

**REGULAR MEETING**  
**OF THE**  
**ARKANSAS STATE BANKING BOARD**  
**OCTOBER 17, 2024**

A Regular 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 October 17, 2024. The following Board members were present: Chairman Randy Scott, Vice-Chairman Rusty Lanier, Todd Smith, Andy Davis, and Allen Kerr. Board Member Gary Head attended via Zoom. Representing the State Bank Department were Commissioner Susannah Marshall, Deputy Commissioner John Ahlen, Certified Examinations Manager John Ashby, Chief Counsel Eric Roberts, Secretary to the Board Shameka Kelly, Audit Manager Cynthia Nixon, Research Project Analyst Elizabeth Swaim, and Examiner Trainees Chris Wilson, Max Hanner, and Peyton Fogg. Sr. Bank Examiner Kendal Williams, Certified Sr. Bank Examiner Kevin Mosley, Securities IS Manager John Fontenot also attended. Representing the applicants were Joshua Dennis and Randy Dennis with DD&F Consulting Group. Executive Vice President Justin Bell was in attendance representing Farmers Bank And Trust Company, Blytheville, Arkansas, and Chairman, CEO, and President Cody Knight was in attendance representing Piggott State Bank, Piggott, Arkansas. Notice of the Regular Meeting was sent by regular mail to each member of the State Banking Board on September 3, 2024. The notice was also given to the news media in accordance with state law.

**COMMISSIONER MARSHALL:** Good morning, everyone. It is a pleasure to see everybody. Mr. Gary Head is joining us live from Northwest Arkansas, so glad we have a full house on this beautiful fall morning in October. You know, we all have talked a little bit about dry weather, and hopefully we will have some change. At least we have some nice temperatures to get us started. So, without further ado, I do see a quorum but let us start off announcing our visitors and our guests. We will just start right here.

**MR. AHLEN:** John Ahlen, Bank Department.

**MR. ROBERTS:** Eric Roberts, Bank Department.

**MS. SWAIM:** Elizabeth Swaim, Bank Department.

**MS. NIXON:** Cynthia Nixon, Bank Department.

**MR. MOSLEY:** Kevin Mosley, Bank Department.

**MR. FONTENOT:** John Fontenot, Securities Department.

**MS. KELLY:** Shameka Kelly, Bank Department.

**MR. DENNIS:** Randy Dennis, DD&F Consulting Group.

**MR. DENNIS:** Joshua Dennis, DD&F Consulting Group.

**MS. WILLIAMS:** Kendal Williams, Bank Department.

**MR. KNIGHT:** Cody Knight, Piggott State Bank.

**MR. BELL:** Justin Bell, Farmers Bank And Trust Company.

**COMMISSIONER MARSHALL:** The next three people are our newest examiners. They do not get a chance to see the proceedings at the State Banking Board hearings very often, so I invited them to come join us.

**MR. FOGG:** Peyton Fogg, Bank Department.

**MR. WILSON:** Chris Wilson, Bank Department.

**MR. HANNER:** Max Hanner, Bank Department.

**COMMISSIONER MARSHALL:** Thank you very much. Mr. Chair, I will turn the meeting over to you.

**MR. SCOTT:** Thank you. The first item on the agenda is consideration of minutes from the May 23, 2024, Special Meeting. I think you all received those minutes. I will entertain a motion to approve those minutes.

**VICE CHAIRMAN LANIER:** So moved.

**CHAIRMAN SCOTT:** Motion. Is there second?

**MR. DAVIS:** Second.

**CHAIRMAN SCOTT:** Any discussion? If not, all those in favor, signify by saying, "Aye."

**BOARD MEMBERS:** Aye.

**CHAIRMAN SCOTT:** Motion carries. The next item is a transaction that our bank is involved with, so I will recuse myself from the Board.

**COMMISSIONER MARSHALL:** Mr. Vice Chair, will you carry the meeting for us, please?



**VICE CHAIRMAN LANIER:** Yes. The next order of business, an application by Farmers Bank And Trust Company, Blytheville, Arkansas, to merge with Piggott State Bank, Piggott, Arkansas, with and into Farmers Bank And Trust Company, Blytheville, Arkansas. Who's going to speak?

**MR. J. DENNIS:** Good morning. Farmers Bank And Trust Company, Blytheville, Arkansas, submitted a merger application to your office on August 20, 2024, for the merger of Piggott State Bank, Piggott, Arkansas, with and into Farmers Bank And Trust Company, Blytheville, Arkansas. According to section 23-48-503 of the Arkansas Banking Code, five criteria must be met before you can approve the application. The application's first criteria states that the merger must provide for an adequate capital structure. Currently, both Farmers Bank And Trust Company, Blytheville, and Piggott State Bank, Piggott, are well capitalized, and the financial projections in the application we submitted show that, upon consummation, the leverage ratio should be 10.2, and one year out should be right under 11; about 10.9. The second criteria that must be met is that the terms of the merger must be fair. The boards of Piggott State Bank, and Farmers Bank And Trust Company have reviewed the agreement and have signed off and here we are this morning. Third is the terms of the merger must not be contrary to the public interest. Neither Piggott State Bank, nor Farmers Bank And Trust Company operates in similar markets, so there's no anti-competitive issues and the customers and members of the community of both of those locations will have the same access to the branches before and after the transaction. Mr. Scott is here, and he'll give you a little more detail of what led to this merger. Fourth is dissenter's rights must be adequately provided for. Farmers Bancorp, Inc., is the sole shareholder of Farmers Bank And Trust Company and Piggott Bankstock, Inc., is the sole shareholder of Piggott State Bank. Both bank holding companies are wholly owned by Gaylon Lawrence, Jr., and therefore there can be no dissenters to this transaction. All federal and state laws must be complied with. The application was submitted on August 20, 2024. It was an Interagency Bank Merger Act Application which was approved by Federal Reserve on September 26, 2024. A waiver request for the Federal Reserve's FR Y-3 form was submitted at the same time. It was also approved on September 26, 2024. In conjunction with the merger application with this office, a waiver for the State's Change in Control Application was filed and was approved on October 1, 2024, by your office. A fictitious name application was also submitted for the use of the name Piggott State Bank. That concludes my portion of the presentation. I will turn it over to Randy.

**CHAIRMAN SCOTT:** It is a little different on this side of the table, Todd. You inspired us last meeting to do the same thing. Our banks have been sister banks for 37 years. 100 percent owner, Gaylon Lawrence, Jr., and we have been sister banks that have worked well together for many, many years. We share policies. We share IT. We share accounting services among other things. It just makes sense to go together on paper, and to merge on the books. Just audit costs alone, saves us \$195,000. We are 45 minutes apart, so we really do not have any competing customers. We have two or three deposit accounts that have accounts at both banks, so we are far enough away, and close enough for us to do this merger. This is something that we feel would make both of our banks more efficient. In the end, this merger makes a much more efficient balance sheet. The cost of IT, technology, and compliance, makes it hard for smaller banks to survive. That's a lot of the reasons we want to do this. Anyone have any questions?

**MR. SMITH:** I would love to ask you questions, so I could show I read the material, but I do not have one. It is all packaged up nicely and makes sense.

**VICE CHAIRMAN LANIER:** So, do we have a motion to accept the application?

**MR. HEAD:** Mr. Chairman, Gary Head, I will make a motion.

**VICE CHAIRMAN LANIER:** Got a second?

**MR. KERR:** Second.

**VICE CHAIRMAN LANIER:** All in favor?

**BOARD MEMBERS:** Aye.

**VICE CHAIRMAN LANIER:** Any opposed?

**BOARD MEMBERS:** (Silence).

**VICE CHAIRMAN LANIER:** Then, it is accepted. Congratulations.

**COMMISSIONER MARSHALL:** The Commissioner concurs. Congratulations. You want to come back and join us?

**VICE CHAIRMAN LANIER:** Is there any other business that needs to be brought before the Board?

**CHAIRMAN SCOTT:** Would anyone like to make a motion to adjourn?

**MR. DAVIS:** So moved.

**MR. KERR:** Second.

**CHAIRMAN SCOTT:** All those in favor?

**BOARD MEMBERS:** Aye.

**COMMISSIONER MARSHALL:** Commissioner concurs.



  
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**RANDY SCOTT, Chairman**  
**State Banking Board**

  
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**Date**

**ATTEST:**

  
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**Shameka N. Kelly, Secretary** *jsa*  
**State Banking Board**

  
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**SUSANNAH T. MARSHALL**  
**Bank Commissioner**