

**SPECIAL MEETING  
OF THE  
ARKANSAS STATE BANKING BOARD  
FEBRUARY 27, 2014**

A special meeting of the Arkansas State Banking Board was held in the conference room of the Arkansas State Bank Department, 400 Hardin Road, Suite 100, Little Rock, Arkansas, at 10:00 a.m. on February 27, 2014. The following Board Members were present: Chairman John Freeman, Vice Chairman Elizabeth Bowles, Rodney Parks, and Marcus McCain. Board Member Charles Smith was called by phone and participated in the meeting by conference call. Representing the State Bank Department were Commissioner Candace A. Franks, Deputy Commissioners Luther Guinn and Susannah Marshall, Attorney Eric Roberts, and Certified Examinations Manager, John Ashby. Lynn LaSalle from Bushman Court Reporting was the recording reporter for the applicants.

Bank Commissioner, Candace A. Franks, called this special meeting of the State Banking Board. Notice of the special meeting was sent by regular mail to each member of the State Banking Board on January 21, 2014. The notice was also given to the news media in accordance with state law.

Commissioner Franks opened the meeting. Secretary Luther Guinn declared a quorum was present. Commissioner Franks then asked the visitors and guests to stand and introduce themselves and state who they represent. Randy Dennis and Kyle Shadid with DD&F Consulting Group were in attendance representing Bank of the Ozarks. Also with Bank of the Ozarks were Helen Brown and Dennis James. Garland Binns with Dover Dixon Horne, PLLC, was in attendance representing Chambers Bank, as well as Michael Donnell and Landi Mkhize. She then turned the meeting over to Chairman John Freeman.

Next on the agenda was consideration of the Minutes of the January 16, 2014 Regular Board Meeting. A motion was made by Elizabeth Bowles, seconded by Rodney Parks, to approve the Minutes as presented. Motion carried and the Commissioner concurred.

Next on the agenda was an application by Chambers Bank, Danville, Arkansas, to merge Decatur State Bank, Decatur, Arkansas, with and into Chambers Bank, Danville, Arkansas. Mr. Garland Binns with Dover Dixon Horne, PLLC, represented and spoke for the application.

Mr. Binns described the five requirements of the Arkansas Banking Code to obtain approval of a merger and addressed how each requirement had been satisfied. Mr. Michael Donnell stated Chambers Bank acquired a two bank holding company and subsequently sold one of the banks. Mr. Donnell stated they were required to file consolidated financial statements and the merger would allow efficiencies for Chambers Bank to take place and eliminate a lot of duplication as far as two examinations, two external audits, and two call reports. Mr. Donnell stated they could possibly save a million dollars by merging the institutions. Mr. Marcus McCain asked if the bank was holding any OREO that was nearing the five year holding period. Mr. Donnell stated the bank had requested and received approval to extend the period to hold one parcel of property. Mr. Donnell stated they are seeing declines in OREO and recently had a transaction that will close at the end of the month and realize a decrease of three million dollars in OREO. Chairman Freeman asked if the board had been dissolved at Decatur State Bank. Mr. Donnell stated they still have two boards and two management teams. Mr. Donnell stated that another consideration for the merger was to allow them to have one management team. Chairman John Freeman asked Commissioner Franks if all regulatory agencies had approved the application. Commissioner Franks stated the FDIC had accepted the application. Mr. Rodney Parks asked if there was a timeline on the management structure. Mr. Donnell stated no more than 90 days and they still need to file notice to fill the position of CFO and would do so next month. Chairman Freeman asked if the Gentry and Siloam Springs office would remain open. Mr. Donnell stated all offices would continue to be open.

A motion was made by Rodney Parks, seconded by Marcus McCain, to approve the application, the motion carried and the Commissioner concurred.

Next on the agenda was an application by Bank of the Ozarks, Little Rock, Arkansas, to merge Omnibank, NA, Houston, Texas, with and into Bank of the Ozarks, Little Rock, Arkansas. Mr. Marcus McCain requested and received permission to be recused from voting on the application. Mr. Kyle Shadid with DD&F Consulting Group represented and spoke for the application.

Mr. Shadid stated that 270 million in assets will be purchased, which will bring Bank of the Ozarks to just under 5 billion in total assets. Mr. Shadid stated the bank would remain well capitalized after acquiring the eight branches, all of which are located in Texas. Mr. Shadid stated that applications have been filed and approved by the FDIC and Federal Reserve. Mr. Dennis James stated that Omnibank has branches in three of the top ten cities in the United States, Houston, Austin, and San Antonio. Mr. James stated that Bank of the Ozarks has loan production offices in Houston and Austin and this acquisition having full-service branches will complement their presence in these cities. Mr. James stated they have looked at loans very, very closely and feel very good about the loan origination group they are acquiring; certainly the markets they are in will be very positive for them. Mr. James stated even though the acquisition is small, in a few years when they look back they will feel like this was a very good acquisition. Chairman Freeman asked how long the loan production office had been in Houston. Mr. James stated Houston just opened in January and Austin for a couple of years. Chairman Freeman asked if the loan production offices would continue to be opened or would they be merged. Mr. James stated they would continue to be open as they are located in areas that are surrounded by developers. Chairman Freeman asked if the management team would stay in place. Mr. James stated they were pleased with the management team and that the current CEO/President has been in that position for ten years, has been with the bank for 35 years, and will actually have the title of President of the South Texas Division.

Chairman Freeman asked if an advisory board would be maintained. Mr. James stated no.

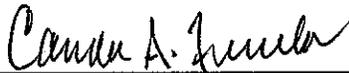
A motion was made by Rodney Parks, seconded by Elizabeth Bowles, to approve the application, the motion carried and the Commissioner concurred.

Being no further business, a motion was made by Elizabeth Bowles, seconded by Marcus McCain, to adjourn. Motion carried.

  
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JOHN FREEMAN, CHAIRMAN  
State Banking Board

ATTEST:

  
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LUTHER GUINN, Secretary  
State Banking Board

  
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CANDACE A. FRANKS  
Bank Commissioner

**Board Members in Attendance:**

  
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**JOHN FREEMAN, Chairman**  
**State Banking Board**

4-17-14  
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**Date**

  
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**ELIZABETH BOWLES, Vice-Chairman**  
**State Banking Board**

4/17/14  
\_\_\_\_\_  
**Date**

  
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**MARCUS McCAIN, Member**  
**State Banking Board**

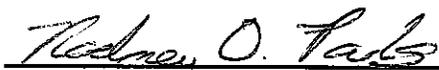
4/17/14  
\_\_\_\_\_  
**Date**

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**CHARLES SMITH, Member**  
**State Banking Board**

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**Date**

  
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**GARY HUDSON, Member**  
**State Banking Board**

4-17-14  
\_\_\_\_\_  
**Date**

  
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**RODNEY PARKS, Member**  
**State Banking Board**

4-17-14  
\_\_\_\_\_  
**Date**



STATE OF ARKANSAS  
MIKE BEEBE  
GOVERNOR

OFFICIAL APPOINTMENT

Date: February 26, 2014

TO THE SECRETARY OF STATE:

Under the provisions of Arkansas Code Annotated § 23-46-301,

I have, on this date, appointed Gary Hudson,

whose address is 1401 Oliver Street, Stuttgart, AR 72160, Arkansas County,

and whose telephone number is w: 870-946-3535, h: 870-830-3401,

as a member of the State Banking Board

for the term which expires December 31, 2018.

Replaces: Reappointment

Handwritten signature of Mike Beebe in black ink.

Mike Beebe, Governor

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