

**SPECIAL MEETING  
OF THE  
ARKANSAS STATE BANKING BOARD  
NOVEMBER 20, 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 November 20, 2014. The following Board Members were present: Vice-Chairman Elizabeth Bowles, Gary Hudson, Lana Hampton, and Gary Smith. Representing the State Bank Department were Commissioner Candace A. Franks, Deputy Commissioners Luther Guinn and Susannah Marshall, Attorney Eric Roberts, Certified Examinations Manager John Ashby, and Administrative Analyst Barbara Mahoney. Tammy Pierce 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 October 15, 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. Mr. Dennis James and Ms. Helen Brown with Bank of the Ozarks, Randy Dennis and Kyle Shadid with DD&F Consulting Group, were in attendance representing Bank of the Ozarks. Mr. John Olaimy with Southern Bancorp Bank, Bob Fegtly and Joshua Dennis with DD&F Consulting Group, were in attendance representing Southern Bancorp Bank. She then turned the meeting over to Vice-Chairman Elizabeth Bowles.

Next on the agenda was consideration of the Minutes of the October 16, 2014, Regular Board Meeting. A motion was made by Gary Hudson, seconded by Gary Smith, to approve the Minutes as presented. Motion carried and the Commissioner concurred.

Next on the agenda was an application by Bank of the Ozarks, Little Rock, Arkansas, to merge Intervest National Bank, New York, New York, with and into Bank of the Ozarks, Little Rock, Arkansas. Mr. Randy Dennis with DD&F Consulting Group represented and spoke for the application.

Mr. Dennis stated that pursuant to A.C.A. § 23-48-503, there were five criteria that have to be met for the Board to approve the transaction. Mr. Dennis stated the transaction must provide adequate capital resources for the consolidated institution, the terms of the merger must be fair, it must be in the public's best interest, must adequately provide for dissenters rights, and the requirements, all state and federal laws have been met. Mr. Dennis stated Kyle Shadid would discuss capital, before and after the merger, to demonstrate compliance with the first criteria and the transaction is fair from a deal standpoint. Mr. Dennis stated Intervest had a fairness opinion done and the Bank of the Ozarks's Board and Management, and Intervest's Board and Management had carefully evaluated and negotiated the transaction, and the merger is not contrary to public interest.

Mr. Dennis stated that Dennis James with Bank of the Ozarks, would discuss the structure and size, laws with New York and Florida, and both holding companies, Intervest, and Bank of the Ozarks, have approved the transaction.

Mr. Kyle Shadid with DD&F Consulting Group stated that total assets for Bank of the Ozarks will increase from 6.3 billion to 7.9 billion, and the Tier 1 leverage ratio will decrease from 13.76% to 12.9%. Mr. Shadid stated the interagency bank merger application has been approved by the Federal Deposit Insurance Corporation, and the appropriate applications have been approved by the Federal Reserve Bank of St. Louis. Mr. Shadid stated the transaction is set to consummate in February 2015.

Mr. Dennis James with Bank of the Ozarks stated the acquisition would expand their presence in both New York and Florida, and a current Loan Production office for Bank of the Ozarks is about two blocks from the main office of Intervest in Manhattan. Mr. James stated they are already in Tampa and Bradenton, and this presence in Clearwater will be very helpful to expand their presence there. Mr. James stated they were pleased to be in those markets, and it definitely is in the public interest. Mr. James stated Intervest does not really offer customers a lot on the retail side and don't offer debit cards and bill pay. Mr. James stated Bank of the Ozarks would definitely be doing something in the public interest for the citizens of Florida and New York by greatly expanding the product mix that is being offered to those people.

A motion was made by Gary Hudson, seconded by Gary Smith, to approve the application, the motion carried and the Commissioner concurred.

Next on the agenda was an application by Southern Bancorp Bank, Arkadelphia, Arkansas, to merge Bank of Bolivar County, Shelby, Mississippi, with and into Southern Bancorp Bank, Arkadelphia, Arkansas. Mr. Bob Fegtly with DD&F Consulting Group represented and spoke for the application.

Mr. Fegtly stated the application was filed pursuant to A.C.A. § 23-48-503. Mr. Fegtly stated they would address the five requirements to be met in order to obtain approval for the merger, and stated the first in the proposed merger provides adequate capital structure and Joshua Dennis would address that area. Mr. Fegtly stated the terms of the merger are fair, and the Board of Southern Bancorp Bank carefully evaluated the transaction and found it fair and reasonable. Mr. Fegtly stated both the Bank of Bolivar County and Southern Bancorp Bank have complied with the requirements and the merger is not contrary to the public interest. Mr. Fegtly stated John Olaimy with Southern Bancorp Bank would discuss how the transaction would enhance the public availability of financial services. Mr. Fegtly stated the shareholders of both Bolivar Banking Corporation and Southern Bancorp, Inc. have approved the merger and there are no

dissenting shareholders. Mr. Fegtly stated the requirements of the applicable state and federal laws have been complied with and Joshua Dennis would address this during his presentation.

Mr. Joshua Dennis with DD&F Consulting Group stated the application filed with the Federal Reserve Bank of St. Louis had been approved pending approval by the State Banking Board. The transaction is set to consummate on December 12<sup>th</sup>. Mr. Dennis stated the capital levels would not change much due to the size of the transaction with the leverage ratio at 8.13%, Tier 1 risk based at 11.53%, and total risk based capital at 12.6%.

Mr. John Olaimy with Southern Bancorp Bank stated they are a unique organization and are a community development financial institution. Mr. Olaimy stated the Bank of Bolivar County serves Shelby and Mound Bayou with populations of 2,000 and 1,500 respectively. Mr. Olaimy stated they are enhancing the long-term viability of those communities and ability to be served. Mr. Olaimy stated the succession plan at the Bank of Bolivar County is difficult and they have a hard time recruiting to these areas. Mr. Olaimy stated the bank has about 175 loans, the average loan is \$20,000, and the legal lending limit is \$280,000. Mr. Olaimy stated Southern Bancorp Bank is very excited about the opportunity and would provide online banking and debit cards to this very rural organization.

Mr. Gary Smith asked if the Bank of Bolivar County was a community development bank or just a commercial bank. Mr. Olaimy stated just a commercial bank. Mr. Gary Hudson stated it looked like a lot of employees would be retained, including Mr. Burk, who is running the Bank. Mr. Olaimy stated Mr. Burk would stay on.

A motion was made by Gary Smith, seconded by Gary Hudson, to approve the application, the motion carried and the Commissioner concurred.

Next on the agenda was a Resolution in recognition of Charles Smith for his service to the State Banking Board (see copy of appendices to these minutes).

A motion was made by Gary Hudson, seconded by Gary Smith, to adopt the Resolution, the motion carried and the Commissioner concurred.

Being no further business, a motion was made by Gary Smith, seconded by Gary Hudson, to adjourn. Motion carried.

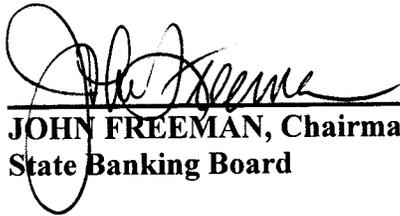
  
\_\_\_\_\_  
**JOHN FREEMAN, CHAIRMAN**  
State Banking Board

ATTEST:

\_\_\_\_\_  
**LUTHER GUINN, Secretary**  
State Banking Board

\_\_\_\_\_  
**CANDACE A. FRANKS**  
Bank Commissioner

**Board Members in Attendance:**

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

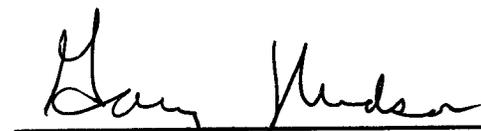
1/15/15  
\_\_\_\_\_  
**Date**

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

1/15/15  
\_\_\_\_\_  
**Date**

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

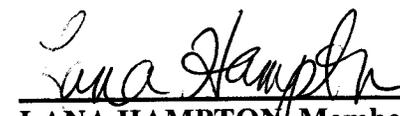
1/15/15  
\_\_\_\_\_  
**Date**

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

1/15/15  
\_\_\_\_\_  
**Date**

  
\_\_\_\_\_  
**GARY SMITH, Member**  
**State Banking Board**

1/15/15  
\_\_\_\_\_  
**Date**

  
\_\_\_\_\_  
**LANA HAMPTON, Member**  
**State Banking Board**

1/13/15  
\_\_\_\_\_  
**Date**

## RESOLUTION

**WHEREAS**, Charles Smith served faithfully for 6 years as a member of the Arkansas State Banking Board; and

**WHEREAS**, he unselfishly devoted his energies through his judgment and decision-making during this period of time to the improvement of the banking industry for the citizens of this state; and

**WHEREAS**, his contributions to the duties and responsibilities of the State Banking Board have been most valuable; and

**WHEREAS**, his service to the State of Arkansas and especially to banking should be recognized.

**NOW THEREFORE BE IT RESOLVED**; That the State Banking Board adopts this resolution of appreciation to Charles Smith on this Twentieth day of November, Two Thousand Fourteen.

\_\_\_\_\_  
John Freeman

*Gary Hudson*  
\_\_\_\_\_  
Gary Hudson

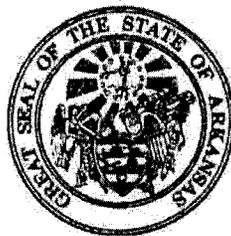
*Elizabeth Bowles*  
\_\_\_\_\_  
Elizabeth Bowles

\_\_\_\_\_  
Mark McCain

*Gary Smith*  
\_\_\_\_\_  
Gary Smith

*Lana Hampton*  
\_\_\_\_\_  
Lana Hampton

*Luther Guinn*  
\_\_\_\_\_  
Luther Guinn, Secretary



STATE OF ARKANSAS  
MIKE BEEBE  
GOVERNOR

OFFICIAL APPOINTMENT

Date: October 30, 2014

TO THE SECRETARY OF STATE:

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

I have, on this date, appointed Lana Hampton,

whose address is 2341 Surrey Lane, Springdale, AR 72762, Benton County,

and whose telephone number is w: 479-750-8849, h: 479-422-0078,

as a member of the State Banking Board

for the term which expires December 31, 2018.

Replaces: Charles Smith

  
Mike Beebe, Governor