

ARM

SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD
JUNE 28, 2016

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 June 28, 2016. The following Board Members were present: Vice-Chairman Gary Smith, Elizabeth Bowles, and Randy Scott. Board Member Lana Hampton 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, and Research Project Analyst Barbara Mahoney. Carlton Saffa from the Governor's office was also in attendance. 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 May 25, 2016. 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. In attendance were Randy Dennis, Kyle Shadid, and Fred Wood with DD&F Consulting Group, representing both Bear State Bank and Anstaff Bank; Mark McFatrige, Tom Fritsche, and John Suskie, with Bear State Bank; and Steve Stafford, Scott Stafford, and Brad King with Anstaff Bank. She then turned the meeting over to Vice-Chairman Gary Smith.

First on the agenda was consideration of the Minutes of the March 31, 2016, Special Board Meeting. A motion was made by Elizabeth Bowles, seconded by Randy Scott, to approve the Minutes as presented. Motion carried and the Commissioner concurred.

Next on the agenda was an application by Bear State Bank, N.A., Little Rock, Arkansas, to convert from a national bank to a state-chartered bank, to be known as Bear State Bank, Little Rock, Arkansas. Mr. Randy Dennis with DD&F Consulting Group represented and spoke for the application.

Mr. Dennis stated the application was filed on April 6, 2016, and pursuant to the banking code, there are five areas to be complied with. Mr. Dennis stated the bank's main office is in Little Rock, Arkansas, and the bank has kind of the spread of the states between Missouri, Arkansas, and Oklahoma. Mr. Dennis stated the bank's capital is adequate, in fact, well capitalized, with a Tier 1 ratio of 10.26 percent, and total risk-based capital of 12.86 percent. Mr. Dennis stated Bear State has built a great team of bankers after, a number of years ago, they bought First Federal and rehabilitated it and turned it into a great bank, then merged with the Hendrix Bank, then Metropolitan Bank.

Mr. Dennis stated the application was prepared in conformance with the required laws to convert from a national bank to a state-chartered bank, and the application for Federal Reserve membership was approved on June 24, 2016.

Mr. Mark McFatridge, President and CEO of Bear State Bank, stated they were really excited about the opportunity to convert to a state-charter. Mr. McFatridge stated he started his banking career with Fifth Third Bank of central Indiana, then moved to Union Planters that became Regions, which is how he met Tom Fritsche, which ultimately brought them all together when he was in Springfield. Mr. McFatridge stated he was with Metropolitan National Bank and he and Tom brought that bank into Bear State.

Mr. McFatridge stated Bear State is just shy of \$2 billion, with 48 branches and a couple of loan production offices in 36 communities, 24 of which are in Arkansas, and support about 500 families throughout their footprint, or as they call it "paw" print.

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

Next on the agenda was an application by Anstaff Bank, N.A., Green Forest, Arkansas, to convert from a national bank to a state-chartered bank, to be known as Anstaff Bank, Green Forest, Arkansas. Mr. Kyle Shadid, with DD&F Consulting Group, represented and spoke for the application.

Mr. Shadid stated he would address the Arkansas Banking Code requirements that must be met in order to obtain approval for conversion. Mr. Shadid stated the bank's main office is in Arkansas and operates seven branches across north Arkansas. Mr. Shadid stated the bank's capital structure is adequate, with a Tier 1 capital ratio of around 9 percent, and a total risk-based capital level of 13.3 percent. Mr. Shadid stated Anstaff has a great team of bankers, and the conversion application was prepared in accordance with the rules and regulations of the State of Arkansas for a national charter to a state-charter, and an application was forwarded to the Federal Deposit Insurance Corporation, who will be the bank's resulting federal regulator.

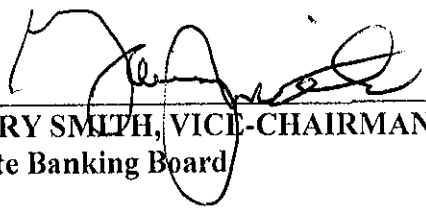
Mr. Steve Stafford, Chairman and CEO of Anstaff Bank, stated they were a \$400 million bank chartered in 1931, with nine branches with offices in Carroll, Boone, Madison, and Newton counties. Mr. Stafford stated, last December their holding company purchased Twin Lakes Community Bank in Flippin, with three offices in Flippin, Mountain Home, and Norfolk. Mr. Stafford stated they were a substantial shareholder in Legacy National Bank in Springdale, Fayetteville, and Rogers. Mr. Stafford stated they had been a national bank for 85 years and had a good relationship with the Office of the Comptroller of the Currency. Mr. Stafford stated they were excited to be a state-chartered bank and looked forward to working with the bank department staff so they could continue to grow and expand their footprint. Mr. Stafford stated they changed their name two years ago from First National Bank of Green Forest. Mr. Stafford stated they had trouble coming up with a name they liked and they came up with Anstaff, which represents two of the founding families that organized the bank in 1931, the Anderson family and the Stafford family.

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

Next on the agenda was a Resolution in recognition of John Freeman for his service to the State Bank Board (see a copy of the Resolution as appendices to these minutes).

A motion was made by Randy Scott, seconded by Elizabeth Bowles, to adopt the Resolution, the motion carried and the Commissioner concurred.

Being no further business, Vice-Chairman Gary Smith adjourned the meeting.

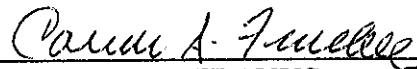


GARY SMITH, VICE-CHAIRMAN
State Banking Board

ATTEST:

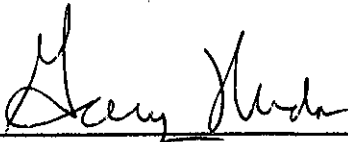


LUTHER GUINN, Secretary
State Banking Board



CANDACE A. FRANKS
Bank Commissioner

Board Members in Attendance:



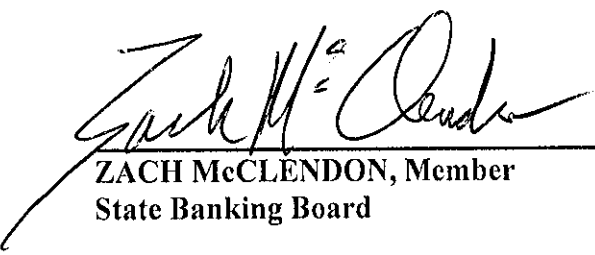
GARY HUDSON, Chairman
State Banking Board

10/6/16
Date



GARY SMITH, Vice-Chairman
State Banking Board

10/6/16
Date



ZACH McCLENDON, Member
State Banking Board

10/6/16
Date



RANDY SCOTT, Member
State Banking Board

10-6-16
Date

Lana Hampton
Attended and voted by phone
Approved minutes by phone

LANA HAMPTON, Member
State Banking Board

10/06/16
Date

ELIZABETH BOWLES, Member
State Banking Board

Date

RESOLUTION

WHEREAS, John Freeman served faithfully for 10 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

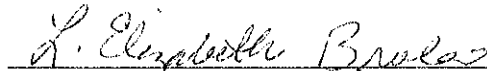
WHEREAS, his service to the State of Arkansas and especially to banking should be recognized.

NOW THEREFORE BE IT RESOLVED; That the State Banking Board adopts this resolution of appreciation to John Freeman on this Twenty-Eighth day of June, Two Thousand Sixteen.



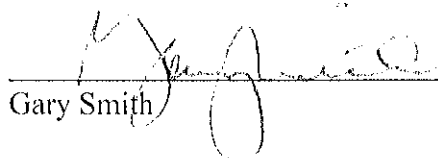
Randy Scott

Gary Hudson



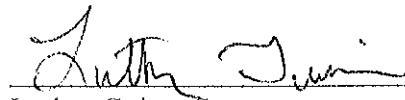
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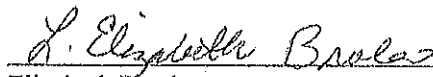
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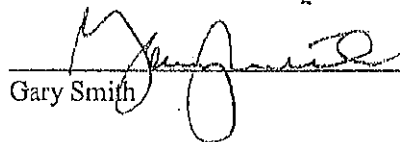


Gary Hudson



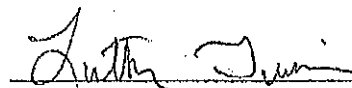
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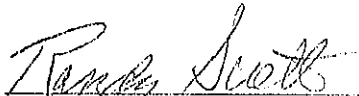
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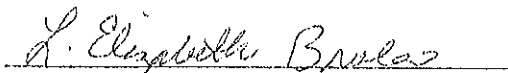
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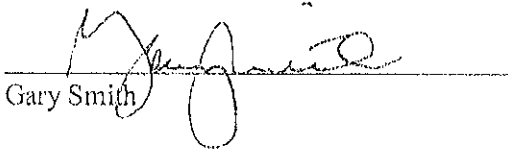
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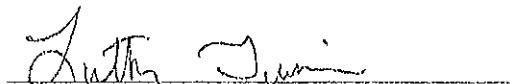
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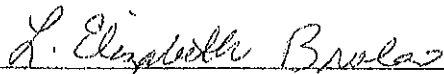
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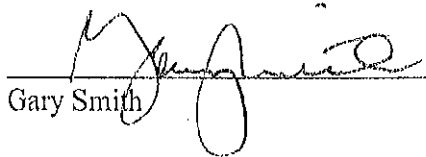
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Elizabeth Bowles

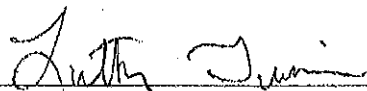
Zach McClendon



Gary Smith



Lana Hampton



Luther Guinn, Secretary



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

June 8, 2016

Mr. Randy Scott
2601 Elizabeth Lane
Blytheville, AR 72315

Dear Mr. Scott:

I am very pleased to appoint you to the State Banking Board, for a term to expire on December 31, 2020. Your name will be brought before the Senate for confirmation in the General Assembly.

I appreciate your willingness to serve the public, and I am counting on your wise counsel and advice as you accept this position of responsibility. I look forward to your participation and support as we work together to build a new foundation for Arkansas.

Enclosed, please find instructions for taking the oath of office.

Sincerely,

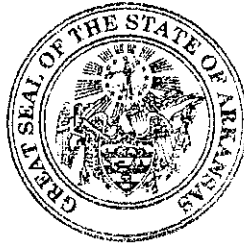
A handwritten signature in black ink that reads "Asa Hutchinson".

Asa Hutchinson

AH:ap

Enclosure

Cc: The Honorable Jonathan Dismang, President Pro Tempore of the Senate
The Honorable Jeremy Gillam, Speaker of the House of Representatives
The Honorable David Burnett
The Honorable Dave Wallace
Candace A. Franks, Commissioner, Arkansas State Bank Department



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

OFFICIAL APPOINTMENT

Date: June 8, 2016

TO THE SECRETARY OF STATE:

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

I have, on this date, appointed Randal Scott,

whose address is 2601 Elizabeth Lane, Blytheville, Arkansas, 72315, Mississippi County,

and whose telephone number is 870-762-6223,

as a member of the State Banking Board,

for a term to expire on December 31, 2020.

Replaces: John Freeman

A handwritten signature in black ink, reading "Asa Hutchinson".

Asa Hutchinson, Governor