

SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD

June 28, 2022

A Special Meeting of the Arkansas State Banking Board was held in the Rockefeller Conference Room located at the Department of Commerce, 1 Commerce Way, Little Rock, Arkansas, at 10:00 a.m. on June 28, 2022. The following Board Members were present: Chairman Todd Smith, Vice-Chairman, Russell Meeks, III, D. Scott Miller, Randy Scott, and Andy Davis. Representing the State Bank Department were Commissioner Susannah Marshall, Deputy Commissioner John Ahlen, Deputy Commissioner Dharmin Patel, Certified Examinations Manager John Ashby, IT Director Frank Fields, Secretary to the Board Cynthia Nixon, Research Project Analyst Barbara Robinson, Research Project Analyst Elizabeth Swaim and Research Project Analyst Barbara Mahoney. Notice of a Special Meeting was sent by regular mail to each member of the State Banking Board on May 24, 2022. The notice was also given to the news media in accordance with state law.

COMMISSIONER MARSHALL: Good morning everyone. I will kick the meeting off by welcoming our newest State Banking Board member, Mr. Andy Davis. We look forward to working with you. For the record we still have the vacancy of Mr. George French. As I reported last time, he did officially resign but they are waiting to appoint his replacement. So, we do not have our sixth member yet, but look forward to working with a new appointee. We will kick off this morning with introductions around the room, and I will start right here.

MR. AHLEN: John Ahlen, Bank Department.

MR. PATEL: Dharmin Patel, Bank Department.

MR. HUDSPETH: Bill Hudspeth, CEO, First National Bank of North Arkansas.

MR. CARR: Doug Carr, President, First National Bank of North Arkansas.

MS. NIXON: Cynthia Nixon, Bank Department.

MR. FIELDS: Frank Fields, Bank Department.

MR. ASHBY: John Ashby, Bank Department.

MS. SWAIM: Elizabeth Swaim, Bank Department.

MS. ROBINSON: Barbara Robinson, Bank Department.

MS. MAHONEY: Barbara Mahoney, Bank Department.

COMMISSIONER MARSHALL: Thank you everyone. I would like to note for everyone, Elizabeth Swaim is our newest employee. She has been with us for two weeks,

and we are thrilled to have her sit in and learn about the Bank Department and the Bank Board process. So, with that, Mr. Chairman, I see a quorum and I will turn the meeting over to you.

CHAIRMAN SMITH: Thank you very much, Commissioner. Welcome everyone. We are proud that you are here with us today, and we appreciate the application that has been filed. I know we have all reviewed it. The first act of business today, I would like us to consider the minutes of the May 12, 2022, Special Board meeting, which you have had time to review in advance.

VICE-CHAIRMAN MEEKS: Mr. Chairman, I would move the adoption of the minutes as they have been corrected and as they are presented.

CHAIRMAN SMITH: A motion by Mr. Meeks. Is there a second?

MR. SCOTT: Second.

CHAIRMAN SMITH: All in favor please say "aye."

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: Any opposed? There being none, the motion carries.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN SMITH: The next order of business is an application for conversion of First National Bank of North Arkansas, Berryville, Carroll County, Arkansas, to become a state-chartered bank to be known as Bank of 1889, Berryville, Carroll County, Arkansas. And with that, I would ask Mr. Hudspeth or Mr. Carr, would you like to present your application today?

MR. HUDSPETH: Yes, sir. First, we appreciate everyone's time and consideration. We were founded in 1889; that is why we chose that name. As the story goes, we were the only bank between Little Rock and Springfield, Missouri to survive the depression. Part of it was a bluff; part of it was the faith of one of our good customers. In 1992 the bank was controlled by two families, the West family, and the George family. In the early 1990's we considered selling out; the George's wanted to cash out. One of our officers came up with the idea of an Employee Stock Ownership Plan (ESOP). We implemented the ESOP, and it now owns about 45 percent of the bank. We have decided that it is in the best interest of our shareholders, employees, and our customers that we convert to a state-charter. We have, according to our attorney, and hopefully the State Bank Department, met all the regulatory requirements. We have chosen to go with Federal Reserve Membership for a variety of reasons. One is that since 1992 the Federal Reserve Bank has had oversight of our holding company and our ESOP, so they have been doing off-site examinations since that time accepting our OCC examinations. The OCC came down in 1992 and said, "We will not be back unless there is an issue," and I have not seen them, so we are good there. Are there any questions?

CHAIRMAN SMITH: Board, do you have any questions about the application before us today?

MR. MILLER: Mr. Chair, I make a motion to support the request being made today.

CHAIRMAN SMITH: We have a motion.

VICE-CHAIRMAN MEEKS: Second.

CHAIRMAN SMITH: Second by Mr. Meeks. All in favor please signify by saying "aye."

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: Any opposed? There being none, motion carries. You are approved.

MR. HUDSPETH: We appreciate all of you.

CHAIRMAN SMITH: Great job and congratulations.

COMMISSIONER MARSHALL: Commissioner concurs. Congratulations.

MR. HUDSPETH: Thank you. We want to thank Susannah and her folks for coming up. They made the trek up the mountain. If there was any hesitation on my management's or board's part, they put everything to rest in that meeting. So, thank you very much.

CHAIRMAN SMITH: Thank you. Is there any other business that needs to be brought before the Board today? Hearing none, I think we can entertain a motion to adjourn.

VICE-CHAIRMAN MEEKS: Motion to adjourn.

CHAIRMAN SMITH: Do we have a second?

MR. MILLER: Second.

CHAIRMAN SMITH: All in favor?

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: We are adjourned.

COMMISSIONER MARSHALL: Commissioner concurs.



TODD SMITH, Chairman
State Banking Board

10-20-22

Date

ATTEST:



CYNTHIA NIXON, Secretary
State Banking Board



SUSANNAH T. MARSHALL
Bank Commissioner