

SOUTH DAKOTA BANKING COMMISSION
Minutes of the regular meeting of Thursday, May 13, 2010

The South Dakota Banking Commission held a regular meeting on Thursday, May 13, 2010, at Capitol Building, Meeting Room LRC2, in Pierre, South Dakota.

The meeting was called to order at 10:30 am.

In attendance: Chairman Jeff Erickson, Vice Chairman John Lillibridge; Commissioners Paul Christen, Doyle Estes, and Richard Westra; Commission Legal Counsel Curt Jensen; Director of Banking Roger Novotny; Deputy Director Tim Ahartz; Division Legal Counsel Bret Afdahl; Secretary to the Commission Lynda Fratzke; Financial Institution Examiner Flo Simmons; Senior Secretary Cassie Branaugh; James LaPierre, Daniel Holmgren, and Rich Cofer, FDIC; Bruce Ley, Governor's Office of Economic Development/Trust; and Curt Everson, SDBA.

Agenda Items:

1. Welcome and Introductions
2. Approval of meeting minutes from October 13, 2009
3. Rules Hearing
4. Regional Bank/Economic Update
5. Financial Reform/the D.C. Roller-coaster
6. The Changing Trust Company Landscape
7. Application Report
8. Legislative Update
9. System/Technology Update
10. Division Budget Review
11. Other Business
12. Executive Session
13. Adjournment

AGENDA ITEM #1 WELCOME AND INTRODUCTIONS

Chairman Erickson welcomed all those in attendance. Roger Novotny introduced Flo Simmons, a new financial examiner with the Division. Ms. Simmons gave a brief background of her background and experience. Director Novotny gave brief backgrounds of recently hired financial examiners Sheila Suttan, Amanda Holland and Brock Jensen.

AGENDA ITEM #2 APPROVAL OF MEETING MINUTES FROM OCTOBER 13, 2009

Motion: by Estes, 2nd by Lillibridge to approve the meeting minutes from October 13, 2009

Approved by the following vote:

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

AGENDA ITEM #3 RULES HEARING AMENDING ARSD 20:07:05:32, 20:07:10:03, 20:07:19:06, 20:07:19:07, 20:07:19:08, 20:07:19:15, 20:07:22:03 AND 20:07:22:04

Chairman Erickson opened the hearing at 10:35 am. Bret Afdahl gave brief overview of the changes in the rules.

Motion: by Estes, 2nd by Lillibridge to approve amending ARSD 20:07:05:32, 20:07:10:03, 20:07:19:06, 20:07:19:07, 20:07:19:08, 20:07:19:15, 20:07:22:03 and 20:07:22:04

Approved by the following vote:

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

AGENDA ITEM #4 REGIONAL BANK/ECONOMIC UPDATE

James LaPierre, FDIC Regional Director in the Kansas City region, Daniel Holmgren, FDIC Assistant Regional Director for North and South Dakota, and Rich Cofer, Regional Manager for the Division of Insurance and Research, presented updates on the regional bank and national economical issues.

At 11:30 am, Chairman Erickson announced that the Commission would recess to attend a luncheon with Governor Rounds.

At 1:30 pm, the Commission reconvened.

AGENDA ITEM #5 FINANCIAL REFORM/THE D.C. ROLLER-COASTER

Curt Everson, South Dakota Bankers Association, gave a brief update of the ongoing debate over the financial stability act.

AGENDA ITEM #6 THE CHANGING TRUST COMPANY LANDSCAPE

Bret Afdahl gave a brief history on the changing number of trust companies and the examination process. Bruce Ley, Governor's Office of Economic Development/Trust, gave a brief update on efforts to encourage trust companies to increase their presence in South Dakota through more jobs, taxes, etc.

AGENDA ITEM #7 APPLICATION REPORT

Bret Afdahl gave a brief update on bank and trust company applications since the last Commission meeting.

AGENDA ITEM #8 LEGISLATIVE UPDATE

Director Novotny stated he is considering a law to facilitate banks buying failed banks.

AGENDA ITEM #9 SYSTEM/TECHNOLOGY UPDATE

Cassie Branaugh gave a brief update relating to current and future plans in the use of eLicensing (CAVU) and the Nationwide Mortgage Licensing System (NMLS).

Deputy Director Ahartz gave a brief explanation of future plans for computer and internet access for examiners while on an examination.

AGENDA ITEM #10 DIVISION BUDGET REVIEW

Deputy Director Ahartz briefed the commission on the current operating budget (FY 2010), the Division's fund balance, and the approve FY 2011 budget.

Deputy Director Ahartz also briefed the commission on a proposed study of the Division's FTE needs. Chairman Erickson expressed interest in the findings, which he encouraged all commissioners to review once completed and received in memo format.

AGENDA ITEM #11 OTHER BUSINESS

Chairman Erickson announced that Commissioner Westra has been reappointed by the Governor to the Banking Commission.

AGENDA ITEM #12 EXECUTIVE SESSION

Chairman Erickson entertained a motion to move into Executive Session.

Motion: by Estes, 2nd by Lillibridge to move into Executive Session.

At 3:50 pm, the Commission went into Executive Session.

At 4:06 pm, the Commission reconvened.

Motion: by Estes, 2nd by Westra to come out of Executive Session

AGENDA ITEM #13 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:

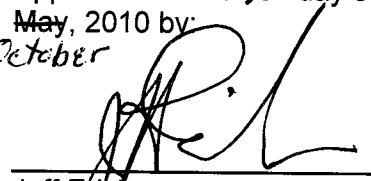
ACTION: 5-0 AYE (Erickson, Lillibridge, Christen, Estes, Westra)

At the hour of 4:15 pm. the Banking Commission adjourned.

Respectfully submitted on this
28th day of May, 2010, by:


Lynda Fratzke
Secretary to the Banking Commission

Approved on this 18th day of
~~May~~, 2010 by:
October



Jeff Erickson
Chairman
South Dakota Banking Commission