 8 O.S.
11 1991, Section 166, as last amended by Section 2,
12 Chapter 82, O.S.L. 1995 (8 O.S. Supp. 1999, Section
13 166), which relates to Perpetual Care Fund annual
14 report and examination of books and records;
15 requiring payment of certain annual fee; requiring
16 annual fee to be deposited into certain revolving
17 fund; permitting Attorney General to initiate certain
18 action to recover certain monies and to seek certain
19 injunction; amending 8 O.S. 1991, Section 305, as
20 amended by Section 7, Chapter 82, O.S.L. 1995 (8 O.S.
21 Supp. 1999, Section 305), which relates to
22 application for permit for cemetery merchandise
23 trust; increasing amount of filing fee; modifying
24 date of permit expiration; increasing amount of
25 permit renewal fee; changing due date of permit
26 renewal; amending 8 O.S. 1991, Section 308, as last
27 amended by Section 10, Chapter 82, O.S.L. 1995 (8
28 O.S. Supp. 1999, Section 308), which relates to
29 annual report and filing fee for cemetery merchandise
30 trust fund; increasing filing fee for annual report;
31 repealing 6 O.S. 1991, Section 217, which relates to
32 bank service charges; providing for codification;
providing an effective date; and declaring an
emergency.

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

SECTION 1. AMENDATORY 6 O.S. 1991, Section 101, as
amended by Section 1, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
Section 101), is amended to read as follows:

Section 101. This act may be cited as the "Oklahoma Banking
Code ~~of 1997~~".

SECTION 2. AMENDATORY 6 O.S. 1991, Section 102, as last
amended by Section 2, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
Section 102), is amended to read as follows:

Section 102. As used in the Banking Code unless the context
otherwise requires:

1. "Acquisition" or "acquire" means any act or action with
respect to the ownership or control of a bank or the purchase of its

1 assets and the assumption of its liabilities which would require the
2 approval of the Federal Deposit Insurance Corporation, the Office of
3 the Comptroller of the Currency, the Board of Governors of the
4 Federal Reserve System under the Bank Holding Company Act of 1956,
5 as amended, or the Office of Thrift Supervision under the Savings
6 and Loan Holding Company Act, as amended;

7 2. "Action" in the sense of a judicial proceeding includes
8 recoupment, counterclaim, third-party claims, cross claims, setoff,
9 suit in equity, arbitration and any other proceedings in which
10 rights are determined;

11 3. "Bank" means any bank authorized and chartered by the laws
12 of this state to engage in the banking business, or any bank
13 chartered by the office of the Comptroller of the Currency with its
14 main office in this state;

15 4. "Banking company" means any bank;

16 5. "Bank holding company" means any Oklahoma corporation which
17 directly or indirectly owns or controls at least one bank or out-of-
18 state bank as defined in this section;

19 6. "Board" when used with an initial capital letter means the
20 Banking Board of this state;

21 7. "Branch bank" means any place of business separated from the
22 main office of a bank at which deposits are received, or checks paid
23 or money lent;

24 8. "Capital" shall include the paid-in common capital stock
25 account, preferred stock account, surplus account, undivided profits
26 account, capital reserves (other than contingency reserves),
27 allowance for possible loan losses and mandatory convertible
28 instruments that are convertible into common stock. "Capital" shall
29 also include all other approved subordinated notes and debentures,
30 having an original weighted average maturity of at least seven (7)
31 years, to the extent their maturity date exceeds five (5) years. As
32 such notes and debentures approach maturity of less than five (5)

1 years, they shall be considered "capital" in proportion to their
2 years to maturity as it bears to five (5) years;

3 9. "Commissioner" means the State Banking Commissioner
4 appointed and serving pursuant to this act, who shall be the
5 Commissioner of Banking and who shall administer and enforce the
6 applicable provisions of this act;

7 10. "Community" means a city, town or incorporated village of
8 this state, or a trade area in this state in unincorporated
9 territory;

10 11. "Company" means any corporation, association, partnership,
11 business trust or similar organization, but shall not include any
12 corporation, the majority of the shares of which are owned by the
13 United States or by any state;

14 12. "Compliance review committee" means:

15 a. an audit, loan review or compliance committee
16 appointed by the Board of Directors of an insured
17 depository institution, or

18 b. any other person to the extent the person acts in an
19 investigatory capacity at the direction of a
20 compliance review committee;

21 13. "Compliance review documents" means documents prepared for
22 or created by a compliance review committee;

23 14. "Confusingly similar name" means:

24 a. as applied to the name of any bank, a name which is
25 identical to that of any other bank located within
26 this state, or a name which:

27 (1) contains one or more of the following words with
28 or without the words "State," "National," or
29 "Trust": American, Central, Citizens, City,
30 Commerce, Commercial, Community, Exchange,
31 Farmers & Merchants, First, Guaranty, Oklahoma,
32 Peoples, Security or United,

1 (2) does not contain a geographical name (other than
2 "Oklahoma") descriptive of the immediate location
3 of the bank (street, town, city, county or other
4 local geographical name),

5 (3) does not contain other unique or clearly
6 distinguished words or marks, and

7 (4) is not a federally registered trade name,
8 trademark or service mark owned by or licensed to
9 the particular bank, or

10 b. as applied to the name of any person not a bank, a
11 name which is confusingly similar in spelling or
12 wording or sound to the name of any bank located
13 anywhere within this state, if such name would tend to
14 suggest falsely to the public that the person is a
15 bank or is affiliated with the bank, directly or
16 indirectly. However, nothing contained in this
17 subsection shall prohibit the use of a similar name by
18 a corporation which is in a relationship to the bank
19 of parent, subsidiary, brother-sister corporation or
20 other commonly controlled company.

21 The Board shall promulgate rules which govern the use of
22 "confusingly similar names" as defined in this paragraph;

23 15. "Consumer banking electronic facility" means any electronic
24 device owned, operated, leased by or on the behalf of a bank,
25 savings association, or credit union other than a telephone or modem
26 operated by a customer of a depository institution, to which a
27 person may initiate an electronic fund transfer. The term includes
28 without limitations, a point-of-sale terminal, automatic teller
29 machines, automated loan machines, video banking centers, or any
30 other similar electronic devices;

31 16. "Continuing bank" means a merging bank the charter of which
32 becomes the charter of the resulting bank;

1 17. "Control" means control as such term is defined under the
2 Federal Bank Holding Company Act of 1956, as amended, 12 U.S.C.,
3 Section 1841;

4 18. "Converting bank" means a bank converting from a state to a
5 national bank, or the reverse;

6 19. "Court" means a court of competent jurisdiction;

7 20. "Department" means the Oklahoma State Banking Department of
8 ~~Banking of this state~~ created by this Code;

9 21. "Deposits" means all demand, time and savings deposits of
10 individuals, partnerships, corporations, the United States and
11 states and political subdivisions of the United States, deposits of
12 banks, foreign governments, institutions, deposits held by foreign
13 banking offices or corporations organized pursuant to 12 U.S.C.,
14 Sections 601 through 604a, or Sections 611 through 631, as amended.
15 Determinations of deposits shall be made by the Commissioner by
16 reference to regulatory reports of condition or similar reports
17 filed by banks or savings associations with state or federal
18 regulatory agencies;

19 ~~22. "Determining population" means the population shown and~~
20 ~~determined by the last preceding federal census, or any subsequent~~
21 ~~census compiled and certified under any law of this state, and is~~
22 ~~deemed to be the population of any city or town in which any such~~
23 ~~bank has its main office. If the main office of any bank or trust~~
24 ~~company is located outside the boundary or corporate limits of any~~
25 ~~city or town, then the population within a radius of three (3) miles~~
26 ~~of its main office, which is not included within the boundaries of~~
27 ~~any municipality, as such population is shown and determined by such~~
28 ~~federal or subsequent official census, shall be the basis for~~
29 ~~classification under this act;~~

30 ~~23.~~ "Emergency" means any condition or occurrence which may
31 interfere physically with the conduct of normal business operations
32 at one or more or all of the offices of a bank or an out-of-state

1 bank, or which poses an imminent or existing threat to the safety or
2 security of persons or property, or both. Without limiting the
3 generality of the foregoing, an emergency may arise as a result of
4 any one or more of the following: fires; floods; earthquakes;
5 hurricanes; wind, rain or snow storms; labor disputes and strikes;
6 power failures; transportation failures; interruptions of
7 communication facilities; shortages of fuel, housing, food,
8 transportation or labor; robberies or attempted robberies; actual or
9 threatened enemy attack; epidemics or other catastrophes; riots,
10 civil commotions and other acts of lawlessness or violence, actual
11 or threatened;

12 ~~24.~~ 23. "Executive officer", when referring to a bank, out-of-
13 state bank, or trust company, means any person designated as such in
14 the bylaws and includes, whether or not so designated, the chairman
15 of the board of directors, chairman of the executive committee, the
16 president, any vice-president, the trust officer, the treasurer, the
17 cashier, the comptroller and the secretary, or any person who
18 performs the duties appropriate to those offices;

19 ~~25.~~ 24. "Federal Reserve Act" means the Act of Congress
20 approved December 23, 1913, (38 Stat. 251), as amended;

21 ~~26.~~ 25. "Federal Reserve Bank" means the Federal Reserve Banks
22 created and organized under authority of the Federal Reserve Act;

23 ~~27.~~ 26. "Federal Reserve Board" means the Board of Governors of
24 the Federal Reserve System created and described in the Federal
25 Reserve Act, as amended;

26 ~~28.~~ 27. "Fiduciary" means original or successor trustee of an
27 expressed or implied trust, including, but not limited to, a
28 resulting or constructive trust, special administrator, executor,
29 administrator, administrator common trust agreement, guardian,
30 guardian-trustee or conservator for a minor or other incompetent
31 person, receiver, trustee in bankruptcy, assignee for creditors or
32

1 any holder of a similar position of trust acting alone or with
2 others;

3 ~~29.~~ 28. "General obligation" means obligations of the State of
4 Oklahoma or a political subdivision of this state and of any other
5 state or political subdivision thereof supported by the full faith
6 and credit of the obligor. It includes all obligations payable from
7 a special fund when the full faith and credit of a state or any
8 political subdivision of a state is obligated for payment into the
9 fund of amounts which will be sufficient to provide for all required
10 payments in connection with the obligation. It implies an obligor
11 possessing resources sufficient to justify faith and credit;

12 ~~30.~~ 29. "Good faith" means honesty in fact in the transaction
13 and some reasonable ground for belief that the transaction is
14 rightful or authorized;

15 ~~31.~~ 30. "Insolvent" means that the actual cash market value of
16 a bank's assets is insufficient to pay its liabilities other than
17 its capital stock, surplus and undivided profits, or that the bank
18 is unable to meet the demands of its creditors in the usual course
19 of business;

20 ~~32.~~ 31. "Insured depository institution" means any bank or
21 savings association the deposits of which are insured by the Federal
22 Deposit Insurance Corporation;

23 ~~33.~~ 32. "Interstate merger transaction" means a merger between
24 two banks, two savings associations or a bank and a savings
25 association, one of which is chartered by or has its main office
26 located in this state, and the other of which is an out-of-state
27 bank as defined in this section;

28 ~~34.~~ 33. "Investment securities" means marketable obligations in
29 the form of bonds, notes or debentures which are commonly regarded
30 as investment securities. It does not include investments which are
31 predominantly speculative in nature;

32

1 ~~35.~~ 34. "Item" means any instrument for the payment of money
2 even though not negotiable, but does not include money;

3 ~~36.~~ 35. "Legal newspaper" means a newspaper qualified to
4 publish legal notices under the provisions of Section 106 of Title
5 25 of the Oklahoma Statutes;

6 ~~37.~~ 36. "Loan review committee" means a person or group of
7 persons who, on behalf of an insured depository institution, reviews
8 loans held by such institution for the purpose of assessing the
9 credit quality of the loans, compliance with the loan policies of
10 such institution, and compliance with the applicable state and
11 federal laws, regulations and rules;

12 ~~38.~~ 37. "Local media" means:

- 13 a. any newspaper, radio station or television station
14 with its main office located in the same city or town
15 in which a particular main office of a bank is
16 located, and
- 17 b. other means or media of advertising, including without
18 limitation any outdoor signage on the premises of the
19 bank, billboards, bulk mailings and other
20 solicitations to persons who are not customers of the
21 bank, but only to the extent that any such advertising
22 is strictly limited in geographical location or
23 distribution to the same city or town, including the
24 immediate surrounding unincorporated rural area, where
25 the particular main office of the bank is located;

26 ~~39.~~ 38. "Main bank" means the office location which has been
27 designated by the State Banking Commissioner or Comptroller of the
28 Currency as the main office of a bank;

29 ~~40.~~ 39. "Main office" means either the main bank or the main
30 office location of a savings association;

31 ~~41.~~ 40. "Managing officer" means the chief executive officer of
32 the bank;

1 ~~42.~~ 41. "Member bank" means any national bank, state bank or
2 banking and trust company which becomes a member of the Federal
3 Reserve System;

4 ~~43.~~ 42. "Merger" includes consolidation;

5 ~~44.~~ 43. "Military banking facility" means a facility maintained
6 by a bank upon a military installation, provided the facility must
7 be within the confines of a military reservation and located upon
8 property owned or leased by the United States government;

9 ~~45.~~ 44. "Mobile ~~facility~~" means ~~any place of business separated~~
10 ~~from the main office or a branch office of a bank at which deposits~~
11 ~~are received, checks paid, or money lent and which is designed the~~
12 ability to be moved, picked up, rolled, pulled or driven. ~~A mobile~~
13 ~~facility is prohibited from operation except for use at an~~
14 ~~institution of higher education as set forth in subsection B of~~
15 ~~Section 501.1 of this title;~~

16 ~~46.~~ 45. "Multibank holding company" means an Oklahoma
17 corporation which directly or indirectly owns or controls two or
18 more banks, two or more bank holding companies, or one or more of
19 each as defined in this section;

20 ~~47.~~ 46. "National Bank Examiner" or "Federal Bank Examiner"
21 means any person employed as a bank examiner by the Comptroller of
22 the Currency, the Federal Deposit Insurance Corporation and the
23 Federal Reserve Board or Bank;

24 ~~48.~~ 47. "Office" means any place at which a bank or an out-of-
25 state bank transacts its business or conducts operations related to
26 its business;

27 ~~49.~~ 48. "Officer", when referring to a bank, out-of-state bank
28 or trust company, means any person designated as such in the bylaws
29 and includes, whether or not so designated, any executive officer,
30 the chairman of the board of directors, the chairman of the
31 executive committee, and any trust officer, assistant trust officer,
32 assistant vice-president, assistant treasurer, assistant cashier,

1 assistant comptroller, assistant secretary, auditor or any person
2 who performs the duties appropriate to those offices;

3 ~~50.~~ 49. "Order" means all, or any part, of the final
4 disposition, whether affirmative, negative, injunctive or
5 declaratory in form, by the Commissioner or the Banking Board, of
6 any matter other than the making of regulations of general
7 application;

8 ~~51.~~ 50. "Out-of-state bank" means a national bank or a state or
9 federal savings association which has its main office located in a
10 state other than Oklahoma, or a bank chartered by a state other than
11 Oklahoma;

12 ~~52.~~ 51. "Out-of-state bank holding company" means a bank
13 holding company which is not incorporated in this state and which
14 directly or indirectly owns or controls one or more banks or out-of-
15 state banks as defined in this section;

16 ~~53.~~ 52. "Person" means an individual, group of individuals,
17 board, committee, partnership, firm, association, corporation or
18 other entity;

19 ~~54.~~ 53. "Political subdivision" includes a county, city, town
20 or other municipal corporation, a public authority, and generally
21 any publicly owned entity which is an instrumentality of the state
22 or a municipal corporation;

23 ~~55.~~ 54. "Principal place of business of a bank or a bank
24 holding company" means the state in which the total deposits of the
25 bank or the bank subsidiaries of the bank holding company are the
26 largest;

27 ~~56.~~ 55. "Reason to know" means that upon the information
28 available a person of ordinary intelligence in the particular
29 business, or of the superior intelligence or experience which the
30 person in question may have, would infer that the fact in question
31 exists or that there is such a substantial chance of its existence
32 that, if exercising reasonable care with reference to the matter in

1 question, conduct would be predicated upon the assumption of its
2 possible existence;

3 ~~57.~~ 56. "Resulting bank" means the combined banks and trust
4 companies carrying on business upon completion of a merger;

5 ~~58.~~ 57. "Retailer" means a person, corporation or partnership,
6 primarily engaged in the sale of goods at retail to the general
7 public;

8 ~~59.~~ 58. "Savings association" means any savings and loan
9 association or savings bank chartered under the laws of this state
10 or the laws of the United States authorized to engage in the savings
11 and loan business with its main office located in this state;

12 ~~60.~~ 59. "Savings association branch" means any place of
13 business separated from the main office of a savings association at
14 which deposits are received, checks paid or money lent;

15 ~~61.~~ 60. "Subsidiary" with respect to a specified bank holding
16 company or multibank holding company means a subsidiary as the term
17 is defined in the Federal Reserve Bank Holding Company Act of 1956,
18 as amended, 12 U.S.C., Section 1841; and

19 ~~62.~~ 61. "Trust company" means:

- 20 a. any person doing a trust company business as set forth
21 in this Code except an incorporated or unincorporated
22 organization which is organized under Section
23 501(c)(3) of the Internal Revenue Code as being
24 organized and operated exclusively for educational,
25 religious, charitable, or other eleemosynary purposes
26 when exercising powers pursuant to the Oklahoma
27 Charitable Fiduciary Act and the Oklahoma General
28 Corporation Act, and
29 b. the trust departments of banks authorized to engage in
30 the trust company business.

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1 SECTION 3. AMENDATORY 6 O.S. 1991, Section 204, as last
2 amended by Section 8, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
3 Section 204), is amended to read as follows:

4 Section 204. A. ~~Powers.~~ In addition to other powers conferred
5 by this Code, the State Banking Commissioner shall have the power to
6 require a bank, bank holding company or trust company or
7 shareholder, officer, director, or bank employee to:

8 1. Maintain its accounting system in accordance with such
9 regulations as may be prescribed by the Board or as the Commissioner
10 may prescribe in absence of Board regulations; provided, the
11 accounting system required shall have due regard to the size of the
12 banking and trust organization;

13 2. Observe methods and standards which the Commissioner may
14 prescribe for determining the value of various types of assets;

15 3. Charge off the whole or part of an asset which at the time
16 of the Commissioner's action could not lawfully be acquired;

17 4. Write down an asset to its market value;

18 5. Record liens and other interest in property;

19 6. Obtain a financial statement from a borrower to the extent
20 that the bank can do so;

21 7. Obtain insurance against damage to real estate taken as
22 security;

23 8. Search, or obtain insurance of, the title to real estate
24 taken as security;

25 9. Maintain adequate insurance against such other risks as the
26 Commissioner may determine to be necessary and appropriate for the
27 protection of depositors, trust funds and the public; and

28 10. Cease and desist from engaging in any act or transaction,
29 or doing any act in furtherance thereof, which would constitute a
30 violation of the provisions of the Oklahoma Banking Code, federal
31 banking law or the applicable banking law of another state, or a
32

1 lawful regulation issued thereunder, or to cease and desist from
2 engaging in any unsafe or unsound banking or trust practice.

3 B. Before issuing an order provided for in subsection A of this
4 section, the Commissioner shall give reasonable notice of an
5 opportunity for a hearing. However, if the Commissioner makes
6 written findings of fact that the protection of depositors will be
7 harmed by delay in issuing an order provided for in subsection A of
8 this section, the Commissioner may issue a temporary order pending
9 the hearing on the order provided for in subsection A of this
10 section. The temporary order shall remain in effect until three (3)
11 business days after the hearing on the order provided for in
12 subsection A of this section and shall become final if the bank or
13 trust company subject to the order fails within fifteen (15) days
14 after the receipt of the order to request a hearing to determine
15 whether the temporary order should be modified, vacated, or become
16 final. If a hearing on the temporary order is not held upon written
17 request, the temporary order shall dissolve and the order provided
18 for in subsection A of this section shall not be issued except upon
19 reasonable notice and opportunity for hearing.

20 C. Any bank or trust company aggrieved by a final order of the
21 Commissioner as provided for in this section may obtain a review of
22 the order by the Board, who shall have the power to affirm, modify,
23 reverse, or stay the enforcement of any order of the Commissioner.

24 D. The Commissioner may enter into cooperative, coordinating,
25 and information-sharing agreements with any other bank supervisory
26 agencies or any organization affiliated with or representing one or
27 more bank supervisory agencies with respect to the periodic
28 examination or other supervision of any bank, bank holding company,
29 or branch in this state of an out-of-state state bank, or any branch
30 of an Oklahoma state bank in any other state, and the Commissioner
31 may accept such reports of examination and reports of investigation
32 in lieu of conducting the Commissioner's own examinations or

1 investigations. If such agreements result in the payment of fees,
2 however calculated, by any other bank supervisory agency to the
3 Oklahoma State Banking Department for examination activities
4 conducted by Department personnel, whether such examination activity
5 is conducted inside or outside of this state, such fees shall be
6 deposited in the Bank Examination Revolving Fund established by
7 Section 211.2 of this title. If such agreements result in the
8 payment of fees, however calculated, by the Department to any other
9 bank supervisory agency for examination activities conducted by such
10 other bank supervisory agency, whether such examination activity is
11 conducted inside or outside of this state, such fees shall be paid
12 by the Department from the Bank Examination Revolving Fund
13 established by Section 211.2 of this title.

14 E. ~~Regulatory supervision.~~ The Commissioner may enter into
15 cooperative agreements with other bank regulatory agencies to
16 facilitate the regulation of banks and bank holding companies doing
17 business in this state. The Commissioner may accept reports of
18 examinations and other records from such other agencies in lieu of
19 conducting its own examinations of banks controlled by out-of-state
20 bank holding companies. The Commissioner may take any action
21 jointly with other regulatory agencies having concurrent
22 jurisdiction over banks and bank holding companies or may take such
23 actions independently in order to carry out the ~~Commissioner's~~
24 responsibilities of the Commissioner.

25 F. 1. ~~Interpretive statements and opinions.~~ The Commissioner
26 may issue interpretive statements containing matters of general
27 policy for the guidance of state banks and trust companies. The
28 Commissioner may amend or repeal an interpretive statement by
29 issuing an amended statement or notice of repeal of a statement and
30 shall provide notice thereof and make it available to all state-
31 chartered banks and trust companies upon request.
32

1 2. The Commissioner may issue opinions in response to specific
2 requests from members of the public or the banking and trust
3 industry directly or through the Deputy Commissioner or the
4 Department's attorneys. The Commissioner may amend or repeal an
5 opinion by issuing an amended statement or notice of repeal of an
6 opinion and shall provide notice thereof and make it available to
7 all state-chartered banks and trust companies upon request, except
8 that the requesting party may rely on the original opinion if all
9 material facts were originally disclosed to the Commissioner,
10 considerations of safety and soundness of the affected bank are not
11 implicated with respect to further and prospective reliance on the
12 original opinion, and the text and interpretation of relevant,
13 governing provisions of this act have not been changed by
14 legislative or judicial action.

15 3. An interpretive statement or opinion issued under this
16 section does not have the force of law and is not a rule.

17 SECTION 4. AMENDATORY 6 O.S. 1991, Section 207, as last
18 amended by Section 3, Chapter 27, O.S.L. 1999 (6 O.S. Supp. 1999,
19 Section 207), is amended to read as follows:

20 Section 207. A. Final orders of the Board or the State Banking
21 Commissioner may be appealed to the Supreme Court of Oklahoma by any
22 party directly affected and showing aggrievement by the order. A
23 mere increase in competition resulting from the order shall not
24 constitute aggrievement.

25 B. An appeal shall be commenced by filing with the clerk of the
26 Supreme Court, within thirty (30) days from the date of the order or
27 decision, a petition in error with a copy of the order or decision
28 appealed from. The time limit prescribed herein for filing the
29 petition in error may not be extended. The manner of perfection of
30 the record of the proceedings to be reviewed and the time for its
31 completion shall be in accordance with rules prescribed by the
32 Supreme Court.

1 C. 1. A necessary jurisdictional prerequisite to the
2 acceptance of the appeal by the Supreme Court shall include an
3 affirmative showing of aggrievement from the record, by reference in
4 the petition in error, which cannot be a mere increase in
5 competition.

6 2. The appeal must be perfected by the posting of a bond by the
7 appellant in ~~an~~ a reasonable amount ~~set by the Board~~ not to exceed
8 the amount of reasonably projected gross income for four (4) years
9 in the case of a branch, relocation, merger or acquisition, or an
10 amount equal to the capital, surplus and undivided profits required
11 to be paid in the case of a new charter. When the order being
12 appealed is that of the Banking Board, the Board, in its sole
13 discretion, shall set the amount of the bond. When the order being
14 appealed is that of the Commissioner, the Commissioner, in the sole
15 discretion of the Commissioner, shall set the amount of the bond.
16 It is the obligation of the appellant to request that a bond amount
17 be set and such request shall not postpone or extend the time period
18 in which an appeal must be filed with the Oklahoma Supreme Court.

19 3. In the event the appellant is not the prevailing party in
20 the appeal, the prevailing party may apply ~~to the Board~~ for an order
21 assessing the bond in the amount demonstrated by such party to have
22 been lost by reason of the delay caused by the appeal. The amount
23 shall be based on the income projections in the original proceeding
24 found ~~by the Board~~ to have been reasonable. The prevailing party
25 shall make such application to the Board if the original order was
26 issued by the Board or shall make such application to the
27 Commissioner if the original order was issued by the Commissioner.

28 D. The Court shall give great weight to findings made and
29 inferences drawn by the Board or Commissioner on questions of fact.
30 The Court may affirm the decision or remand the case for further
31 proceedings. Additionally, the Court may reverse or modify the
32 decision if substantial rights of the appellant have been prejudiced

1 because the findings, inferences or conclusions are not supported by
2 substantial evidence in the record.

3 SECTION 5. AMENDATORY 6 O.S. 1991, Section 208, as last
4 amended by Section 10, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
5 Section 208), is amended to read as follows:

6 Section 208. A. The following records in the Oklahoma State
7 Banking Department are designated as public records:

8 1. All applications for state bank charters and supporting
9 information with the exception of personal financial records of
10 individual applicants;

11 2. All records introduced at public hearings on bank charter
12 applications;

13 3. Information disclosing the failure of a state bank, an out-
14 of-state bank and branches of out-of-state banks located in this
15 state and the reasons therefor;

16 4. Reports of completed investigations which uncover a shortage
17 of funds in a bank, an out-of-state bank and branches of out-of-
18 state banks located in this state, after the reporting of the
19 shortage to proper authorities by the State Banking Commissioner;

20 5. Names of all stockholders and officers of banks, out-of-
21 state banks, out-of-state bank holding companies, and branches of
22 out-of-state banks located in this state filed in the office of the
23 Secretary of State; and

24 6. Regular financial call reports issued at the time of the
25 state bank calls.

26 B. All other records in the Department shall be confidential
27 and not subject to public inspection. However, the Banking Board,
28 Commissioner, or Deputy Commissioner may divulge such confidential
29 information with the written approval of the Commissioner after
30 receipt of a written request which shall:

31 1. Specify the record or records to which access is requested;
32 and

1 2. Give the reasons for the request. Such records may also be
2 produced pursuant to a valid judicial subpoena or other legal
3 process requiring production, if the Commissioner determines that
4 the records are relevant to the hearing or proceeding and that
5 production is in the best interests of justice. The records may be
6 disclosed only after a determination that good cause exists for the
7 disclosure. Either prior to or at the time of any disclosure, the
8 Commissioner shall impose such terms and conditions as the
9 Commissioner deems necessary to protect the confidential nature of
10 the record, the financial integrity of any institution to which the
11 record relates, and the legitimate privacy interests of any
12 individual named in such records.

13 C. All documents which the Department is required, by any
14 provision of the Oklahoma Banking Code or by any other statute or
15 regulation of this state, to retain or preserve in its possession
16 may be retained and preserved, in lieu of retention of the original
17 records or copies, in an electronic format and stored by electronic
18 imaging or otherwise so that the documents may be later reproduced
19 as necessary. Any such electronically stored or imaged document or
20 reproduction shall have the same force and effect as the original
21 thereof and be admitted in evidence equally with the original.

22 SECTION 6. AMENDATORY 6 O.S. 1991, Section 209, as last
23 amended by Section 4, Chapter 27, O.S.L. 1999 (6 O.S. Supp. 1999,
24 Section 209), is amended to read as follows:

25 Section 209. A. 1. The State Banking Commissioner shall, at
26 least every eighteen (18) months or as often as the Commissioner
27 deems advisable, examine every bank and trust company, and for the
28 purpose of making such examinations and special examinations, shall
29 have full access to all books, papers, securities, records and other
30 sources of information under the control of banks and trust
31 companies; ~~shall~~. Upon the conclusion of the examination, the
32 Commissioner may make and file in the office of the Commissioner a

1 report in detail disclosing the results of such examination~~r~~ or may,
2 on conditions prescribed by the Commissioner, prepare a summary
3 memorandum regarding the results of such examination, and shall,
4 upon request by the bank, mail a copy of such report or memorandum
5 to the bank or trust company examined. However, the Commissioner
6 may accept, in lieu of any three consecutive bank examinations, the
7 examination that may have been made of the bank or trust company
8 within a reasonable period by the Federal Deposit Insurance
9 Corporation, the Board of Governors of the Federal Reserve System,
10 or the Office of Thrift Supervision provided a copy of the
11 examination, report, or other document prepared as a result of the
12 examination is furnished to the Commissioner.

13 2. The Commissioner may also accept any other report relative
14 to the condition of a bank or trust company, to include joint or
15 concurrent examinations which may be obtained by the authorities
16 within a reasonable period, in lieu of such report authorized by the
17 laws of this state to be required of such bank by the Oklahoma State
18 Banking Department, provided a copy of such report is furnished to
19 the Commissioner.

20 3. The Commissioner may enter into cooperative, coordinating,
21 and information-sharing agreements with the Federal Deposit
22 Insurance Corporation, the Board of Governors of the Federal Reserve
23 System, or the Office of Thrift Supervision with respect to the
24 periodic examination or other supervision of any state bank, trust
25 company, or state thrift.

26 4. When requested in writing upon authority of the board of
27 directors or stockholders owning a majority of the capital stock of
28 any bank or trust company, the Commissioner shall, if in the opinion
29 of the Commissioner such examination is desirable, make or cause to
30 be made an examination into the affairs and conditions of such bank
31 or trust company. For such examination such bank or trust company
32

1 shall pay the same fees as provided for in subsection B of Section
2 211 of this title.

3 B. Every bank shall make four reports each year and more often
4 if called upon by the Commissioner and according to the form which
5 may be prescribed by the Commissioner, and every trust company shall
6 make two reports each year and more often if called upon by the
7 Commissioner and according to the form which may be prescribed by
8 the Commissioner. They must be verified by the oath or affirmation
9 of the president, cashier or secretary of such bank or trust
10 company, ~~and~~ attested by the signatures of at least two of the
11 directors, and shall be retained and made available for inspection
12 upon request of the Commissioner or designated representatives of
13 the Commissioner. Each such report shall exhibit, in detail and
14 under appropriate ~~heads~~ headings, the ~~resources~~ assets and
15 liabilities of the corporation at the close of business on any last
16 day by the Commissioner specified, and shall be transmitted to the
17 Commissioner within thirty (30) calendar days after the call date,
18 and may be published at the expense of the bank or trust company in
19 the same form in which it is made to the Commissioner. The
20 Commissioner shall also have the power to call for special reports
21 from any bank or trust company whenever, in the ~~Commissioner's~~
22 judgment of the Commissioner, the same are necessary in order to
23 gain a full and complete knowledge of its condition. However, the
24 reports authorized and required by this section, to be called for by
25 the Commissioner, shall relate to a date prior to the date of such
26 call to be specified therein. Additionally, the Commissioner may
27 accept, in lieu of the reports referred to in this section, reports
28 made by banks that are members of the Federal Reserve System on
29 forms provided by the Federal Reserve System.

30 C. Every bank or trust company which fails to make and transmit
31 any report required within the discretion of the Commissioner, under
32 the Oklahoma Banking Code ~~of 1997~~, shall be subject to a penalty not

1 to exceed Fifty Dollars (\$50.00) for each day, after the period
2 respectively therein mentioned, that the bank or trust company
3 delays to make and transmit its report. Whenever any bank or trust
4 delays or refuses to pay the penalty herein imposed for a failure to
5 make and transmit a report, the Commissioner is hereby authorized to
6 maintain an action in the name of the state against the delinquent
7 bank or trust company for the recovery of such penalty, and all sums
8 collected by such action shall be paid into the State Treasury to be
9 credited to the General Revenue Fund.

10 D. For the purpose of carrying into effect the provisions of
11 this Code, the Commissioner shall provide a form for the necessary
12 blanks for such examinations and reports⁺, and all examinations and
13 reports received by the Commissioner shall be preserved in the
14 office of the Commissioner for a period of not less than ~~ten (10)~~
15 five (5) years. Such examination and reports and all other records
16 of operating banks and trust companies in the ~~Banking~~ Department are
17 to be kept confidential, except as permitted by this Code.

18 SECTION 7. AMENDATORY 6 O.S. 1991, Section 211, as last
19 amended by Section 12, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
20 Section 211), is amended to read as follows:

21 Section 211. A. 1. The Banking Board shall charge and collect
22 from each bank or trust company under its supervision not more than
23 an annual fee of Five Hundred Dollars (\$500.00) which shall be
24 deposited in the Oklahoma State Banking Department revolving fund
25 pursuant to Section ~~13~~ 211.1 of this ~~act~~ title.

26 2. The Board shall charge and collect an assessment from each
27 bank or trust company under its supervision on each One Thousand
28 Dollars (\$1,000.00) of ~~resources~~ assets, or major fraction thereof,
29 ~~in an amount as~~ at a rate established by the Board. As used in this
30 paragraph, "assets" shall not include assets held by a trust company
31 in its fiduciary capacity.

32

1 3. The ~~minimum fee~~ assessment for bank trust departments, which
2 shall be in addition to the assessment collected pursuant to
3 paragraph 2 of this subsection, shall be Five Hundred Dollars
4 (\$500.00). The assessment shall be paid annually to the Banking
5 Department no later than the ~~25th~~ 5th day of ~~January~~ February in
6 each year. Failure to pay within such time will result in a penalty
7 of not more than Fifty Dollars (\$50.00) per day for each day it is
8 in violation of this section, which penalty, together with the
9 amount due under the foregoing provisions of this section, may be
10 recovered in a civil action in the name of the state.

11 4. Except as otherwise provided by law, all assessments shall
12 be paid into the State Treasury and accrue to the General Revenue
13 Fund of the state. All fees shall be deposited in the Department
14 revolving fund pursuant to Section ~~13~~ 211.1 of this ~~act~~ title.

15 B. Whenever it is deemed advisable by the State Banking
16 Commissioner, special examinations of banks, trust companies and any
17 other person under, subject to or proposed to become under or
18 subject to the supervision of the Commissioner shall be conducted.
19 The expenses of the Department necessarily incurred in the special
20 examination shall be chargeable to the bank, trust company or person
21 examined at the rate not to exceed Fifty Dollars (\$50.00) per hour
22 plus travel expenses as provided by subsection ~~C~~ B of Section 201.1
23 of this title for each of the examining personnel while engaged at
24 such institution. Payments received pursuant to this subsection
25 shall be deposited in the Department revolving fund pursuant to
26 Section ~~13~~ 211.1 of this ~~act~~ title.

27 SECTION 8. AMENDATORY Section 13, Chapter 111, O.S.L.
28 1997 (6 O.S. Supp. 1999, Section 211.1), is amended to read as
29 follows:

30 Section 211.1 There is hereby created in the State Treasury a
31 revolving fund for the Oklahoma State Banking Department. The
32 revolving fund shall consist of all monies received by the

1 Commissioner under Sections 104, 303, 415 and 501.1 of this title
2 and Section 381.16 of Title 18 of the Oklahoma Statutes and those
3 payments required to be deposited in the revolving fund pursuant to
4 Sections 211, 1103, 1206, 2001.2, 2107 and 2113 of this title ~~and~~ ,
5 Section 381.15 of Title 18 of the Oklahoma Statutes, and Section 166
6 of Title 8 of the Oklahoma Statutes. The revolving fund shall be a
7 continuing fund, not subject to fiscal year limitations.
8 Expenditures from the fund shall be made pursuant to the laws of
9 this state and the statutes relating to the Department, and without
10 legislative appropriation. Warrants for expenditures from the fund
11 shall be drawn by the State Treasurer, based on claims signed by an
12 authorized employee or employees of the ~~the~~ Department and approved
13 for payment by the Director of State Finance.

14 SECTION 9. AMENDATORY Section 14, Chapter 111, O.S.L.
15 1997 (6 O.S. Supp. 1999, Section 211.2), is amended to read as
16 follows:

17 Section 211.2 A. There is hereby created in the State Treasury
18 the "Bank Examination Revolving Fund" for the Oklahoma State Banking
19 Department. The Bank Examination Revolving Fund shall be a
20 continuing fund, not subject to fiscal year limitations. All monies
21 accruing to the credit of the fund pursuant to this section are
22 hereby appropriated and may be budgeted and expended by the ~~Banking~~
23 Department for the general operating expenses of the ~~Banking~~
24 Department and as required by subsection D of Section 204 of this
25 title. Expenditures from the fund shall be made upon warrants
26 issued by the State Treasurer against claims filed as prescribed by
27 law with the Director of State Finance for approval and payment.

28 B. The Bank Examination Revolving Fund shall consist of monies
29 received from the assessment on each One Thousand Dollars
30 (\$1,000.00) of ~~resources~~ assets provided for in Section 211 of ~~Title~~
31 ~~6 of the Oklahoma Statutes~~ this title. When the amount collected
32 from the assessment and deposited in the General Revenue Fund

1 exceeds the amount as certified by the State Board of Equalization
2 pursuant to Section 23 of Article X of the Constitution of the State
3 of Oklahoma, the excess monies collected from the assessment shall
4 be directly deposited by the Department into the Bank Examination
5 Revolving Fund. Additionally, the Bank Examination Revolving Fund
6 shall include amounts received by the Department pursuant to
7 agreements authorized under subsection D of Section 204 of this
8 title.

9 SECTION 10. AMENDATORY 6 O.S. 1991, Section 303, as
10 amended by Section 20, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
11 Section 303), is amended to read as follows:

12 Section 303. A. One or more ~~individuals desiring to organize~~
13 persons eligible by the Oklahoma Banking Code or by federal law to
14 own and control a bank or trust company shall file with the State
15 Banking Commissioner, in a method as required by the Commissioner,
16 an application for authority to organize setting forth the
17 information required by Section 305 of this title.

18 B. Each organizer shall subscribe and pay in full in cash for
19 stock having a total subscription price of not less than one percent
20 (1%) of the minimum capital required by Section 303.1 of this title.

21 C. In lieu of the application method set forth in subsections A
22 and B of this section, a bank and multibank holding company which
23 meets the requirements of subsection G of Section 502 of this title
24 may file with the Commissioner, in a method as required by the
25 Commissioner, an application for authority to organize a bank
26 setting forth the information required by Section 305 of this title.

27 D. An application fee in an amount prescribed by Board rule
28 shall accompany the application. The fee is payable from the
29 organizational expense fund and is nonrefundable.

30 SECTION 11. AMENDATORY 6 O.S. 1991, Section 303.1, as
31 amended by Section 21, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
32 Section 303.1), is amended to read as follows:

1 Section 303.1 A. ~~The~~ Except as provided in subsection B of
2 this section, the State Banking Commissioner may not issue a charter
3 to a state bank having required capital of less than ~~One Million~~
4 ~~Dollars (\$1,000,000.00)~~ ~~except as provided in subsection B of this~~
5 ~~section~~ the greater of Two Million Dollars (\$2,000,000.00) or such
6 amount as may be required by the Federal Deposit Insurance
7 Corporation.

8 B. The Commissioner may require additional capital for a
9 proposed bank or, on application in the exercise of discretion
10 consistent with protecting safety and soundness, reduce the amount
11 of minimum capital required for a proposed bank, if the Commissioner
12 finds the proposed scope or type of operations of a proposed bank
13 requires additional, or permits reduced, capital, consistent with
14 the safety and soundness of the bank. To the extent determined by
15 the Commissioner to be relevant, the safety and soundness factors to
16 be considered by the Commissioner in the exercise of discretion
17 include but are not limited to:

18 1. The nature and type of business conducted;

19 2. The nature and degree of liquidity in assets held in a
20 corporate capacity;

21 3. The size of population of the proposed market;

22 4. The existence and type of concentrations of lending or
23 investing, if any, likely for the bank;

24 5. The geographic size of the proposed market;

25 6. The competence and experience of management;

26 7. The extent and adequacy of internal controls;

27 8. The presence or absence of annual unqualified audits by an
28 independent certified public accountant;

29 9. The reasonableness of business plans for retaining or
30 acquiring additional capital; and

31 10. Federal Deposit Insurance Corporation capital requirements.
32

1 C. Any trust company hereafter organized shall have paid-in
2 capital totaling Two Million Dollars (\$2,000,000.00).

3 D. The issuance of preferred stock by a newly organized bank or
4 trust company may be authorized by the Commissioner. Preferred
5 stock shall have such preferences, powers and rights as the
6 Commissioner may approve. It shall not be retired without the
7 approval of the Commissioner and the requirement of such approval
8 shall be stated in the stock certificates, but the Commissioner may
9 give advance approval to sinking funds payable exclusively out of
10 earnings available for dividends.

11 SECTION 12. AMENDATORY 6 O.S. 1991, Section 407, as
12 amended by Section 42, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
13 Section 407), is amended to read as follows:

14 Section 407. Any bank heretofore organized not authorized by
15 its certificate of incorporation to exercise trust powers may file
16 an application with the State Banking Commissioner requesting such
17 authority.

18 1. The application must be approved by majority vote of the
19 outstanding voting stock and the resolution so adopted must be duly
20 verified by the president or cashier of the bank.

21 2. In passing upon the application, the Commissioner will give
22 consideration to the following matters and to any other facts and
23 circumstances the Commissioner deems proper:

24 a. whether the bank has sufficient capital to exercise
25 the fiduciary powers applied for, which capital shall
26 be no less than ~~One Million Dollars (\$1,000,000.00)~~
27 Two Million Dollars (\$2,000,000.00),

28 b. the proposed market for fiduciary services and the
29 probable volume of such fiduciary business available
30 to the bank,

31 c. the general condition of the bank, including the
32 adequacy of its capital in relation to the character

- 1 and condition of its assets and to its deposit
2 liabilities and other corporate responsibilities,
3 including the exercise of fiduciary powers,
4 d. the general character and ability of the management of
5 the bank,
6 e. the nature of the supervision to be given to the
7 fiduciary activities, including the qualifications,
8 experience and character of the proposed officer or
9 officers of the trust department, and
10 f. whether the bank has available legal counsel to advise
11 and pass upon fiduciary matters whenever necessary.

12 3. The qualifying bank may, by appropriate amendment to its
13 certificate of incorporation, change its name by adding thereto, "&
14 Trust Company" or "and Trust Company".

15 4. An application for authority to exercise trust powers shall
16 be accompanied by a fee as set by rule of the Banking Board.

17 SECTION 13. AMENDATORY 6 O.S. 1991, Section 414, as last
18 amended by Section 47, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
19 Section 414), is amended to read as follows:

20 Section 414. A. ~~Real estate and equipment necessary to bank's~~
21 ~~operation.~~

22 1. A bank or trust company may purchase and hold real estate,
23 equipment, furniture and fixtures necessary for the convenient
24 transaction of its business, the cost of which shall not exceed its
25 capital. This limitation may be exceeded upon written approval of
26 the State Banking Commissioner.

27 2. A bank or trust company may purchase and hold fixtures,
28 facilities and real estate as may be approved by the Commissioner,
29 including but not limited to storage facilities, facilities for
30 civic or public use or facilities for the benefit of employees of
31 the bank, bank customers or the community. No banking business of
32 any type shall be engaged in or conducted at such facilities.

1 3. A bank or trust company may lease out to such tenants as it
2 deems appropriate any portion of its banking house or premises not
3 utilized in the conduct of its banking operations.

4 4. Upon written approval of the Commissioner, a bank or trust
5 company may purchase real estate at a location where the bank or
6 trust company could lawfully establish an office.

7 5. A state bank may purchase or construct a municipal building,
8 such as a school building, or other similar public facility and, as
9 holder of legal title, lease the same to a municipality or other
10 public authority having resources sufficient to make payment of all
11 rentals as they become due. The lease agreement shall provide that
12 upon its expiration the lessee will become owner of the building or
13 facility.

14 6. Subject to prior approval by the Commissioner and such
15 conditions and limitations as the Commissioner shall prescribe,
16 which shall be consistent with any rules the State Banking Board may
17 prescribe, a state bank may purchase real estate for the purpose of
18 producing income, sale, or for development and improvement,
19 including the erection of buildings thereon, for sale or rental
20 purposes.

21 ~~B. Real estate acquired in satisfaction of debt.~~

22 1. A bank or trust company may purchase and hold real estate
23 conveyed to it in satisfaction of debts previously contracted in
24 good faith in the course of business.

25 2. All such real estate shall be accounted for individually at
26 the lower of the recorded investment in the loan satisfied or its
27 fair market value on the date of the transfer.

28 3. The recorded investment in the loan satisfied is the unpaid
29 balance of the loan, increased by accrued and uncollected interest,
30 unamortized premium, and loan acquisition costs, if any, and
31 decreased by previous direct write down, finance charges and
32 unamortized discount, if any.

1 C. ~~Improvement of real estate.~~ Upon notification by the bank
2 to the Commissioner that such conditions exist that require the
3 expenditure of funds for the development and improvement of such
4 real estate, and subject to such conditions and limitations as the
5 Commissioner shall prescribe, the bank may expend its funds to
6 enable such bank to recover its total investment.

7 D. ~~Real estate acquired under judgment, decree or mortgage~~
8 ~~foreclosure.~~ A bank or trust company may acquire and hold real
9 estate such as it shall purchase at sale under judgment, decree or
10 mortgage foreclosure, under securities held by it.

11 E. ~~Sale of real estate acquired under subsections B and D.~~

12 1. Without the written approval of the Commissioner, real
13 estate acquired in the cases contemplated in subsections B and D of
14 this section may be held for an initial holding period of no longer
15 than five (5) years from the date of acquisition. However, a bank
16 may apply, during the first two (2) years in which the real estate
17 is acquired by the bank, for approval by the Commissioner to retain
18 such real estate for the purposes described in paragraph 6 of
19 subsection A of this section. In the case of approval by the
20 Commissioner, the rules of this subsection shall not apply to such
21 property. In the absence of such application, or if the application
22 is denied by the Commissioner, the rules of this subsection shall
23 apply to the retention of the real estate by the bank.

24 2. Following the expiration of the initial holding period, one
25 additional extension period of up to five (5) years may be granted
26 upon the written approval of the Commissioner.

27 3. A bank or trust company must begin to write down the book
28 value for each property held as other real estate owned a minimum of
29 ten percent (10%) each year during the additional extension period.
30 The bank or trust company shall then be required to write off the
31 remaining balance of the other real-estate-owned property at the end
32 of the additional extension period.

1 4. Banks or trust companies shall be required to keep current
2 appraisals on file to substantiate their other real-estate-owned
3 property book values. A full appraisal or a supplement which
4 updates a full appraisal, not more than twelve (12) months old,
5 shall be considered current for purposes of this paragraph.

6 5. Banks or trust companies shall also continue efforts to
7 dispose of the real estate at the earliest possible opportunity.

8 6. At the conclusion of the additional extension period, real
9 estate may be disposed of or carried as prescribed by the
10 Commissioner.

11 7. For purposes of this section, ownership interests in oil,
12 gas and other subsurface mineral rights other than mere leasehold
13 interests shall be considered real estate; ~~provided, however.~~
14 However, notwithstanding the holding limitation of this section or
15 any other provision contained herein, any bank or trust company
16 which on October 15, 1982, held, directly or indirectly, any oil,
17 gas and other subsurface mineral rights, other than mere leasehold
18 interests, that since December 31, 1979, had not been valued on the
19 books of such bank or trust company for more than a nominal amount,
20 may continue to hold such subsurface rights or interest without
21 limitation.

22 F. ~~Investments and loans to corporation holding bank and trust~~
23 ~~company premises.~~ Any bank or trust company organized under the
24 laws of this state may invest its funds in the stocks, bonds,
25 debentures or other such obligations of any corporation holding the
26 premises of such bank or trust company, and may make loans to or
27 upon the security of any such corporation, but the aggregate of all
28 such investments and loans together with the investments provided
29 for in subsection A of this section shall not exceed its capital.
30 This limitation may be exceeded upon the written approval of the
31 Commissioner.

1 G. ~~Conveyance of real estate.~~ Every conveyance of real estate
2 and every lease thereof made by a bank or trust company ~~must~~ shall
3 have the name of such bank or trust company subscribed thereto,
4 either by an attorney-in-fact, president, vice-president, ~~chairman~~
5 chairperson or ~~vice-chairman~~ vice-chairperson of the board of
6 directors of such corporation.

7 H. Nothing in this section shall preclude or limit in any
8 manner investments by a bank permitted under any other section of
9 this Code.

10 SECTION 14. AMENDATORY 6 O.S. 1991, Section 415, as last
11 amended by Section 48, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
12 Section 415), is amended to read as follows:

13 Section 415. A. ~~Drive-in or walk-up service authorized.~~

14 1. Any bank chartered pursuant to the laws of this state may
15 maintain and operate outside attached facilities, and, subject to
16 the approval of the Banking Board as evidenced by its certificate,
17 ~~three~~ detached facilities on real property owned or leased by the
18 bank having one or more tellers' windows for drive-in or walk-up
19 service or both. ~~Of the three detached facilities, one may be on~~
20 ~~property owned or leased by the bank and located less than one~~
21 ~~thousand (1,000) feet from the bank's main building, one may be on~~
22 ~~property owned or leased by the bank located less than three (3)~~
23 ~~miles from the main bank building, and one may be on property owned~~
24 ~~or leased by the bank located anywhere within the municipal limits~~
25 ~~of where the main bank building is located.~~

26 2. Any branch may maintain and operate ~~one~~ outside attached
27 ~~facility~~ facilities having one or more tellers' windows for drive-in
28 or walk-up service or both on property owned or leased by the bank.

29 3. ~~The Board or the Comptroller of the Currency shall not grant~~
30 ~~a certificate for a detached facility unless it is more than three~~
31 ~~hundred thirty (330) feet from any other existing main bank building~~
32

1 ~~or branch building or unless the facility is established with the~~
2 ~~irrevocable consent of such other bank.~~

3 4. For the purposes of this section the date of approval of a
4 bank charter or the date of approval of a branch by the appropriate
5 state or federal authority shall be the date of existence of such
6 bank, branch, or facility.

7 ~~5. For purposes of this section, the distance limitation shall~~
8 ~~be determined by measuring along a straight line drawn between the~~
9 ~~nearest exterior wall of the appropriate main bank building or~~
10 ~~branch building and the nearest exterior wall of the facility.~~

11 B. ~~Certificate to maintain additional outside facilities -~~
12 ~~Notice and hearing - Injunction of prohibited activities.~~

13 1. No bank shall be permitted to maintain and operate such
14 additional outside facilities except upon certificate issued by the
15 Board.

16 2. The application for a certificate to maintain and operate a
17 detached facility shall comply with the regulations of the Board.
18 An application fee in an amount prescribed by Board rule shall
19 accompany the application. Within twenty (20) days after the
20 conclusion of the hearing the Board, in its sole discretion, shall
21 approve or deny the application and shall notify the applicant of
22 its decision.

23 3. Any banking function may be performed at a detached facility
24 except that of making loans. Upon the recommendation of the State
25 Banking Commissioner, the Attorney General shall bring an
26 appropriate action to enjoin a bank from conducting the making of
27 loans at such facilities.

28 4. Any facility authorized pursuant to the laws of this state
29 prior to October 1, 1983, shall not be rendered unlawful by any
30 provision of this section.

31
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1 5. The provisions of this section shall not be construed in
2 derogation or denial of the right to operate and maintain facilities
3 as provided for in Sections 421 and 422 of this title.

4 C. ~~Relocations. It is the policy of the Legislature that~~
5 ~~detached facilities, whether for main offices or former main offices~~
6 ~~converted to a branch by acquisition or otherwise, or main offices~~
7 ~~of banks state or national, not be permitted to be relocated in such~~
8 ~~a manner which would result in one or more detached facilities in~~
9 ~~locations which could not have been lawfully established there to~~
10 ~~begin with, except as specifically permitted herein. A detached~~
11 ~~facility may be relocated by relocation of a main office.~~

12 1. ~~Detached facilities of a main office or former main office~~
13 ~~converted to a branch may not remain or be established in locations~~
14 ~~or numbers which are not within the requirements of subsection A of~~
15 ~~this section by reason of relocation of the main office or former~~
16 ~~main office converted to a branch or otherwise.~~

17 2. ~~Relocation of a main office or former main office converted~~
18 ~~to a branch which would result in one or more detached facilities no~~
19 ~~longer being within the requirements of subsection A of this~~
20 ~~section, will require with regard to any such detached facility:~~

- 21 a. ~~relocation of any such detached facilities to a~~
22 ~~location within the requirements of subsection A of~~
23 ~~this section for the newly relocated main office or~~
24 ~~former main office converted to a branch,~~
25 b. ~~divestiture of any such detached facility, or~~
26 c. ~~closing of any such detached facility.~~

27 ~~The preceding requirements shall be accomplished before the date the~~
28 ~~relocated main office or former main office converted to a branch~~
29 ~~opens for business.~~

30 D. Notwithstanding paragraph 1 of subsection A of this section
31 and paragraphs 1 and 2 of subsection B of this section, the Board
32 may by rule establish a procedure whereby the Commissioner may grant

1 approval and issue the certificate to establish and operate or
2 relocate a detached facility without a hearing before the Board.
3 The procedure shall include criteria set by the Board to be applied
4 by the Commissioner in the consideration of the application.

5 SECTION 15. AMENDATORY Section 3, Chapter 295, O.S.L.
6 1992, as last amended by Section 53, Chapter 111, O.S.L. 1997 (6
7 O.S. Supp. 1999, Section 424), is amended to read as follows:

8 Section 424. Subject to rules promulgated by the Banking Board,
9 a bank may utilize employees of the bank to originate loans or
10 originate deposit accounts, or both, at locations other than the
11 main office or a branch office of such bank, provided that the loan
12 decision is made and the loan is funded at the main office or a
13 branch office of the bank and provided that no deposits shall be
14 accepted or received at the deposit origination office. A bank may
15 establish an office location described in this section by making an
16 application to the State Banking Commissioner on a form prescribed
17 by the Commissioner. An application fee of Five Hundred Dollars
18 (\$500.00) shall accompany the application.

19 SECTION 16. AMENDATORY 6 O.S. 1991, Section 501.1, as
20 last amended by Section 7, Chapter 27, O.S.L. 1999 (6 O.S. Supp.
21 1999, Section 501.1), is amended to read as follows:

22 Section 501.1 A. ~~1. Any bank may establish and perform any~~
23 ~~banking function at no more than two branch banks on property owned~~
24 ~~or leased by the bank as follows:~~
25 a. ~~located within the corporate city limits where the~~
26 ~~main bank is located, or~~
27 b. ~~located within twenty-five (25) miles of the main bank~~
28 ~~if located in a city or town which has no state or~~
29 ~~national bank located in the city or town; provided~~
30 ~~however, if an application for a bank charter has been~~
31 ~~filed, the Board shall give priority to the charter~~
32 ~~application.~~

1 ~~2. Neither the Board nor the Comptroller of the Currency shall~~
2 ~~grant a certificate for any branch bank unless it is more than three~~
3 ~~hundred thirty (330) feet from any main bank or branch bank in~~
4 ~~counties with a population of five hundred thousand (500,000) or~~
5 ~~more according to the 1980 Federal Decennial Census unless the~~
6 ~~branch bank is established with the irrevocable consent of such~~
7 ~~other bank. This distance limitation shall be determined by~~
8 ~~measuring along a straight line drawn between the nearest exterior~~
9 ~~wall of the appropriate main bank building or branch bank building~~
10 ~~and the nearest exterior wall of the branch bank or facility.~~

11 ~~3. If at the time of acquisition of a bank pursuant to~~
12 ~~subsection C of this section no other state or national bank was~~
13 ~~located in the same city or town as the acquired bank, the Board or~~
14 ~~the Comptroller of the Currency shall not grant any other bank a~~
15 ~~certificate to establish a branch bank within such city or town for~~
16 ~~a period of five (5) years after the acquisition and operation of~~
17 ~~the branch bank.~~

18 ~~B. Any main bank, branch bank or savings association located in~~
19 ~~a county where an institution of higher education is located may~~
20 ~~open accounts and accept deposits for not to exceed three (3) days~~
21 ~~per year on the campus of the institution of higher education at an~~
22 ~~institution-sponsored event if permission is granted by the~~
23 ~~institution. A bank or savings association may use a mobile~~
24 ~~facility for the purpose of opening accounts and accepting deposits~~
25 ~~as described in this subsection. Except as provided in this~~
26 ~~subsection, a mobile facility shall not be used for any other~~
27 ~~purpose.~~

28 ~~C. 1. Subject to the limitations in subsection D of this~~
29 ~~section, any bank may acquire and operate as branch banks at which~~
30 ~~any banking function may be performed an unlimited number of banks~~
31 ~~or savings associations or branch banks or savings association~~
32 ~~branches without restriction on location. Any such acquisition of a~~

1 ~~bank or savings association may include all of the assets and~~
2 ~~liabilities of the bank or savings association and all branches and~~
3 ~~facilities thereof which have been established prior to the date of~~
4 ~~the acquisition as determined by the Board or the Comptroller of the~~
5 ~~Currency.~~

6 2. ~~If a bank or savings association acquired pursuant to this~~
7 ~~subsection had not established any or all of the outside-attached~~
8 ~~facilities or detached facilities permitted under Section 415 of~~
9 ~~this title or Section 381.24b of Title 18 of the Oklahoma Statutes~~
10 ~~at the time of acquisition, the acquiring bank may establish such~~
11 ~~facilities after the acquisition.~~

12 D. 1. ~~It shall be unlawful for any bank or out-of-state bank~~
13 ~~which has direct or indirect control of more than fifteen percent~~
14 ~~(15%) of the total amount of deposits of insured depository~~
15 ~~institutions located in Oklahoma as determined by the Commissioner~~
16 ~~on the basis of the most recent reports of such institutions to~~
17 ~~their supervisory authorities to acquire any other bank or savings~~
18 ~~association in this state.~~

19 2. ~~The deposit limitation provided for in this subsection shall~~
20 ~~not apply to disallow an acquisition of a bank or savings~~
21 ~~association if control results only by reason of ownership or~~
22 ~~control of shares of a bank or savings association acquired directly~~
23 ~~or indirectly:~~

- 24 a. ~~in a good faith fiduciary capacity, except when such~~
25 ~~shares are held for the benefit of the acquiring~~
26 ~~bank's shareholders, or~~
- 27 b. ~~by a bank in the regular course of securing or~~
28 ~~collecting a debt previously contracted in good faith,~~
29 ~~or~~
- 30 c. ~~at the request of or in connection with the exercise~~
31 ~~of regulatory authority for the purpose of preventing~~
32 ~~imminent failure of the bank or savings association or~~

1 ~~to protect the depositors thereof as determined by the~~
2 ~~principal supervisory agency in its sole discretion.~~

3 ~~Provided, however, at the end of a period of five (5) years from the~~
4 ~~date of acquisition, for the circumstances set forth in~~
5 ~~subparagraphs b and c of this paragraph, the deposits of the~~
6 ~~acquired bank or savings association shall be included in computing~~
7 ~~the deposit limitation and if deposits are in excess, appropriate~~
8 ~~reductions and disposition shall be made within six (6) months to~~
9 ~~meet such limitations. Further, in the circumstances set forth in~~
10 ~~subparagraph c of this paragraph, the Commissioner and the Federal~~
11 ~~Deposit Insurance Corporation shall give priority in authorizing any~~
12 ~~such acquisition to any acquiring bank whose total deposits do not~~
13 ~~exceed the deposit limitation.~~

14 ~~E. Subject to the limitations in subsection D of this section,~~
15 ~~a bank or savings association shall not be acquired by a bank and~~
16 ~~operated as a branch bank until the bank or savings association to~~
17 ~~be acquired has been in existence and continuous operation for a~~
18 ~~period of five (5) years. Subject to the limitations in subsection~~
19 ~~D of this section, after January 1, 1997, a branch bank or savings~~
20 ~~association branch shall not be acquired by a bank and operated as a~~
21 ~~branch bank until the branch bank or savings association branch to~~
22 ~~be acquired has been in existence and continuous operation for a~~
23 ~~period of five (5) years. The provisions of this subsection shall~~
24 ~~not prevent a bank from acquiring a bank to be operated as a branch~~
25 ~~bank whose charter was granted for the purpose of:~~

26 ~~1. Purchasing the assets and assuming the liabilities of a bank~~
27 ~~closed by the Commissioner or the Comptroller of the Currency due to~~
28 ~~insolvency or impairment of capital; or~~

29 ~~2. Acquiring or merging with an existing bank with an interim~~
30 ~~bank charter in accordance with the laws of this state or of the~~
31 ~~United States.~~

1 ~~F. 1. No bank shall be permitted to establish or operate a~~
2 ~~branch bank except upon certificate issued by the Commissioner or~~
3 ~~Comptroller of the Currency.~~

4 ~~2. The application for a certificate to establish or operate a~~
5 ~~branch bank of a state bank shall comply with the regulations of the~~
6 ~~Board. Within thirty (30) days after receipt of the application,~~
7 ~~the Commissioner shall report the results of the investigation of~~
8 ~~the Commissioner to the Board. Notice of hearing on the application~~
9 ~~shall be given as required by any rule by the Board. Within twenty~~
10 ~~(20) days after the conclusion of the hearing, the Board, in its~~
11 ~~sole discretion, shall approve or deny the application and shall~~
12 ~~notify the applicant of its decision. An application fee may be~~
13 ~~assessed in an amount set by rule of the Board.~~

14 ~~G. The provisions of this section shall not be construed in~~
15 ~~derogation or denial of the right to operate and maintain facilities~~
16 ~~as provided for in Sections 421 and 422 of this title.~~

17 ~~H. It is the policy of the Legislature of Oklahoma that~~
18 ~~branches, whether de novo or by acquisition, or main offices of~~
19 ~~banks state or national, not be permitted to be relocated in such a~~
20 ~~manner which would result in one or more branches in locations which~~
21 ~~could not have been lawfully established there to begin with, except~~
22 ~~as specifically permitted herein. A branch may be relocated:~~

23 ~~1. De novo. For a branch which was established as a de novo~~
24 ~~branch and not a branch by acquisition, on property owned or leased~~
25 ~~by the bank:~~

26 ~~a. within the corporate city limits where the main bank~~
27 ~~is located, or~~

28 ~~b. within twenty-five (25) miles of the main bank if the~~
29 ~~branch will be located in a city or town which has no~~
30 ~~state or national bank located in the city or town.~~

31 ~~However, if an application for a bank charter has been~~
32 ~~filed, the Board or the Office of the Comptroller of~~

1 ~~the Currency shall give priority to the charter~~
2 ~~application if filed prior to the filing of the branch~~
3 ~~application;~~

4 ~~2. By acquisition. A branch which resulted from the~~
5 ~~acquisition of a branch from another bank or savings and loan or of~~
6 ~~a main office or branch thereof, which was converted to a branch,~~
7 ~~hereinafter referred to as the "acquired branch". Application may~~
8 ~~be made to relocate the acquired branch to a location on property~~
9 ~~owned or leased by the bank:~~

10 a. ~~within the corporate city limits where the acquired~~
11 ~~branch is located, or~~

12 b. ~~to a location within twenty-five (25) miles of the~~
13 ~~acquired branch if the relocation is to be in a city~~
14 ~~or town in which no state or national bank is located.~~
15 ~~However, if an application for a bank charter has been~~
16 ~~filed, the Board or the Office of the Comptroller of~~
17 ~~the Currency shall give priority to the charter~~
18 ~~application if filed prior to the branch application;~~
19 ~~or~~

20 ~~3. By relocation of a main office.~~

21 a. ~~De novo branches of a main office may not remain or be~~
22 ~~established in locations or numbers which are not~~
23 ~~within the requirements of subsection A of this~~
24 ~~section by reason of relocation of the main office.~~

25 b. ~~Relocation of a main office which would result in one~~
26 ~~or more de novo branches no longer being within the~~
27 ~~requirements of subsection A of this section, will~~
28 ~~require with regard to any such branch:~~

29 ~~(1) relocation of any such branch to a location~~
30 ~~within the requirements of subsection A of this~~
31 ~~section for the newly relocated main office,~~

32 ~~(2) divestiture of any such branch, or~~

1 ~~(3) closing of any such branch.~~

2 ~~The preceding requirements must be accomplished before the date the~~
3 ~~relocated main office opens for business.~~

4 I. ~~The Board may by rule establish a procedure whereby the~~
5 ~~Commissioner may grant approval and issue the certificate to~~
6 ~~establish and operate or relocate a branch without a hearing before~~
7 ~~the Board. The procedure shall include criteria set by the Board to~~
8 ~~be applied by the Commissioner in the consideration of the~~
9 ~~application. An application fee may be charged in an amount~~
10 ~~provided by rule of the Board.~~

11 J. ~~No out-of-state bank shall be permitted to establish a de~~
12 ~~novo branch in this state.~~

13 K. ~~Beginning May 31, 1997~~ Upon application to and approval
14 granted by the State Banking Commissioner or Comptroller of the
15 Currency, an out-of-state bank which engages or has engaged in an
16 interstate merger transaction with a bank or savings association
17 that, prior to the merger, had its main office located in this state
18 shall be permitted to establish de novo branches in this state. An
19 out-of-state bank which is not engaging, and has not previously
20 engaged, in an interstate merger transaction with a bank or savings
21 association that, prior to the merger, had its main office located
22 in this state, shall not be permitted to establish a de novo branch
23 in this state, nor to acquire a branch bank or savings association
24 branch in this state, unless, on a reciprocal basis, the state where
25 the main office of the out-of-state bank is located would permit a
26 bank with a main office located in this state to establish a de novo
27 branch in that other state without having engaged in an interstate
28 merger transaction with a bank having its main office in that other
29 state.

30 B. Subject to the limitations set forth in subsection A of this
31 section, a bank, branch bank, savings association, or savings
32 association branch which has been in existence for five (5) years or

1 ~~more~~ may be acquired by and engage in an interstate merger
2 transaction or interstate branch acquisition transaction with any
3 out-of-state bank in accordance with applicable laws and rules of
4 the Oklahoma State Banking Department and the state in which the
5 main office of the out-of-state bank is located. If the out-of-state
6 bank does not have a branch bank or savings association branch in
7 this state at the time the interstate merger or interstate branch
8 acquisition transaction application is filed with the appropriate
9 regulatory authority, and if the law of the state where the main
10 office of the out-of-state bank is located does not permit
11 reciprocal interstate de novo branching by a bank with a main office
12 located in this state as more particularly provided for in
13 subsection A of this section, then the out-of-state bank must
14 acquire the bank or the savings association, and may not acquire
15 just a branch or branches thereof. An interstate merger or
16 interstate branch acquisition transaction will not be permitted if
17 it will result in a violation of the ~~fifteen percent (15%)~~ twenty-
18 two percent (22%) deposit limitation contained in subsection ~~D~~ I of
19 ~~this section~~ Section 17 of this act. If the result of an interstate
20 merger transaction is that the bank or savings association which is
21 acquired is converted to a one or more branch ~~bank~~ banks of an out-
22 of-state bank, ~~it~~ the resulting branch bank shall have all the
23 powers and be subject to the same limitations as any other branch
24 bank located in this state. All in-state branch banks of an out-of-
25 state bank shall be regulated by the State Banking Commissioner as
26 if the branch banks comprised an Oklahoma bank and the branch banks
27 shall comply with applicable Oklahoma laws and rules in the conduct
28 of their business in this state to the maximum extent authorized
29 under federal law. No in-state branch bank of an out-of-state bank
30 shall be permitted to ~~establish separate branch banks or limited~~
31 ~~service facilities, or to~~ engage in any activity not permissible for
32 a bank in this state.

1 ~~L.~~ C. Beginning May 31, 1997, a bank may establish a branch
2 bank in any other state, or may acquire branch banks of an out-of-
3 state bank which are located in any other state in accordance with
4 the laws of the other state. The bank shall be required to follow
5 all procedures and to obtain all approvals necessary to establish or
6 acquire a branch bank under applicable Oklahoma law and any
7 applicable rules as may be established by the Banking Board. The
8 bank shall file with the Department a copy of each application or
9 notice filed with federal or other state regulatory authorities
10 relating to the transaction at the same time the application or
11 notice is filed with the federal or other state regulatory
12 authorities. Upon consummation of the transaction, the bank shall
13 have all of the powers under the applicable laws and regulations of
14 the state in which each branch bank is located, subject to the
15 duties and restrictions thereof. In addition to any regulation by
16 bank and regulatory authorities in the state where a branch bank is
17 located, each branch bank located outside of this state shall be
18 subject to regulation by the Department as if the branch bank were
19 located in this state and shall comply with the law of this state in
20 the conduct of its banking business in such other state.

21 ~~M.~~ D. The provisions of this section shall not be construed as
22 permitting branches established pursuant to this section through an
23 interstate merger transaction to be taxed at a rate which is
24 different from or discriminates in any way against a bank, savings
25 association, or branch of either, which is chartered in this state.
26 The Oklahoma Tax Commission is hereby authorized to adopt policies
27 and procedures consistent with the provisions of this subsection.

28 ~~N.~~ E. An operating subsidiary of a bank which engages in the
29 business of owner-occupied home mortgage lending shall not be
30 considered a branch under this section in order to conduct such
31 lending operation at any location.

32

1 SECTION 17. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 501.2 of Title 6, unless there
3 is created a duplication in numbering, reads as follows:

4 A. No bank shall be permitted to establish and operate a
5 branch, or relocate a branch, except upon a certificate issued by
6 the State Banking Commissioner or the Comptroller of the Currency.

7 B. Upon approval of the Commissioner or Comptroller of the
8 Currency, any bank is authorized to establish and operate in
9 Oklahoma, on real property owned or leased by the bank, an unlimited
10 number of branches by acquisition, de novo, or otherwise, whether
11 fixed or mobile, at or from which any permissible function,
12 business, power, or activity of any kind whatsoever of the bank may
13 be performed or engaged in.

14 C. The procedures, standards and requirements for making
15 application for permission to establish and operate a branch shall
16 be set by rule of the Banking Board. However, no emphasis upon
17 competition or competitive factors shall be imposed, and in no event
18 shall such rules impose standards, criteria, or requirements upon
19 state-chartered banks which are more onerous than those existing for
20 national banks.

21 D. All existing branches and detached facilities of a bank
22 shall, upon the expiration of sixty (60) days after the effective
23 date of this act, by operation of law and without further action by
24 the bank or Commissioner, or the Comptroller of the Currency, become
25 and be deemed lawful branches, fully authorized and validly existing
26 pursuant to this section. Provided, a bank may elect to opt-out of
27 the effects of this subsection as to one or more of its existing
28 detached facilities, by providing to its chartering authority, prior
29 to the expiration of sixty (60) days after the effective date of
30 this act, a written notice that the bank has opted-out of the
31 effects of this subsection with the result that one or more of its
32 detached facilities will continue to be classified as detached

1 facilities rather than as branches. The written notice must clearly
2 identify each particular detached facility to which it applies.
3 "Existing branches and detached facilities", for purposes of this
4 subsection, means branches or detached facilities which have been
5 approved and are open and operating, or are approved but unopened,
6 or for which application was made prior to the effective date of
7 this act and for which approval is given after the effective date of
8 this act.

9 E. Any bank or savings association with its main office or a
10 branch office located in a county where an institution of higher
11 education is located, may open accounts and accept deposits on the
12 campus of the institution of higher education if written permission
13 is granted by the institution, for no more than three (3) days per
14 year. The authorization of this subsection shall be self-executing
15 and no application to the regulators of the bank or savings
16 association shall be required by this section for a bank or savings
17 association to comply with this subsection.

18 F. A temporary branch may be established and operated upon
19 approval of the Commissioner or Comptroller of the Currency. As
20 used in this subsection, "temporary branch" means a branch located
21 at a fixed site that:

22 1. Is within one thousand (1,000) feet of the location of the
23 approved site of the same bank for a permanent branch, and such
24 temporary branch is scheduled to, and will, permanently close not
25 later than a certain date, no longer than one (1) year after the
26 temporary branch is first opened, as specified in the permanent
27 branch application and the public notice; or

28 2. Is approved for a limited period of time, without
29 requirement of notice or hearing, as a temporary replacement for a
30 previously existing branch that is inoperable due to an "emergency"
31 as defined in Section 102 of this title.

32

1 G. The Board may, by rule, establish a procedure whereby the
2 Commissioner may grant approval and issue the certificate to
3 establish or acquire and operate or relocate a branch or other
4 banking office permitted by this section without a hearing before
5 the Board. The procedure shall include criteria set by the Board to
6 be applied by the Commissioner in the consideration of the
7 application.

8 H. Notwithstanding subsection C of this section, an application
9 fee for branch, branch relocation or other banking office
10 applications may be assessed in amounts set by rule of the Board.

11 I. 1. It shall be unlawful for any bank or out-of-state bank
12 which has direct or indirect control of more than twenty-two percent
13 (22%) of the total amount of deposits of insured depository
14 institutions located in Oklahoma, as determined by the Commissioner
15 on the basis of the most recent reports of such institutions to
16 their supervisory authorities, to acquire any other bank or savings
17 association in this state.

18 2. The deposit limitation provided for in this subsection shall
19 not apply to disallow an acquisition of a bank or savings
20 association if control results only by reason of ownership or
21 control of shares of a bank or savings association acquired directly
22 or indirectly:

23 a. in a good faith fiduciary capacity, except when such
24 shares are held for the benefit of the acquiring
25 bank's shareholders,

26 b. by a bank in the regular course of securing or
27 collecting a debt previously contracted in good faith,
28 or

29 c. at the request of or in connection with the exercise
30 of regulatory authority for the purpose of preventing
31 imminent failure of the bank or savings association or
32

1 to protect the depositors thereof as determined by the
2 principal supervisory agency in its sole discretion.
3 However, at the end of a period of five (5) years from the date of
4 acquisition, for the circumstances set forth in subparagraphs b and
5 c of this paragraph, the deposits of the acquired bank or savings
6 association shall be included in computing the deposit limitation
7 and if deposits are in excess, appropriate reductions and
8 disposition shall be made with six (6) months to meet such
9 limitations. Further, in the circumstances set forth in
10 subparagraph c of this paragraph, the Commissioner and Federal
11 Deposit Insurance Corporation shall give priority in authorizing any
12 such acquisition to any acquiring bank whose total deposits do not
13 exceed the deposit limitation.

14 J. The provisions of this section shall not be construed in
15 derogation or denial of the rights to operate and maintain
16 facilities as provided for in Sections 421 and 422 of this title.

17 K. An operating subsidiary of a bank which engages in the
18 business of owner-occupied home mortgage lending shall not be
19 considered a branch under this section in order to conduct such
20 lending operations at any location.

21 SECTION 18. AMENDATORY 6 O.S. 1991, Section 502, as last
22 amended by Section 2, Chapter 404, O.S.L. 1997 (6 O.S. Supp. 1999,
23 Section 502), is amended to read as follows:

24 Section 502. A. ~~Citation — Purpose.~~ This section may be cited
25 as the "Bank Holding Company Section" and shall have for its purpose
26 the maintenance of competitive services between banks by limiting
27 the expansion of bank holding companies and similar organizations.
28 It is deemed to be in the public interest that competition prevail
29 in the banking system in the State of Oklahoma and to that end that
30 the independence of unit banks be preserved. Further, it shall be
31 the policy of ~~the State of Oklahoma~~ this state to oppose any attempt
32 by any bank holding company to acquire control of any bank located

1 in this state if such acquisition would result in a monopoly or in
2 an attempt to monopolize the business of banking in this state.

3 B. ~~Multibank holding companies authorized.~~ A company may be a
4 multibank holding company and have direct or indirect ownership or
5 control of two or more banks or bank holding companies, subject to
6 the deposit limitation provided for in subsection C of this section,
7 ~~provided that.~~ However, except as specifically permitted in this
8 Code, all forms of direct or indirect ownership or control of banks,
9 bank holding companies, and multibank holding companies by any out-
10 of-state bank or out-of-state bank holding company shall be
11 prohibited.

12 C. ~~Limitation.~~ It shall be unlawful for a multibank holding
13 company or an out-of-state bank or bank holding company to acquire
14 direct or indirect ownership or control of any insured depository
15 institution located in this state if the acquisition results in any
16 such holding company or bank having direct or indirect ownership or
17 control of insured depository institutions located in this state,
18 the total deposits of which at the time of the acquisition exceed
19 ~~fifteen percent (15%)~~ twenty-two percent (22%) of the total amount
20 of deposits of insured depository institutions located in this state
21 as determined by the State Banking Commissioner on the basis of the
22 most recent reports of such institutions to their supervisory
23 authorities which are available at the time of the proposed
24 acquisition or to acquire direct or indirect control of any insured
25 depository institution in this state after such multibank holding
26 company or an out-of-state bank or bank holding company has reached
27 or exceeded the ~~fifteen percent (15%)~~ twenty-two percent (22%)
28 threshold as provided in this subsection. Acquisitions of other
29 multibank holding companies shall not be exempt from this
30 limitation.

31 D. ~~Board of Directors requirements.~~ ~~The Board of Directors of~~
32 ~~each bank acquired by a multibank holding company shall have no less~~

1 ~~than a majority of the total membership of the Board of Directors of~~
2 ~~the bank from the local area in which the bank is located.~~

3 ~~E. Exceptions to deposit limitation.~~ The deposit limitation
4 provided for in subsection C of this section shall not apply in the
5 following circumstances:

6 1. Control of a bank by reason of ownership or control of
7 shares acquired by a bank or by a bank holding company in good faith
8 in a fiduciary capacity, except where such shares are held for the
9 benefit of the shareholders of such bank or such bank holding
10 company; or

11 2. Control of a bank by reason of ownership or control of
12 shares acquired by a bank or by a bank holding company in the
13 regular course of securing or collecting a debt previously
14 contracted in good faith.

15 ~~F. Limitation on acquisitions.~~ ~~A bank, branch bank, savings~~
16 ~~association or savings association branch shall not be acquired by a~~
17 ~~bank holding company or a multibank holding company for a period of~~
18 ~~five (5) years after the bank, branch bank, savings association or~~
19 ~~savings association branch was granted its charter by the~~
20 ~~appropriate authorizing agency. However, the provisions of this~~
21 ~~subsection shall not prevent a bank holding company or a multibank~~
22 ~~holding company from directly or indirectly acquiring a bank whose~~
23 ~~charter was granted for the purpose of:~~

24 1. ~~Purchasing the assets and assuming the liabilities of a bank~~
25 ~~closed by the Commissioner or the Comptroller of the Currency due to~~
26 ~~insolvency or impairment of capital; or~~

27 2. ~~Acquiring or merging an existing bank with an interim bank~~
28 ~~charter in accordance with the laws of this state or of the United~~
29 ~~States.~~

30 ~~Nothing in this subsection shall be construed to preclude the~~
31 ~~acquisition of a bank that has been chartered for less than five (5)~~
32

1 ~~years by a newly formed bank holding company which does not own or~~
2 ~~control, directly or indirectly, another bank.~~

3 ~~G. De novo charter prohibition. A bank holding company or a~~
4 ~~multibank holding company shall not apply for or obtain a de novo~~
5 ~~charter except for the following purposes:~~

6 ~~1. Purchasing the assets and assuming the liabilities of a bank~~
7 ~~closed by the Commissioner or the Comptroller of the Currency due to~~
8 ~~insolvency or impairment of capital; or~~

9 ~~2. In the case of a bank holding company, merging with an~~
10 ~~existing bank subsidiary or subsidiaries of the bank holding company~~
11 ~~in accordance with the laws of this state or of the United States~~
12 ~~and subject to the following provisions:~~

13 ~~a. a bank holding company may apply for and obtain only~~
14 ~~one de novo charter for the purpose of merging with an~~
15 ~~existing bank subsidiary or subsidiaries pursuant to~~
16 ~~this subsection, and~~

17 ~~b. the de novo chartered bank shall be the survivor of~~
18 ~~any such merger, and~~

19 ~~c. the de novo chartered bank shall be the main banking~~
20 ~~office of the merged banks, and~~

21 ~~d. the deposit limitations provided for in subsection C~~
22 ~~of this section and paragraph 1 of subsection D of~~
23 ~~Section 501.1 of this title shall be applicable to any~~
24 ~~such merger, and~~

25 ~~e. the de novo chartered bank shall have branching~~
26 ~~authority under subsections A and C of Section 501.1~~
27 ~~of this title.~~

28 ~~A company shall not be deemed to be a bank holding company for~~
29 ~~purposes of this section until it owns or controls a bank which has~~
30 ~~received a charter from the Board of this state, the Comptroller of~~
31 ~~the Currency or a foreign country.~~

32

1 ~~H. Interim charters.~~ E. A bank holding company or a multibank
2 holding company may apply for and obtain an interim charter to
3 organize an interim state bank for the purpose of facilitating the
4 creation of a bank holding company, or acquiring or merging with an
5 existing bank in accordance with the provisions of Section 502.1 of
6 this title or the laws of the United States.

7 ~~I. Acquisition approval - Reports.~~ F. A national bank in this
8 state, bank holding company, or multibank holding company seeking to
9 acquire a state bank or national bank in this state, or a nonbanking
10 company that submits an application for approval of such acquisition
11 to the Board of Governors of the Federal Reserve System pursuant to
12 the provisions of Sections 1841 et seq. of Title 12 of the United
13 States Code Annotated shall also submit a copy of such application
14 to the Board.

15 ~~J. Jurisdiction - Appeals.~~ G. The district court shall have
16 jurisdiction to determine all questions of compliance with the
17 provisions of this section, except such jurisdiction shall not apply
18 to actions of the Board or proceedings before the Board conducted
19 pursuant to the Banking Code. The decision of the district court
20 shall be appealable to the Supreme Court in the same manner as in
21 other civil cases.

22 ~~K. Reports and examinations.~~

23 H. 1. Each bank holding company, multibank holding company and
24 out-of-state bank holding company which directly or indirectly owns,
25 controls, or has power to vote twenty-five percent (25%) or more of
26 the voting shares of one or more banks shall furnish a copy of the
27 annual report of the operations of the holding company which is
28 submitted to the Federal Reserve Bank for each fiscal year to the
29 Commissioner.

30 2. The books and records of each bank holding company of state-
31 chartered banks are subject to inspection and examination by the
32 Commissioner.

1 SECTION 19. AMENDATORY 6 O.S. 1991, Section 506, as last
2 amended by Section 57, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
3 Section 506), is amended to read as follows:

4 Section 506. A. ~~Authorization for acquisition.~~ An out-of-
5 state bank holding company, upon approval by the Federal Reserve
6 Board, may acquire an unlimited number of banks, bank holding
7 companies and multibank holding companies. Any acquisition made
8 pursuant to the provisions of this section may include assets and
9 liabilities of the bank, bank holding company or multibank holding
10 company and all branches and facilities thereof.

11 B. ~~Prohibited transactions.~~ ~~The provisions of this section~~
12 ~~shall not be construed to:~~

13 1. ~~Permit any bank, bank holding company or multibank holding~~
14 ~~company which becomes a subsidiary of, or is otherwise deemed to be~~
15 ~~controlled by, an out-of-state bank holding company to convert to a~~
16 ~~branch or to acquire direct or indirect ownership or control of any~~
17 ~~additional bank, bank holding company or multibank holding company,~~
18 ~~or to establish additional branches or facilities, except as~~
19 ~~otherwise provided for by the Oklahoma Banking Code; or~~

20 2. ~~Permit any out-of-state bank holding company to acquire any~~
21 ~~bank, bank holding company or multibank holding company, except as~~
22 ~~otherwise permitted by this section.~~

23 C. ~~Bid procedures.~~ ~~The bid procedure for the acquisition of a~~
24 ~~bank that has been closed due to insolvency or impairment of capital~~
25 ~~shall be as follows:~~

26 ~~The Federal Deposit Insurance Corporation shall set minimum bid~~
27 ~~requirements for assets and liabilities of the bank subject to~~
28 ~~acquisition. The Federal Deposit Insurance Corporation's~~
29 ~~calculations and estimates of the minimum bid requirements shall be~~
30 ~~determinative. Bids for such assets and liabilities shall be~~
31 ~~solicited exclusively from banks, bank holding companies, multibank~~
32 ~~holding companies, individuals and groups of individuals. The~~

1 ~~Federal Deposit Insurance Corporation may solicit such bids as are~~
2 ~~practicable from prospective purchasers or merger partners it~~
3 ~~determines, in its sole discretion, are both qualified and capable~~
4 ~~of acquiring assets and liabilities of the bank. If the minimum bid~~
5 ~~requirements are met by any of such entities, the bank shall be~~
6 ~~acquired by the bidder whose bid was determined by the Federal~~
7 ~~Deposit Insurance Corporation, in its sole discretion, to be the~~
8 ~~least costly and most acceptable bid from among those submitted. If~~
9 ~~the minimum bid requirements are not met by any of such entities,~~
10 ~~the Federal Deposit Insurance Corporation shall extend the~~
11 ~~solicitation for bids to include out-of-state bank holding companies~~
12 ~~determined by the Federal Deposit Insurance Corporation to be~~
13 ~~qualified bidders~~ No out-of-state bank holding company shall be
14 permitted to acquire direct or indirect ownership or control of any
15 bank, bank holding company, or multibank holding company, except in
16 compliance with this section.

17 ~~D. Approval of acquisition.~~ C. No acquisition provided for in
18 this section shall be permitted unless the approval of the Federal
19 Reserve Board required pursuant to subsection A of this section:

20 1. Includes, for all acquisitions, a finding that:

21 a. ~~the bank sought to be acquired or all of the bank~~
22 ~~subsidiaries of the bank holding company or multibank~~
23 ~~holding company sought to be acquired have either been~~
24 ~~in existence and continuous operation for more than~~
25 ~~five (5) years or were chartered before May 7, 1986,~~

26 ~~b.~~ notice of intent to acquire has been published in a
27 newspaper of general paid circulation in the county or
28 counties where the bank or banks to be acquired are
29 located and that a notice of intent to acquire has
30 been mailed by certified mail with return receipt
31 requested to each person owning stock in the bank,
32

1 bank holding company or multibank holding company to
2 be acquired,

3 ~~e.~~ b. the reports required by the Federal Reserve Board in
4 order to assess the out-of-state bank holding
5 company's record of meeting the credit needs of its
6 entire community as required under the provisions of
7 Section 2903 of Title 12 of the United States Code
8 have been placed on file as a matter of public record
9 with the Oklahoma State Banking Department, and

10 ~~d.~~ c. the bank and, if acquired indirectly, its bank holding
11 company or multibank holding company immediately after
12 the acquisition meets the capital adequacy guidelines
13 of the appropriate federal financial supervisory
14 agency; and

15 2. Includes, for any acquisition of a majority of the voting
16 shares, a finding that the acquisition has been approved by the
17 board of directors and a majority of the voting shares of the bank
18 or of its parent bank holding company or multibank holding company.

19 ~~E. Limitations and restrictions.~~ D. All limitations and
20 restrictions of the Oklahoma Banking Code applicable to banks, bank
21 holding companies and multibank holding companies shall apply to a
22 bank, bank holding company or multibank holding company which
23 becomes a subsidiary of an out-of-state bank holding company and to
24 such out-of-state bank holding company. In addition, any bank which
25 becomes a subsidiary of an out-of-state bank holding company shall
26 maintain current reports showing the bank's record of meeting the
27 credit needs of its entire community as required by the bank's
28 federal financial supervisory agency under Section 2903 of Title 12
29 of the United States Code on file as a matter of public record with
30 the ~~Oklahoma Banking~~ Department. ~~The provisions of this subsection~~
31 ~~shall not be construed to prohibit the acquisition by an out-of-~~
32 ~~state bank holding company of all or substantially all of the shares~~

1 ~~of a bank organized solely for the purpose of facilitating the~~
2 ~~acquisition of a bank or all of the bank subsidiaries of a bank~~
3 ~~holding company or multibank holding company which have either been~~
4 ~~in existence and continuous operation for at least five (5) years,~~
5 ~~if the acquisition has otherwise been approved pursuant to this~~
6 ~~subsection. Nor shall the provisions of this subsection be~~
7 ~~construed to prohibit an out-of-state bank holding company which~~
8 ~~acquires a bank, bank holding company or multibank holding company~~
9 ~~under this section from additional acquisitions under this section,~~
10 ~~if such acquisitions would otherwise be permitted.~~

11 ~~F. Applicable law.~~ E. Any out-of-state bank holding company
12 which controls a bank, a bank holding company or multibank holding
13 company shall be subject to laws of this state and rules of its
14 agencies relating to the acquisition, ownership, and operation of
15 banks, bank holding companies and multibank holding companies.

16 ~~G. Divestiture.~~ F. The Board shall have the power to enforce
17 the prohibitions provided for in ~~subsection B~~ of this section by
18 requiring divestiture and through the imposition of fines and
19 penalties, the issuance of cease and desist orders, and such other
20 remedies as are provided by law.

21 ~~H. Judicial review.~~ G. Any final order of the Board shall be
22 appealable pursuant to the provisions of Section 207 of this title.

23 SECTION 20. AMENDATORY 6 O.S. 1991, Section 714, as last
24 amended by Section 69, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1999,
25 Section 714), is amended to read as follows:

26 Section 714. A. ~~Monthly meeting - Special meeting - Minutes.~~
27 The board of directors of a bank shall meet at least once every
28 month and the board of directors of a trust company shall meet at
29 least once every quarter. Board members of the bank may participate
30 in such meetings by teleconference, video conference, or other means
31 by which any board member not physically present at a meeting
32 location may vote and otherwise participate in the meeting and be

1 aware of all communication and business being transacted at the
2 meeting at the same time as it occurs. The State Banking
3 Commissioner, a director or an executive officer may call a special
4 meeting. A majority of the board of directors shall constitute a
5 quorum. The board shall keep minutes of each meeting, including a
6 record of attendance and a record of all votes of the directors that
7 would be pertinent to the business of the bank, to any officer, or
8 to any stockholder. A copy of the minutes of each meeting of the
9 board of directors shall be furnished to the Commissioner within
10 forty (40) days after the board meeting. ~~This~~ A copy shall be
11 signed by the chairman of the board or the secretary to the board
12 and retained at the bank. The minutes may be transmitted to the
13 Commissioner electronically.

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

22 C. ~~Annual examination - Banks and trust companies.~~ The board
23 of directors of every bank and trust company shall examine, at least
24 once in each calendar year at intervals of not more than fifteen
25 (15) months, all the affairs of the corporation including the
26 character and value of investments and loans, the efficiency of
27 operating procedures and such other matters as the Commissioner
28 prescribes. A report of the examination shall be submitted promptly
29 to the Commissioner and shall embody such information as the
30 Commissioner requires. The board of directors may provide that such
31 examination shall be conducted by a committee of not less than three
32 directors, by certified public accountants, or by independent

1 auditors responsible only to the board of directors. Such
2 examination shall be made when practicable without the assistance of
3 the executive officers of the bank or trust company. Such report of
4 examination shall be reviewed by the directors at the next meeting
5 of the board of directors.

6 D. ~~Board of directors - Bank having trust powers.~~ A bank
7 authorized to exercise trust powers shall not accept or voluntarily
8 relinquish a fiduciary account without approval or ratification of
9 the board of directors or of a committee of officers or directors
10 designated by the board to perform this function, but the board of
11 directors or the committee may prescribe general rules governing
12 acceptance or relinquishment of fiduciary accounts, and action taken
13 by an officer in accordance with these rules is sufficient approval.
14 Any committee so designated shall keep minutes of its meetings and
15 report at each monthly meeting of the board of directors all action
16 taken since the previous meeting of the board. The board of
17 directors shall designate one or more committees of not less than
18 three qualified officers or directors to supervise the investment of
19 fiduciary funds. No investment shall be made, retained or disposed
20 of without the approval of a committee to which the bank has
21 delegated investment or review responsibility. The committee, in
22 making investment decisions, shall be subject to the provisions of
23 the Oklahoma Uniform Prudent Investor Act. The committee shall keep
24 minutes of its meetings and shall report at each monthly meeting of
25 the board of directors its conclusions on all questions.

26 E. ~~Official communications from banking department - Submission~~
27 ~~to directors.~~ Every official communication directed by the
28 Commissioner or any examiner to any bank or trust company or to any
29 officer thereof, relating to an investigation or examination
30 conducted by the Department or containing suggestions or
31 recommendations as to the conduct of the business of the bank or
32 trust company, shall be submitted by the officer receiving it to the

1 board of directors at the next meeting of the board and duly noted
2 in the minutes of the meeting of the board in such form and in such
3 manner as may be prescribed and directed by the Commissioner. No
4 officer of any bank or trust company shall fail to comply with this
5 subsection.

6 SECTION 21. AMENDATORY 6 O.S. 1991, Section 1103, as
7 last amended by Section 88, Chapter 111, O.S.L. 1997 (6 O.S. Supp.
8 1999, Section 1103), is amended to read as follows:

9 Section 1103. A. ~~Instruments to submit.~~ After approval by the
10 board of directors of each constituent bank or savings association,
11 the merger agreement shall be submitted to the Banking Board for
12 approval, together with a fee for review of the merger as required
13 by rule of the Banking Board which shall be deposited in the
14 Oklahoma State Banking Department revolving fund pursuant to Section
15 ~~222~~ 211.1 of this title, certified copies of the authorizing
16 resolutions of the several boards of directors showing approval by a
17 majority of the entire board and evidence of proper action by the
18 board of directors of any constituent national bank or federal
19 savings association.

20 B. ~~Value of assets.~~ Without approval by the Board, no asset
21 shall be carried on the books of the resulting bank at a valuation
22 higher than that on the books of the constituent bank or savings
23 association at the time of the last examination by a state or
24 national bank examiner or savings association examiner before the
25 effective date of the merger.

26 C. ~~Time and requirements for approval.~~ Within thirty (30) days
27 after receipt by the Board of the fee and papers specified in
28 subsection A of this section, the Board shall approve or disapprove
29 the merger and the merger agreement. The Board shall approve the
30 merger and the merger agreement if it appears that:

31 1. The resulting state bank meets all the requirements of state
32 law as to the formation of a new state bank;

1 2. The agreement provides an adequate capital structure
2 including surplus in relation to the deposit liabilities of the
3 resulting state bank and its other activities which are to continue
4 or are to be undertaken;

5 3. The agreement is fair; and

6 4. The merger is not contrary to the public interest.

7 If the Board disapproves a merger or a merger agreement, it
8 shall state its objections and give an opportunity to the
9 constituent banks or savings associations to amend the merger
10 agreement to obviate such objection. The Board may by rule
11 establish a procedure whereby the State Banking Commissioner may
12 grant approval of the merger or merger agreement without a hearing
13 before the Board. The procedure shall include criteria set by the
14 Board to be applied by the Commissioner in the consideration of the
15 application.

16 D. ~~Succession to fiduciary positions.~~ Where the resulting
17 state bank is not to exercise trust powers, the Board shall not
18 approve a merger until satisfied that adequate provision has been
19 made for successors to fiduciary positions held by constituent banks
20 or savings associations, and the manner of succession of trust
21 powers and successor trustees shall follow the same procedure as set
22 out in Section 1018 of this title.

23 SECTION 22. AMENDATORY 6 O.S. 1991, Section 1109, as
24 last amended by Section 39, Chapter 104, O.S.L. 1998 (6 O.S. Supp.
25 1999, Section 1109), is amended to read as follows:

26 Section 1109. A. 1. Any bank or savings association may sell
27 to any other bank or savings association all, or substantially all,
28 of the selling institution's assets and business; or all, or
29 substantially all, of the assets and business of any department or
30 branch of the selling institution.

31 2. Any trust company, bank, or savings association may sell to
32 any other trust company, bank, or savings association all, or

1 substantially all, of the assets and trust business ~~or~~ of such trust
2 company, bank, or savings association, or all, or substantially all,
3 of the assets and business of any department or branch of the
4 selling trust company, bank, or savings association.

5 B. 1. Any bank or savings association may, upon assuming the
6 liabilities relating thereto, purchase all, or substantially all, of
7 the assets and business of another bank or savings association, or
8 all, or substantially all, of the assets and business of any
9 department or branch of another bank or savings association.

10 2. Any trust company, bank, or savings association may, subject
11 to the requirements of subsection E of this section, purchase all,
12 or substantially all, of the assets and business of another trust
13 company, bank, or savings association, or all, or substantially all,
14 of the assets and business of any department or branch of another
15 trust company, bank, or savings association. If the purchasing or
16 selling institution is an out-of-state institution, the agreement of
17 purchase and sale shall be authorized and approved by the board of
18 directors of the institution in accordance with such laws as shall
19 be applicable.

20 C. The agreement of purchase and sale shall be authorized and
21 approved by the boards of directors of the purchasing and selling
22 banks, trust companies, or savings associations. If the agreement
23 of purchase and sale includes the transfer of a majority of the
24 assets or the transfer of a majority of the deposits of a selling
25 institution, the agreement of purchase and sale shall be authorized
26 and approved by the vote of a majority of the outstanding shares of
27 the selling institution at a meeting called for the purpose in like
28 manner as meetings to approve mergers are called pursuant to Section
29 1104 of this title and the stockholders shall be entitled to dissent
30 in the same manner as provided in Section 1104 of this title. If
31 the agreement of purchase and sale includes the purchase of assets
32 which are greater than fifty percent (50%) of the purchasing

1 institution's assets prior to the purchase, or includes the
2 assumption of deposits which are greater than fifty percent (50%) of
3 the purchasing institution's deposits prior to the purchase, the
4 agreement of purchase and sale shall be authorized and approved by
5 the vote of a majority of the outstanding shares of the purchasing
6 institution at a meeting called for the purpose in like manner as
7 meetings to approve mergers are called pursuant to Section 1104 of
8 this title and the stockholders shall be entitled to dissent in the
9 same manner as provided in Section 1104 of this title. If the
10 stockholders of an institution are hereby entitled to dissent, they
11 shall receive notice of their right to dissent along with notice of
12 the stockholders' meeting which is to consider the agreement of
13 purchase and sale, in the same manner as provided in Section 1104 of
14 this title with respect to mergers. Copies of the agreement of
15 purchase and sale shall be filed with and subject to the approval of
16 the State Banking Commissioner, together with a fee for review of
17 the transaction as required by rule of the Banking Board, and shall
18 be accompanied by evidence of such stockholders' approval thereof in
19 like manner as agreements of merger are filed.

20 D. After the approval required by subsection C of this section
21 is given by the stockholders, a notice of such purchase and sale
22 shall be published once a week for two (2) successive weeks in a
23 newspaper of general circulation in the county in which the assets
24 of the selling bank, trust company, or savings association are
25 located if the entity is an Oklahoma institution, and if not, shall
26 be published as required by the law of the state where the selling
27 institution is located. Proof of such publication shall be filed
28 with the Oklahoma State Banking Department. The Commissioner may
29 permit the requirement for publication of notice to be satisfied
30 after the purchase and sale becomes effective if the Commissioner
31 determines that:

32

1 1. The selling bank, trust company, or savings association is
2 solvent, but either is close to insolvency or is experiencing a run
3 on deposits;

4 2. The terms of the agreement of purchase and sale are
5 essentially fair to the selling bank, trust company, or savings
6 association; and

7 3. The selling bank, trust company, or savings association will
8 remain solvent after the purchase and sale.

9 E. Any deposit account or certificate of deposit which is
10 unconditionally assumed by the purchasing institution pursuant to an
11 agreement approved by the Commissioner, and which, after a
12 depositor's preexisting accounts at the purchasing institution are
13 added to the accounts assumed from the selling institution, is fully
14 covered by the FDIC insurance limits at the purchasing institution,
15 shall cease to be an obligation of the selling institution after the
16 purchase and sale becomes effective. Notwithstanding any term of
17 the purchase and sale agreement or of the contract of deposit, a
18 deposit account, certificate of deposit or other creditor's account
19 shall be deemed to be only conditionally assumed by the purchasing
20 institution if:

21 1. The amount of ~~a depositor's~~ the preexisting accounts of the
22 depositor at the purchasing institution, together with ~~that~~
23 ~~depositor's~~ the accounts of such depositor which are assumed from
24 the selling institution, would exceed the ~~purchasing institution's~~
25 FDIC insurance limits of the purchasing institution; or

26 2. ~~A depositor's or other creditor's~~ The claims of a depositor
27 or other creditor against a selling institution and the loans of the
28 depositor or other creditor from the selling institution are not
29 simultaneously assumed by the purchasing institution so as to
30 preserve a right of set-off. Any depositor or creditor of the
31 selling institution whose business is conditionally sold has the
32 right, after such sale:

- a. upon payment of any indebtedness owing by the depositor or creditor to the selling institution, to withdraw the deposit of the depositor or creditor in full from the selling institution on demand, or
- b. to exercise the ~~depositor's or creditor's~~ right of set-off of such depositor or creditor.

3. Notwithstanding the preceding language of paragraphs 1 and 2 of this subsection, after a person deals with the purchasing institution with knowledge of the purchase, such person's deposit or account shall no longer be deemed to be only conditionally assumed.

F. 1. The agreement of sale may provide for the transfer to the purchasing institution of all fiduciary positions held by the selling institution. The purchasing institution shall enjoy all such positions and all rights, property, franchises, and interests, including any and all fiduciary positions to and for which the selling institution may have been appointed, nominated, or designated by any will, agreement, conveyance, or otherwise, whether or not such position is in effect at the time of the substitution, in the same manner and to the same extent as all such positions were held and enjoyed by the selling institution.

2. The selling and purchasing institutions shall jointly file a petition with the district court of the county in which the main office of the selling institution is situated requesting that the purchasing institution be substituted, except as may be expressly excluded in such petition, in every fiduciary position of the selling institution. Such petition need not designate the fiduciary positions in which the requested substitution is to be made.

3. Upon the filing of such petition, the court shall enter an order setting the petition for hearing and shall direct that notice of the hearing be given in the manner provided in this subsection or in the manner required by the law of the state where the selling institution is located if it is an out-of-state institution.

1 4. A copy of the order provided for in paragraph 3 of this
2 subsection shall be published once a week for two (2) successive
3 weeks in a newspaper of general circulation to be designated by the
4 court and published in the county in which the petition was filed.
5 If there is no newspaper published in such county, publication shall
6 be made in a newspaper of general circulation in the State of
7 Oklahoma designated by the court. Proof of publication shall be
8 made in the same manner as proof of publication of summons is made.

9 5. The filing of such petition and the making and entering of
10 such order and the giving of notice of such order as required by
11 this subsection gives the court full jurisdiction of the trusts and
12 all parties interested therein. The court having jurisdiction in
13 such matter shall require the selling institution to mail, by
14 registered mail postage prepaid, a copy of such order to each living
15 trustor of all private trusts in which such institution is trustee
16 or to the then directly participating beneficiaries of all private
17 trusts in which there is no living trustor. Such notice shall be
18 mailed to the last-known address of each such trustor or
19 participating beneficiary as shown by or as may be ascertained by
20 reasonably diligent efforts from the records of such institution.
21 Proof of mailing shall be in such form as the court shall require.

22 6. The district court shall enter a single order substituting
23 the purchasing institution in every fiduciary position to and for
24 which the selling institution may have been appointed, nominated, or
25 designated by any will, agreement, conveyance, or otherwise, whether
26 or not such position is in effect at the time of the substitution,
27 except as may be otherwise specified in such order, upon its finding
28 as follows:

- 29 a. notice of hearing the petition has been given as
30 required by this subsection,
- 31 b. the purchasing institution is duly authorized to
32 exercise trust and fiduciary powers in Oklahoma,

1 c. the selling and purchasing institutions are not
2 directly or indirectly owned or controlled by the same
3 holding company or multibank holding company, or, if
4 the selling and purchasing institutions are directly
5 or indirectly owned or controlled by the same holding
6 company or multibank holding company, then the
7 purchasing institution shall assume all trust
8 liabilities of the selling institution, and

9 d. such sale or transfer was not made in order to avoid
10 any liability incurred by the selling institution.

11 7. Upon entry of such order, the purchasing institution shall,
12 without further act, be substituted in every such fiduciary
13 position, and such substitution may be evidenced by filing a
14 certified copy of the order with the clerk of any district court in
15 this state.

16 8. Notwithstanding the foregoing provisions of this subsection,
17 the provisions of the instrument creating each fiduciary position
18 subject to the agreement of sale shall control such succession, if
19 such instrument so provides.

20 G. Except as provided for in subsection E of this section, no
21 right against or obligation of the selling institution in respect of
22 the assets or business sold shall be released or impaired by the
23 sale until one (1) year from the last date of publication of the
24 notice pursuant to subsection D or F of this section, but after the
25 expiration of such year no action can be brought against the selling
26 institution on account of any deposit, obligation, trust or asset
27 transferred to or liability assumed by the purchasing institution.

28 H. This section shall be applicable to any bank, trust company,
29 or savings association, regardless of whether its main office or
30 charter is located within this state or elsewhere.

1 SECTION 23. AMENDATORY 6 O.S. 1991, Section 1206, as
2 last amended by Section 96, Chapter 111, O.S.L. 1997 (6 O.S. Supp.
3 1999, Section 1206), is amended to read as follows:

4 Section 1206. A. Whenever the State Banking Commissioner shall
5 deem it necessary in order to conserve the assets of any bank or
6 trust company for the benefit of the depositors and other creditors
7 thereof, the Commissioner may appoint a conservator for the bank and
8 require such bond and security as the Commissioner deems proper.

9 The conservatorship shall be a proceeding before the Commissioner
10 and not the district court. The Commissioner may designate an
11 employee of the Oklahoma State Banking Department to serve as an
12 interim conservator until either the conservator is secured or
13 further order of the Commissioner directs otherwise. The
14 conservator, under the direction of the Commissioner, shall take
15 possession of the books, records, and assets of every description of
16 the bank or trust company, and take such action as may be necessary
17 to conserve the assets of the bank or trust company pending further
18 disposition of its business as provided by law. The conservator
19 shall have all the rights, powers, and privileges now possessed by
20 or hereafter given the Commissioner when the Commissioner takes
21 possession of insolvent banks and receivers pursuant to Section 1551
22 et seq. of Title 12 of the Oklahoma Statutes and shall be subject to
23 the obligations and penalties, not inconsistent with the provisions
24 of this Code, to which receivers are now or may hereafter become
25 subject. During the time that the conservator remains in possession
26 of the bank or trust company, the rights of all parties with respect
27 thereto shall, subject to the other provisions of this Code, be the
28 same as if a receiver had been appointed therefor. All expenses of
29 the conservatorship, including related expenses of the Department
30 and the salary of the interim conservator, if any, shall be paid out
31 of the assets of the bank or trust company and shall be a lien
32 thereon which shall be prior to any other lien. The conservator

1 shall receive as salary an amount no greater than that paid to
2 employees of this state for similar services. Any such expenses
3 paid by the bank or trust company to the Department shall be
4 deposited in the Oklahoma State Banking Department revolving fund
5 pursuant to Section ~~222~~ 211.1 of this title.

6 B. The Commissioner shall cause to be made such examinations of
7 the affairs of the bank or trust company in conservatorship as shall
8 be necessary to inform the Commissioner as to the financial
9 condition of the bank or trust company, and the examiner shall make
10 a report thereon to the Commissioner at the earliest date possible.

11 C. If the Commissioner becomes satisfied that it may safely be
12 done and that it would be in the public interest, the Commissioner
13 may, in the discretion of the Commissioner, terminate the
14 conservatorship and permit the bank or trust company to resume the
15 transaction of its business subject to such terms, conditions,
16 restrictions and limitations as the Commissioner may prescribe.

17 D. For the purposes of this section, the rights, powers,
18 privileges, obligations and responsibilities of the interim
19 conservator shall be the same as those of the conservator.

20 SECTION 24. AMENDATORY 6 O.S. 1991, Section 2107, as
21 last amended by Section 10, Chapter 27, O.S.L. 1999 (6 O.S. Supp.
22 1999, Section 2107), is amended to read as follows:

23 Section 2107. A. Before any license is issued or renewed, the
24 applicant or licensee shall pay an annual license fee in the amount
25 of Two Hundred Dollars (\$200.00), plus Ten Dollars (\$10.00) for each
26 location within this state at which checks of the licensee are
27 issued or sold. ~~However, such annual fee shall not exceed Two~~
28 ~~Thousand Dollars (\$2,000.00) per licensee.~~ With respect to license
29 renewals, every licensee, on or before each June 1, shall pay the
30 annual license fee for the succeeding fiscal year commencing July 1.

31 B. The State Banking Commissioner shall issue a license
32 certificate to a licensee satisfying the requirement therefor. The

1 license certificate shall be displayed prominently and be available
2 for inspection upon demand at each location of the licensee at which
3 checks of the licensee are to be issued or sold. It shall be the
4 responsibility of the licensee to provide a copy of the original
5 license certificate to the agent at each location for display. Any
6 location failing to display a license certificate may be prohibited
7 by the Commissioner from selling checks if the agent at such
8 location fails or refuses to comply with such display requirement
9 after receipt of written notice from the Commissioner, ~~provided,~~
10 ~~the.~~ The Commissioner shall provide the licensee with a copy of the
11 written notice and shall also notify the licensee in writing of any
12 additional action proposed or taken by the Commissioner.

13 C. A license issued hereunder shall remain in effect until
14 surrendered by the licensee or revoked, and may be renewed from year
15 to year upon payment of the fee required in subsection A of this
16 section, provided the licensee continues to comply with all
17 provisions of Section 2101 et seq. of this title and of all
18 regulations hereunder.

19 D. The requirements of this section shall not apply to those
20 locations where checks of the licensee are issued or sold which are
21 governmental departments or financial institutions fully exempt from
22 the provisions of the Sale of Checks Act pursuant to Section 2104 of
23 this title.

24 E. Fees collected pursuant to this section shall be deposited
25 in the Oklahoma State Banking Department revolving fund pursuant to
26 Section ~~222~~ 211.1 of this title.

27 SECTION 25. AMENDATORY 6 O.S. 1991, Section 2113, as
28 last amended by Section 14, Chapter 27, O.S.L. 1999 (6 O.S. Supp.
29 1999, Section 2113), is amended to read as follows:

30 Section 2113. A. The State Banking Commissioner may examine
31 the books and records of each licensee as often as the Commissioner
32 deems advisable for the purpose of determining the amount of the

1 bond to be filed and the amount of the license fee to be paid by
2 such licensee and to determine whether the licensee is in compliance
3 with all applicable requirements of law. For that purpose, the
4 Commissioner shall have free access to the offices and places of
5 business and to such records of such licensee that relate to the
6 business for which the licensee is licensed under Section 2101 et
7 seq. of this title.

8 B. There shall be paid to the Commissioner for ~~such an~~
9 examination or audit review a fee of Fifty Dollars (\$50.00) per hour
10 for each qualified representative of the Commissioner required to
11 conduct the examination; ~~provided that~~ or audit review. However,
12 whenever it shall be necessary for the Commissioner to travel out of
13 this state to make ~~such an~~ examination, the full expense of such
14 examination shall be paid by the licensee.

15 C. In lieu of any examination which the Commissioner shall be
16 authorized to make hereunder, the Commissioner may accept the audit
17 of a licensed public accountant holding a permit to practice in this
18 state or a certified public accountant, provided that:

- 19 1. The costs of such audit shall be borne by the licensee;
- 20 2. The scope of such audit shall be at least equal to the scope
21 of the examination required by the Commissioner;
- 22 3. The Commissioner shall have received prior notice in writing
23 that the licensee is having the audit prepared in lieu of
24 examination by the Commissioner; and
- 25 4. The Commissioner shall have given prior approval of the
26 licensed public accountant holding a permit to practice in this
27 state or the certified public accountant making the audit.

28 If the Commissioner accepts an audit in lieu of the examination
29 of the Commissioner, the Commissioner may review such audit and may
30 charge to the licensee fees for such review at the rate prescribed
31 in subsection B of this section.

32

1 D. The Commissioner may contract with qualified licensed
2 auditors to conduct any examinations authorized under this section.

3 E. All license, examination, audit review, and investigation
4 fees herein provided for shall be deposited in the Oklahoma State
5 Banking Department revolving fund pursuant to Section ~~222~~ 211.1 of
6 this title.

7 SECTION 26. AMENDATORY 8 O.S. 1991, Section 166, as last
8 amended by Section 2, Chapter 82, O.S.L. 1995 (8 O.S. Supp. 1999,
9 Section 166), is amended to read as follows:

10 Section 166. A. The owner of a cemetery maintaining a
11 Perpetual Care Trust Fund shall be required to pay to the State
12 Banking Commissioner an annual fee of Two Hundred Dollars (\$200.00),
13 and file a report of each cemetery by March 15 of each year with the
14 State Banking Commissioner, showing, for the preceding calendar
15 year:

16 1. The gross amount received from sales of grave spaces, lots,
17 mausoleum crypts and niches;

18 2. The total purchase price of grave spaces, lots, mausoleum
19 crypts and niches on contracts which received final payment and
20 required deposits to the Perpetual Care Fund during the calendar
21 year;

22 3. The operating expenses incurred during the calendar year
23 which are eligible to be paid from income of the Perpetual Care
24 Fund;

25 4. The total amount of the principal of the Perpetual Care Fund
26 as of the beginning of the preceding calendar year; and

27 5. The amount segregated and deposited in the Perpetual Care
28 Fund as provided by this act which shall be certified by the trustee
29 of the Perpetual Care Fund as to correctness thereof, and the
30 trustee shall provide:

31 a. the total amount of the principal of the Perpetual
32 Care Fund as of the end of the calendar year,

- 1 b. the securities and other assets in which such
2 perpetual care funds are invested,
3 c. the cash on hand,
4 d. a verification in writing of all assets in which
5 monies of the Perpetual Care Fund have been invested;
6 provided, such verification shall be obtained from the
7 holder or holders of such assets,
8 e. the income derived from the Perpetual Care Fund
9 investments during the calendar year, and
10 f. the gross expenditures or transfers from income of the
11 Perpetual Care Fund during the calendar year.

12 The annual fee collected pursuant to this subsection shall be
13 deposited in the Oklahoma State Banking Department revolving fund
14 created pursuant to Section 211.1 of Title 6 of the Oklahoma
15 Statutes.

16 B. The Commissioner shall have authority, at any time, to
17 inspect the books and records of any such cemetery, and to make an
18 examination thereof for the purpose of determining if proper sums
19 have been deposited with the trustee in the Perpetual Care Fund, and
20 if the Fund is being properly administered by the trustee in
21 accordance with the provisions of the Perpetual Care Fund Act and
22 rules of the Commissioner. Each cemetery owner and trustee is
23 responsible for maintaining satisfactory books and records which
24 adequately justify all information contained in the annual report
25 required by this section. The Commissioner shall charge and collect
26 a fee for such examination, which fee shall be deposited in the
27 Cemetery Merchandise Trust Act Revolving Fund.

28 SECTION 27. NEW LAW A new section of law to be codified
29 in the Oklahoma Statutes as Section 170 of Title 8, unless there is
30 created a duplication in numbering, reads as follows:

31 The Attorney General of this state, at the request of the State
32 Banking Commissioner, may initiate an action to recover payments

1 required to be deposited to the Oklahoma State Banking Department
2 revolving fund pursuant to the Perpetual Care Fund Act or to recover
3 other monies received or disbursed in violation of the Perpetual
4 Care Fund Act. In addition, the Attorney General may seek to enjoin
5 any violation of the Perpetual Care Fund Act.

6 SECTION 28. AMENDATORY 8 O.S. 1991, Section 305, as
7 amended by Section 7, Chapter 82, O.S.L. 1995 (8 O.S. Supp. 1999,
8 Section 305), is amended to read as follows:

9 Section 305. A. Each organization desiring to accept money or
10 anything of value for prepaid cemetery merchandise shall file an
11 application for a permit with the State Banking Commissioner, and
12 shall at the time of filing such application pay one initial filing
13 fee of ~~Fifty Dollars (\$50.00)~~ Two Hundred Dollars (\$200.00). The
14 Commissioner shall issue a permit upon the receipt of the
15 application and payment of the filing fee, and upon making a finding
16 that the applicant has complied with the rules as may be established
17 pursuant to the Cemetery Merchandise Trust Act by the Commissioner.
18 All such applications shall be signed by the organization requesting
19 the permit, and shall contain a statement that the applicant will
20 comply with all the requirements as established pursuant to the
21 Cemetery Merchandise Trust Act. All permits shall expire on the
22 ~~31st~~ 15th day of ~~December~~ March of the year ~~said~~ following the year
23 the permit is first issued, unless renewed; permits. Permits shall
24 be renewed for a period not to exceed the succeeding ~~December 31~~
25 March 15 upon the payment of a renewal fee of ~~Fifty Dollars (\$50.00)~~
26 Two Hundred Dollars (\$200.00). Late application for renewal of a
27 permit shall require a fee of double the renewal fee. No
28 application for renewal of a permit shall be accepted after ~~January~~
29 ~~31~~ May 1 of each year. Applicants shall be required to reapply as
30 if they were a new applicant.

31 B. The Commissioner may cancel a permit or refuse to issue a
32 permit or refuse to issue a renewal of such permit for failure to

1 comply with any provisions of the Cemetery Merchandise Trust Act or
2 any rules promulgated thereto by the Commissioner, after reasonable
3 notice to the permittee and after a hearing before the Commissioner
4 if the permittee requests a hearing in accordance with Article II of
5 the Administrative Procedures Act.

6 C. No organization shall be entitled to a new permit after
7 cancellation, or refusal by the Commissioner to renew a permit, but
8 shall thereafter be issued a new permit upon satisfactory proof of
9 compliance with the Cemetery Merchandise Trust Act.

10 D. Any person or organization aggrieved by the actions of the
11 Commissioner may appeal therefrom to the State Banking Board as
12 provided by the Administrative Procedures Act.

13 SECTION 29. AMENDATORY 8 O.S. 1991, Section 308, as last
14 amended by Section 10, Chapter 82, O.S.L. 1995 (8 O.S. Supp. 1999,
15 Section 308), is amended to read as follows:

16 Section 308. Each organization shall file an annual report with
17 the State Banking Commissioner on or before March 15 of each year in
18 such form as the Commissioner may require, showing the name of the
19 financial institution holding the cemetery merchandise trust fund
20 and the amount of the trust fund under each contract on the
21 preceding December 31, and also showing the method of determination
22 of the wholesale costs made pursuant to Section 306 of this title.
23 The total required deposits to the cemetery merchandise trust fund
24 during the year shall also be reported. Each cemetery is
25 responsible for maintaining satisfactory books and records, which
26 will adequately justify all information contained in the annual
27 report required by this section. Any organization which has
28 discontinued the sale of prepaid cemetery merchandise, but which
29 still has funds deposited in a cemetery merchandise trust fund or
30 surety, shall not be required to obtain a renewal of its permit, but
31 it shall continue to make annual reports to the Commissioner until
32 all such funds have been disbursed pursuant to the Cemetery

1 Merchandise Trust Act. A filing fee of ~~Fifty Dollars (\$50.00)~~ Two
2 Hundred Dollars (\$200.00) shall accompany each report. If any
3 officer of any organization fails or refuses to file an annual
4 report, or fails or refuses to cause it to be filed within thirty
5 (30) days after the organization has been notified by the
6 Commissioner that the report is due and has not been received, such
7 officer shall be guilty of a misdemeanor and shall be punished as
8 prescribed in Section 315 of this title.

9 SECTION 30. REPEALER 6 O.S. 1991, Section 217, is hereby
10 repealed.

11 SECTION 31. This act shall become effective July 1, 2000.

12 SECTION 32. It being immediately necessary for the preservation
13 of the public peace, health and safety, an emergency is hereby
14 declared to exist, by reason whereof this act shall take effect and
15 be in full force from and after its passage and approval.

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