

SOUTH DAKOTA BANKING COMMISSION
Minutes of the regular meeting of Thursday, April 30, 2009

The South Dakota Banking Commission held a regular meeting on Thursday, April 30, 2009, at Capitol Building, Meeting Room 412, in Pierre, South Dakota.

The meeting was called to order at 10:00 am.

In attendance: Chairmain Jeff Erickson; Vice-Chairman John Lillibridge; Commissioner Richard Westra; Commission Legal Counsel Curt Jensen; Director of Banking Roger Novotny; Deputy Director Timothy Ahartz; Division Legal Counsel Bret Afdahl; Secretary to the Commission Lynda Fratzke; Richard Cofer, FDIC, Kansas City; Lisa Small and E. J. Gowlovech, FDIC, Sioux Falls. Commissioners Paul Christen and Doyle Estes were present by teleconference

Agenda Items:

1. Welcome and Introductions
2. Approval of meeting minutes from October 1, 2008
3. Rules Hearing
4. Application Report
5. Division Budget Review
6. Legislative Update
7. Policy Considerations
8. FDIC
9. Other Business
10. Adjournment

AGENDA ITEM #1 WELCOME AND INTRODUCTIONS

Chairman Erickson welcomed all those in attendance.

AGENDA ITEM #2 APPROVAL OF MEETING MINUTES FROM OCTOBER 1, 2008

Motion: by Lillibridge, 2nd by Estes to approve the meeting minutes from October 1, 2008

Approved by the following vote:

ACTION: 5-0 AYE (Erickson, Lillibridge, Christen, Estes, Westra)

AGENDA ITEM #3 RULES HEARING ON AMENDING ARSD 20:07:06:01, 20:07:06:03, 20:07:20:01 AND 20:07:20:02

Commission Erickson opened the hearing at 10:02 am. Curt Jensen commented that while Commission members may participate by teleconference, in the case of a rules

hearing and a final action on an administrative action, they could not participate by teleconference unless it is by Dakota Digital Network. Since that was not available, Commissioners Christen and Estes could not participate on just the rules portion. Bret Afdahl gave brief overview of the changes in the rules. He will be testifying at the Rules Review Committee on May 12, 2009 and if everything goes well, the rules will be effective on June 1, 2009. Director Novotny and Deputy Director Ahartz gave a brief background on usage of the money and why this is necessary at this time.

Public Comments:

Curt Everson, South Dakota Bankers Association, addressed the Commission regarding his understanding of the necessity to amend these rules.

Motion: by Lillibridge, 2nd by Westra to approve amending ARSD 20:07:06:01, 20:07:06:03, 20:07:20:01 and 20:07:20:02

Approved by the following vote:

ACTION: 3-0 AYE (Erickson, Lillibridge, Westra / Christen, Estes abstained)

AGENDA ITEM #4 APPLICATION REPORT

Director Novotny brief rundown of the applications received and/or approved since July 1, 2008. He stated the feedback has been very positive as it has streamlined the process. Bret Afdahl advised the Dakota Prairie Bank case is still pending with the Supreme Court.

AGENDA ITEM #5 DIVISION BUDGET REVIEW

Director Novotny gave a brief summary of the current and upcoming budget.

At 11:00am, Chairman Erickson announced that the Commission would take a five minute break.

At 11:07am, the Commission reconvened.

AGENDA ITEM #6 LEGISLATIVE UPDATE

Bret Afdahl gave a brief update of HB1060, HB1159, SB127, SB159, and HB1124 that went through the 2009 session.

AGENDA ITEM #7 POLICY CONSIDERATIONS

Deputy Director Ahartz updated the Commission regarding some policy considerations dealing with liquidity guidance and investment securities.

AGENDA ITEM #8 FDIC

Richard Cofer, FDIC's Division of Insurance and Research, addressed the Commission giving a brief economic update. Lisa Small and E. J. Gowlovech, Sioux Falls field office, also addressed the Commission giving an area banking update on South Dakota's banks.

AGENDA ITEM #9 OTHER BUSINESS

Cassie Branaugh gave a brief background on the implementation and future use of CAVU's eLicensing system. The division went live March 23, 2009 with eLicensing. On April 2, 2009, the division also went live with the Nationwide Mortgage Licensing System (NMLS).

Director Novotny advised the Commission of the hiring of two new bank examiners, Sheila Sutton and Florence Simmons. Deputy Director Ahartz gave a brief update on the training of the current examiners.

AGENDA ITEM #10 ADJOURNMENT

There being no further business, Chairman Erickson asked for a motion to adjourn.


Motion: by Christen, 2nd by Westra to adjourn

Approved by the following vote:

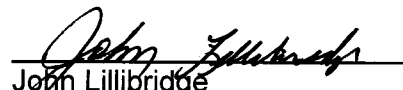
ACTION: 5-0 AYE (Erickson, Lillibridge, Christen, Estes, Westra)

At the hour of 1:25 pm. the Banking Commission adjourned.

Respectfully submitted on this
7th day of May, 2009, by:


Lynda Fratzke
Secretary to the Banking Commission

Approved on this 13th day of
October, 2009 by:


John Lillibridge
Vice Chairman, South Dakota
Banking Commission