

**SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD**

August 14, 2025

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 August 14, 2025. The following Board Members were present: Chairman Randy Scott, Vice-Chairman Rusty Lanier, Todd Smith, Gary Head, Andy Davis, and Allen Kerr. Representing the State Bank Department were Commissioner Susannah Marshall, Deputy Commissioner John Ahlen, Deputy Commissioner Dharmin Patel, Certified Examinations Manager John Ashby, Certified Bank Senior Examiner Kevin Mosley, Bank Examiner IV / Financial Analyst Dustin Hill, IT Director Frank Fields, Applications Coordinator Darla Bryant, Audit Manager Cynthia Nixon, Program Support Analyst Caleb Price, Research Project Analyst Elizabeth Swaim, Examiner Trainee Clayton Guthrie, Examiner Trainee Max Montgomery, Examiner Trainee Reese Ruddell, Examiner Trainee Connor Clark, and Examiner Tyler Lucas. Representing the applicants were Robert T. Smith of Friday, Eldredge and Clark and Bennie Ryburn on behalf of Commercial Bank & Trust Company, Monticello, Arkansas, Joshua Dennis with DD&F and Greg Hopkins with Hopkins Caststeel PLC were present to represent Bank of Salem, Salem, Arkansas. Notice of a Special Meeting was sent by regular mail to each member of the State Banking Board on July 1, 2025. The notice was also given to the news media in accordance with state law.

COMMISSIONER MARSHALL: I am happy to call this special meeting of the State Banking Board to order on Thursday August 14, 2025. Let us begin by making introductions for all of our attendees and our guests.

MR. AHLEN: John Ahlen, Bank Department.

MR. PATEL: Dharmin Patel, Bank Department.

MR. BELL: Justin Bell, Farmers Bank and Trust.

MR. JOSHUA DENNIS: Joshua Dennis, DD&F Consulting.

MR. RANDY DENNIS: Randy Dennis, DD&F Consulting.

MS. NIXON: Cynthia Nixon, Bank Department.

MR. PRICE: Caleb Price, Bank Department.

MR. FIELDS: Frank Fields, Bank Department.

MS. BRYANT: Darla Bryant, Bank Department.

COMMISSIONER MARSHALL: And I am going to pause you for a quick second. The four gentlemen in the back of the room are our brand-new hires. They've been on less than a month and it was important for them to get to sit in and see how the Banking Board works.

MR. GUTHRIE: Clayton Guthrie, Bank Department.

MR. MONTGOMERY: Max Montgomery, Bank Department.

MR. RUDELLE: Reese Ruddell, Bank Department.

MR. CLARK: Connor Clark, Bank Department.

MR. LUCAS: Tyler Lucas, Bank Department.

MR. ASHBY: John Ashby, Bank Department.

MS. SWAIM: Elizabeth Swaim, Bank Department.

MR. MOSLEY: Kevin Mosley, Bank Department.

MR. HILL: Dustin Hill, Bank Department.

COMMISSIONER MARSHALL: Thank you, everyone. I do see a quorum, so I will turn the meeting over to Chairman Randy Scott.

CHAIRMAN SCOTT: Thank you, Commissioner.

COMMISSIONER MARSHALL: We have got to be official. Thank you.

CHAIRMAN SCOTT: All right. First item on the agenda is the election of the 2025 Chairman and Vice Chairman. I will open it up with a nomination of Andy Davis as Chairman and Rusty Lanier as Vice Chairman. Do I get a second on that motion?

MR. HEAD: Second.

CHAIRMAN SCOTT: Any other nominations?

(NO RESPONSE)

CHAIRMAN SCOTT: If not, all those in favor of Andy Davis as chair and Rusty Lanier as Vice Chairman, signify by saying aye.

(UNANIMOUS AYES)

CHAIRMAN SCOTT: Unopposed. Motion carries.

CHAIRMAN SCOTT: I will turn it over to Andy.

CHAIRMAN DAVIS: All right. Thank you very much. Thanks, Board.

COMMISSIONER MARSHALL: And the Commissioner concurs.

CHAIRMAN DAVIS: Very good. That is always good.

CHAIRMAN DAVIS: All right. I am going to lean on my legislative experience to try to keep this efficient in light of the desire of our staff to get out to this funeral. I think let's try to be respectful of that. First on -- or second on the agenda, actually, consideration of board member expenses for 2025. Report was in your packet. Is there any discussion on this?

(NO RESPONSE)

MR HEAD: Motion to approve.

CHAIRMAN DAVIS: All right. We have motion to approve. All those in favor, say aye.

(UNANIMOUS AYES)

CHAIRMAN DAVIS: Any opposed? All right. This item is reviewed and approved.

MR. HEAD: We need a second.

MR. LANIER: Second.

COMMISSIONER MARSHALL: Thank you.

CHAIRMAN DAVIS: All right. Is that good?

COMMISSIONER MARSHALL: Good.

CHAIRMAN DAVIS: All right.

CHAIRMAN DAVIS: Item 3. This looks like the Senate committee. We have to have a second. I have got you. All right. Item 3 is consideration of the minutes from the October 17, 2024, board meeting. This item was in your packet. Any discussion on the minutes?

(NO RESPONSE)

MR. SMITH: Motion to approve.

CHAIRMAN DAVIS: Motion. Second?

MR. HEAD: Second

CHAIRMAN DAVIS: Second. All those in favor, say aye.

(UNANIMOUS AYES)

CHAIRMAN DAVIS: Any opposed, no? Seeing none, this item is reviewed and approved.

CHAIRMAN DAVIS: All right. Item 4 is an application by Farmers Bank and Trust Company, Blytheville, Mississippi County, Arkansas, to merge First Missouri State Bank, Poplar Bluff, Butler County, Missouri, with and into Farmers Bank and Trust Company, Blytheville, Mississippi County, Arkansas. Is anyone here to speak in favor of this application?

MR. SCOTT: First, I would like to recuse myself from the board.

CHAIRMAN DAVIS: All right. So noted. All right. If you would like to speak on this application, please introduce yourself to the board and proceed.

MR. JOSHUA DENNIS: Joshua Dennis, with DD&F Consulting Group, here on behalf of Farmers. For the sake of efficiency, if I could speak on all three of them at the same time.

COMMISSIONER MARSHALL: We have to take individual –

MR. JOSHUA DENNIS: Individual?

COMMISSIONER MARSHALL: -- actions, but you may go ahead and present –

MR. JOSHUA DENNIS: All of it together?

COMMISSIONER MARSHALL: How you would –

MR. JOSHUA DENNIS: Okay.

COMMISSIONER MARSHALL: -- prefer it, sir.

MR. JOSHUA DENNIS: I'll be a little quicker since y'all are trying to get out of here. So on May 28th, on behalf of Farmers, three merger applications were submitted. The first was for First Missouri State Bank in Poplar Bluff to merge with and into Farmers. Second was First Missouri State Bank of Cape County out of Cape Girardeau to merge with and into Farmers. And third was First Missouri Bank of SEMO in Kennett, Missouri, to merge with and into Farmers. So these were all submitted on May 28th. And to approve these five criterial items have to be proven to be met. Those 5 items are: the proposed merger must provide an adequate capital structure; the terms of the merger must be fair; the merger must not be contrary to the public interest; the dissenter rights must be adequately provided for; and lastly, all applicable state and federal laws must be complied with. So the proposed merger provides an adequate capital structure. All four institutions are, at the time of application, well capitalized. Today, they are still well capitalized; and at the time of consummation, in early January, we expect them to be well capitalized. So the resulting institution will be well capitalized. And in the pro forma information provided in the application, one year out, Farmers (the combined institution), is supposed to have a leverage ratio

of 9.4 percent. Second, the terms of the merger must be fair. All relevant parties at each bank, the boards, have approved the transaction and have determined it to be fair and reasonable. Third, the merger must not be contrary to the public interest. None of these banks operate in overlapping markets. They all have the individual unique markets, so there are no anti-competitive effects as a result of this transaction, and no branches are anticipated being closed. The public will have access to the bank the same after the transaction as before the transaction. Fourth, dissenters' rights must be adequately provided for. These banks are all owned by one individual, Mr. Gaylon Lawrence, Jr., so there were no dissenters. Lastly, all required applicable state and federal laws must be complied with. In addition to the merger applications, fictitious name applications were also submitted for each bank to operate under their trade name. Those were approved on June 18th by the Bank Department. The Federal Reserve required a merger application for each, so we've submitted three merger applications, one for each bank, on May 28th. Those were approved on July 2nd. The FR Y-3, which is typically required for these transactions, we submitted a waiver request for each one of those applications. The request was approved on July 2nd. And that concludes my portion, and I will turn it over to Randy Scott.

MR. SCOTT: Thank you. Thank you all for coming for our special board meeting. I know it's a lot to come just for one application or for one bank, but we did this last year with Piggott State Bank, and it went so well that the owner, Gaylon Lawrence, said, well, let's just put them all together in Missouri as well. So we're kind of trying to become more efficient, putting all five banks into one charter. It's very important to Mr. Lawrence and myself as well that this be an Arkansas chartered bank, that – the Arkansas Bank Department is very cooperative to work for. I'm not sure the right word to use, but a great bank department and it's very important to us that this be chartered in Arkansas as opposed to Missouri. There will be more assets in Missouri than there are in Arkansas, but because of the State Bank Department and our relationship with them, we do want to have it here. And the main reasoning is operating efficiencies. Just by doing this, we already know we're saving \$503,000 a year in IT with the core processor. We know we're saving \$300,000 in benefits, health benefits. We know we're saving \$200,000 in audit expenses, and that's just the low-hanging fruit. So just by doing this, we're more efficient. We have three CEOs that are near retirement age. By putting us all together – some of these small markets, it's hard to hire the talent pool to be able to do all those jobs and wear all those hats and by doing this we were five deep on all those areas now. So we're excited about this opportunity, and I hope you all will allow us to do this. Anyone have any questions?

CHAIRMAN DAVIS: Any questions, Board? Commissioner Marshall, I guess could you just confirm that board -- that the Department has reviewed this and you recommend this?

COMMISSIONER MARSHALL: Yes. Mr. Chairman, I can confirm that our analysts have had the opportunity to review the proposals, both individually and collectively, multiple conversations with Mr. Scott and his team. Of course, very proud and honored that they chose to stay an Arkansas State Bank. That certainly was, I know, part of the ongoing discussions within their organization, but I think it's going to show -- continue to show the strength of their organization and this will lead them, as Mr. Scott said, into a very high level of maximizing resources and better efficiency for the long run and continued service to the communities and the individuals that are part of the Farmers system. So we are very supportive of the transaction and again, honored that they chose the State of Arkansas.

CHAIRMAN DAVIS: Yeah. I appreciate you highlighting that. I know the governor and the legislature put a lot of work into trying to make Arkansas a good place to do business, and I think it's a great indicator that the Bank Department is certainly doing their part. All right. Do we have a motion for approval of Item 4?

MR. HEAD: So moved.

CHAIRMAN DAVIS: All right. Second?

MR. KERR: Second.

CHAIRMAN DAVIS: Any discussion on the motion?

(NO RESPONSE)

CHAIRMAN DAVIS: Seeing none, all those in favor, say aye.

(UNANIMOUS AYES)

CHAIRMAN DAVIS: Any opposed, no.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN DAVIS: All right. I--

MR. HEAD: I make a motion on the second one.

CHAIRMAN DAVIS: All right. Any additional comments from the applicant on Item 5?

CHAIRMAN DAVIS: That is okay. I'd rather you did not.

MR. KERR: I second the motion.

CHAIRMAN DAVIS: All right. We have a motion and a second for approval on Item 5. Any discussion on the motion?

(NO RESPONSE)

CHAIRMAN DAVIS: Seeing none, all those in favor, say aye.

(UNANIMOUS AYES)

CHAIRMAN DAVIS: Any opposed? No. Item 5 is reviewed and approved.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN DAVIS: Any additional information for Item 6?

(NO RESPONSE)

CHAIRMAN DAVIS: All right. Seeing none, do we have a motion for approval on Item 6?

MR. KERR: So moved.

MR. HEAD: Second.

MR. CHAIRMAN: All right. We have a motion and a second. Any discussion on the motion?

(NO RESPONSE)

CHAIRMAN DAVIS: Seeing none, all those in favor, say aye.

(UNANIMOUS AYES)

CHAIRMAN DAVIS: Any opposed, no. Seeing none, Item 6, reviewed and approved.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN DAVIS: All right.

COMMISSIONER MARSHALL: Congratulations. I will make an -- I said I wasn't going to make any comments, but you all were very expeditious. So this edition of \$700 million in assets and putting Farmers over the billion-dollar mark adds one more institution to our billion-dollar-plus list. And our average assets -- at any given time, our average bank size in Arkansas is close to two billion dollars, which is amazing and very -- a statistic I'm very proud of. The other item that I think it's worth noting, when we aggregated assets for the June 30th reporting period, our banks grew organically over three billion in one quarter. That is without any M&A.

CHAIRMAN DAVIS: Wow.

COMMISSIONER CHAIRMAN: That's without any acquisitions of affiliate organizations. So the organic growth, the health of our industry, the health of this economy and the other areas where our banks do business outside the state is very strong right now. I'm so very proud of that. I do believe that -- that we will see a little -- maybe a little retraction of that growth in the next six -- the last half of the year, but by no means do I foresee any stalling or decline in our assets under management. So we are now sitting at over \$171 billion today in Arkansas State Chartered Bank assets. So --

CHAIRMAN DAVIS: Excellent. Any other business that needs to be brought before the Board?

COMMISSIONER MARSHALL: I do not have any pending applications for the October regular meeting. If we have the opportunity to hear something, we will give advance notice and schedule something quickly. But with that, I have no further business and appreciate everyone's time, attention today, and of course, the ability to be efficient in our processes.

MR KERR: Motion to adjourn.

MR. HEAD: Second.

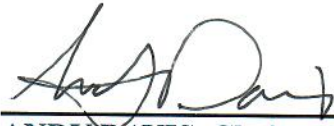
CHAIRMAN DAVIS: All right. Motion made and seconded. All those in favor?

(UNANIMOUS AYES)

CHAIRMAN DAVIS: All right. Will you please just give the board's condolences to Ms. Mahoney's family and to your team.

COMMISSIONER MARSHALL: Yes, Mr. Chairman, thank you very much. I appreciate that. Thank you all. And the commissioner concurs. Again, congratulations.

(The action agenda concluded at 10:14 a.m.)



ANDY DAVIS, Chairman
State Banking Board

3/19/26

Date

ATTEST:



Caleb Price, Secretary
State Banking Board



SUSANNAH T. MARSHALL
Bank Commissioner