

**SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD
JUNE 22, 2017**

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 Thursday, June 22, 2017. The following Board Members were present: Chairman, Gary Smith, Vice-Chairman Lana Hampton, Randy Scott, and David Leech. Board Member Zach McClendon 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, Chief Counsel John Ahlen, Certified Bank Senior Examiner Gregg Qualls, and Research Project Analyst Barbara Mahoney. Lynn LaSalle from Bushman Court Reporting was the recording reporter for the applicant.

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 16, 2017. 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 and Kyle Shadid with DD&F Consulting Group, Little Rock, Arkansas, representing Bank of the Ozarks, and Helen Brown and Aaron Brooks with Bank of the Ozarks. She then turned the meeting over to Chairman Gary Smith.

First on the agenda was consideration of the Minutes of the April 18, 2017, Special Board Meeting. A motion was made by Randy Scott, seconded by Lana Hampton, 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 Bank of the Ozarks, Inc., 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 the transaction was extremely innovative and interesting, and six months later here we find ourselves talking about the actual merger of the holding company into the bank which involved a lot of pieces. Mr. Dennis stated that it involved the State's involvement with changes to the law, and the staff at Bank of the Ozarks, as well as great legal advice from Kutak Rock.

Mr. Dennis stated that in order to affect this merger, the bank holding company and the bank have to meet certain criteria under Arkansas Banking Code. Pursuant to A.C.A. §23-48-503, there are five criteria that have to be met for a merger transaction to be approved; the merger must provide an adequate capital structure; the terms of the merger must be fair; the merger is not contrary to the public interest; the merger adequately provides for dissenters rights; and the requirements for all applicable state and federal laws have been complied with.

Mr. Dennis stated the application was filed on April 25, 2017, and that Kyle Shadid would discuss whether the transaction would meet the capital requirement. Mr. Dennis then stated that the terms of the merger are fair and the parent is merging into the subsidiary and it's not contrary to the public interest. Mr. Dennis stated that the application is a merger of an uninsured into an insured and so the application has been reviewed and approved by the FDIC.

Mr. Dennis stated that Bank of the Ozarks, Inc., is the sole shareholder of Bank of the Ozarks and has approved the merger. He stated that the shareholders of Bank of the Ozarks will meet tomorrow to approve the merger; so, the requirements of all state and federal law will have been met after this meeting and after the shareholders' meeting.

Mr. Kyle Shadid stated the merger application contemplated a corporate reorganization of Bank of the Ozarks, Inc., into Bank of the Ozarks. Mr. Shadid stated that the pre-merger assets of the bank as of December 31, were \$18.8 billion and will be \$18.89 billion post-merger and the Tier 1 Leverage ratio will be 12.54 percent following the merger. Mr. Shadid stated that the application was filed with the FDIC and was approved on June 7th and those were the only applications filed with the FDIC and the State Bank Department.

Chairman Smith asked if anyone had any questions. Mr. McClendon asked if they were ready for a motion. Mr. Leech stated that it was pretty simple. Chairman Smith stated for someone to go ahead.

A motion was made by Zach McClendon, seconded by David Leech, to approve the application, the motion carried and the Commissioner concurred.

Being no further business, the meeting was adjourned.

GARY SMITH, CHAIRMAN
State Banking Board

ATTEST:

LUTHER GUINN, Secretary
State Banking Board

CANDACE A. FRANKS
Bank Commissioner

Board Members in Attendance:

**GARY SMITH, Chairman
State Banking Board**

Date

**LANA HAMPTON, Vice-Chairman
State Banking Board**

Date

**ZACH McCLENDON, Member
State Banking Board**

Date

**GARY HUDSON, Member
State Banking Board**

Date

**DAVID LEECH, Member
State Banking Board**

Date

**RANDY SCOTT, Member
State Banking Board**

Date