

OKLAHOMA STATUTES  
TITLE 6. BANKS AND TRUST COMPANIES

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§6-101. Short title.

This act may be cited as the "Oklahoma Banking Code".

Added by Laws 1965, c. 161, § 101. Amended by Laws 1997, c. 111, § 1, eff. July 1, 1997; Laws 2000, c. 205, § 1, emerg. eff. May 17, 2000.

§6-102. Definitions.

As used in the Banking Code unless the context otherwise requires:

1. "Acquisition" or "acquire" means any act or action with respect to the ownership or control of a bank or the purchase of its assets and the assumption of its liabilities which would require the approval of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or other supervisory authority having jurisdiction and approval authority over the bank;

2. "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, third-party claims, cross claims, setoff, suit in equity, arbitration and any other proceedings in which rights are determined;

3. "Bank" means any bank authorized and chartered by the laws of this state to engage in the banking business, or any bank chartered by the office of the Comptroller of the Currency with its main office in this state;

4. "Banking company" means any bank;

5. "Bank holding company" means any Oklahoma corporation which directly or indirectly owns or controls at least one bank or out-of-state bank as defined in this section;

6. "Board" when used with an initial capital letter means the Banking Board of this state;

7. "Branch bank" means any place of business separated from the main office of a bank at which deposits are received, or checks paid or money lent;

8. "Capital" shall include the paid-in common capital stock account, preferred stock account, surplus account, undivided profits account, capital reserves (other than contingency reserves), allowance for possible loan losses and mandatory convertible

instruments that are convertible into common stock. "Capital" shall also include all other approved subordinated notes and debentures, having an original weighted average maturity of at least seven (7) years, to the extent their maturity date exceeds five (5) years. As such notes and debentures approach maturity of less than five (5) years, they shall be considered "capital" in proportion to their years to maturity as it bears to five (5) years;

9. "Commissioner" means the State Banking Commissioner appointed and serving pursuant to this act, who shall be the Commissioner of Banking and who shall administer and enforce the applicable provisions of this act;

10. "Community" means a city, town or incorporated village of this state, or a trade area in this state in unincorporated territory;

11. "Company" means any corporation, association, partnership, business trust or similar organization, but shall not include any corporation, the majority of the shares of which are owned by the United States or by any state;

12. "Compliance review committee" means:

- a. an audit, loan review or compliance committee appointed by the Board of Directors of an insured depository institution, or
- b. any other person to the extent the person acts in an investigatory capacity at the direction of a compliance review committee;

13. "Compliance review documents" means documents prepared for or created by a compliance review committee;

14. "Confusingly similar name" means:

- a. as applied to the name of any bank, a name which is identical to that of any other bank located within this state, or a name which:
  - (1) contains one or more of the following words with or without the words "State," "National," or "Trust": American, Central, Citizens, City, Commerce, Commercial, Community, Exchange, Farmers & Merchants, First, Guaranty, Oklahoma, Peoples, Security or United,
  - (2) does not contain a geographical name (other than "Oklahoma") descriptive of the immediate location of the bank (street, town, city, county or other local geographical name),
  - (3) does not contain other unique or clearly distinguished words or marks, and
  - (4) is not a federally registered trade name, trademark or service mark owned by or licensed to the particular bank,

- b. as applied to the name of any person not a bank, a name which is confusingly similar in spelling or wording or sound to the name of any bank located anywhere within this state, if such name would tend to suggest falsely to the public that the person is a bank or is affiliated with the bank, directly or indirectly. However, nothing contained in this subsection shall prohibit the use of a similar name by a corporation which is in a relationship to the bank of parent, subsidiary, brother-sister corporation or other commonly controlled company, or
- c. notwithstanding anything to the contrary in subparagraph a or b of this paragraph, the name or shortened name of a bank shall not be considered confusingly similar when used in conjunction with a federally registered trademark or service mark owned by or licensed to the particular bank. Proof of ownership or license of a federally registered mark must be provided to the Banking Department.

The Board shall promulgate rules which govern the use of "confusingly similar names" as defined in this paragraph;

15. "Consumer banking electronic facility" means any electronic device owned, operated, leased by or on the behalf of a bank, savings association, or credit union other than a telephone or modem operated by a customer of a depository institution, to which a person may initiate an electronic fund transfer. The term includes without limitations, a point-of-sale terminal, automatic teller machines, automated loan machines, video banking centers, or any other similar electronic devices;

16. "Continuing bank" means a merging bank the charter of which becomes the charter of the resulting bank;

17. "Control" means control as such term is defined under the Federal Bank Holding Company Act of 1956, as amended, 12 U.S.C., Section 1841;

18. "Converting bank" means a bank converting from a state to a national bank, or the reverse;

19. "Court" means a court of competent jurisdiction;

20. "Department" means the Oklahoma State Banking Department created by this Code;

21. "Deposits" means all demand, time and savings deposits of individuals, partnerships, corporations, the United States and states and political subdivisions of the United States, deposits of banks, foreign governments, institutions, deposits held by foreign banking offices or corporations organized pursuant to 12 U.S.C., Sections 601 through 604a, or Sections 611 through 631, as amended. Determinations of deposits shall be made by the Commissioner by reference to regulatory reports of condition or similar reports

filed by banks or savings associations with state or federal regulatory agencies;

22. "Emergency" means any condition or occurrence which may interfere physically with the conduct of normal business operations at one or more or all of the offices of a bank or an out-of-state bank, or which poses an imminent or existing threat to the safety or security of persons or property, or both. Without limiting the generality of the foregoing, an emergency may arise as a result of any one or more of the following: fires; floods; earthquakes; hurricanes; wind, rain or snow storms; labor disputes and strikes; power failures; transportation failures; interruptions of communication facilities; shortages of fuel, housing, food, transportation or labor; robberies or attempted robberies; actual or threatened enemy attack; epidemics or other catastrophes; riots, civil commotions and other acts of lawlessness or violence, actual or threatened;

23. "Executive officer", when referring to a bank, out-of-state bank, or trust company, means any person designated as such in the bylaws and includes, whether or not so designated, the chairman of the board of directors, chairman of the executive committee, the president, any vice-president, the trust officer, the treasurer, the cashier, the comptroller and the secretary, or any person who performs the duties appropriate to those offices;

24. "Federal Reserve Act" means the Act of Congress approved December 23, 1913, (38 Stat. 251), as amended;

25. "Federal Reserve Bank" means the Federal Reserve Banks created and organized under authority of the Federal Reserve Act;

26. "Federal Reserve Board" means the Board of Governors of the Federal Reserve System created and described in the Federal Reserve Act, as amended;

27. "Fiduciary" means original or successor trustee of an expressed or implied trust, including, but not limited to, a resulting or constructive trust, special administrator, executor, administrator, administrator common trust agreement, guardian, guardian-trustee or conservator for a minor or other incompetent person, receiver, trustee in bankruptcy, assignee for creditors or any holder of a similar position of trust acting alone or with others;

28. "General obligation" means obligations of the State of Oklahoma or a political subdivision of this state and of any other state or political subdivision thereof supported by the full faith and credit of the obligor. It includes all obligations payable from a special fund when the full faith and credit of a state or any political subdivision of a state is obligated for payment into the fund of amounts which will be sufficient to provide for all required payments in connection with the obligation. It implies an obligor possessing resources sufficient to justify faith and credit;

29. "Good faith" means honesty in fact in the transaction and some reasonable ground for belief that the transaction is rightful or authorized;

30. "Insolvent" means that the actual cash market value of a bank's assets is insufficient to pay its liabilities other than its capital stock, surplus and undivided profits, or that the bank is unable to meet the demands of its creditors in the usual course of business;

31. "Insured depository institution" means any bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

32. "Interstate merger transaction" means a merger between two banks, two savings associations or a bank and a savings association, one of which is chartered by or has its main office located in this state, and the other of which is an out-of-state bank as defined in this section;

33. "Investment securities" means marketable obligations in the form of bonds, notes or debentures which are commonly regarded as investment securities. It does not include investments which are predominantly speculative in nature;

34. "Item" means any instrument for the payment of money even though not negotiable, but does not include money;

35. "Legal newspaper" means a newspaper qualified to publish legal notices under the provisions of Section 106 of Title 25 of the Oklahoma Statutes;

36. "Loan review committee" means a person or group of persons who, on behalf of an insured depository institution, reviews loans held by such institution for the purpose of assessing the credit quality of the loans, compliance with the loan policies of such institution, and compliance with the applicable state and federal laws, regulations and rules;

37. "Local media" means:

- a. any newspaper, radio station or television station with its main office located in the same city or town in which a particular main office of a bank is located, and
- b. other means or media of advertising, including without limitation any outdoor signage on the premises of the bank, billboards, bulk mailings and other solicitations to persons who are not customers of the bank, but only to the extent that any such advertising is strictly limited in geographical location or distribution to the same city or town, including the immediate surrounding unincorporated rural area, where the particular main office of the bank is located;

38. "Main bank" means the office location which has been designated by the State Banking Commissioner or Comptroller of the Currency as the main office of a bank;

39. "Main office" means either the main bank or the main office location of a savings association;

40. "Managing officer" means the chief executive officer of the bank;

41. "Member bank" means any national bank, state bank or banking and trust company which becomes a member of the Federal Reserve System;

42. "Merger" includes consolidation;

43. "Military banking facility" means a facility maintained by a bank upon a military installation, provided the facility must be within the confines of a military reservation and located upon property owned or leased by the United States government;

44. "Mobile" means the ability to be moved, picked up, rolled, pulled or driven;

45. "Multibank holding company" means an Oklahoma corporation which directly or indirectly owns or controls two or more banks, two or more bank holding companies, or one or more of each as defined in this section;

46. "National Bank Examiner" or "Federal Bank Examiner" means any person employed as a bank examiner by the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve Board or Bank;

47. "Office" means any place at which a bank or an out-of-state bank transacts its business or conducts operations related to its business;

48. "Officer", when referring to a bank, out-of-state bank or trust company, means any person designated as such in the bylaws and includes, whether or not so designated, any executive officer, the chairman of the board of directors, the chairman of the executive committee, and any trust officer, assistant trust officer, assistant vice-president, assistant treasurer, assistant cashier, assistant comptroller, assistant secretary, auditor or any person who performs the duties appropriate to those offices;

49. "Order" means all, or any part, of the final disposition, whether affirmative, negative, injunctive or declaratory in form, by the Commissioner or the Banking Board, of any matter other than the making of regulations of general application;

50. "Out-of-state bank" means a national bank or a state or federal savings association which has its main office located in a state other than Oklahoma, or a bank chartered by a state other than Oklahoma;

51. "Out-of-state bank holding company" means a bank holding company which is not incorporated in this state and which directly

or indirectly owns or controls one or more banks or out-of-state banks as defined in this section;

52. "Person" means an individual, group of individuals, board, committee, partnership, firm, association, corporation or other entity;

53. "Political subdivision" includes a county, city, town or other municipal corporation, a public authority, and generally any publicly owned entity which is an instrumentality of the state or a municipal corporation;

54. "Principal place of business of a bank or a bank holding company" means the state in which the total deposits of the bank or the bank subsidiaries of the bank holding company are the largest;

55. "Reason to know" means that upon the information available a person of ordinary intelligence in the particular business, or of the superior intelligence or experience which the person in question may have, would infer that the fact in question exists or that there is such a substantial chance of its existence that, if exercising reasonable care with reference to the matter in question, conduct would be predicated upon the assumption of its possible existence;

56. "Resulting bank" means the combined banks and trust companies carrying on business upon completion of a merger;

57. "Retailer" means a person, corporation or partnership, primarily engaged in the sale of goods at retail to the general public;

58. "Savings association" means any savings and loan association or savings bank chartered under the laws of this state or the laws of the United States authorized to engage in the savings and loan business with its main office located in this state;

59. "Savings association branch" means any place of business separated from the main office of a savings association at which deposits are received, checks paid or money lent;

60. "Subsidiary" with respect to a specified bank holding company or multibank holding company means a subsidiary as the term is defined in the Federal Reserve Bank Holding Company Act of 1956, as amended, 12 U.S.C., Section 1841; and

61. "Trust company" means:

- a. any person doing a trust company business as set forth in this Code except an incorporated or unincorporated organization which is organized under Section 501(c)(3) of the Internal Revenue Code as being organized and operated exclusively for educational, religious, charitable, or other eleemosynary purposes when exercising powers pursuant to the Oklahoma Charitable Fiduciary Act and the Oklahoma General Corporation Act, and
- b. the trust departments of banks authorized to engage in the trust company business.

Added by Laws 1965, c. 161, § 102. Amended by Laws 1968, c. 93, § 1, emerg. eff. April 1, 1968; Laws 1976, c. 31, § 1, emerg. eff. March 17, 1976; Laws 1982, c. 223, § 1; Laws 1983, c. 73, § 1, emerg. eff. April 29, 1983; Laws 1986, c. 316, § 1, emerg. eff. June 24, 1986; Laws 1996, c. 92, § 1, eff. June 1, 1996; Laws 1997, c. 111, § 2, eff. July 1, 1997; Laws 2000, c. 205, § 2, emerg. eff. May 17, 2000; Laws 2002, c. 67, § 1, eff. Nov. 1, 2002; Laws 2013, c. 62, § 1, emerg. eff. April 18, 2013.

§6-103. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-104. Effect on existing banks and trust companies - Registration of bank or trust-related activities.

A. The certificates, permits and charters of state banks and trust companies heretofore organized under the laws of the state and existing before August 31, 1965, shall continue in full force and effect. All such state banks and trust companies, and, to the extent applicable, all national banks now or hereafter doing business in this state, shall from August 31, 1965, be subject to the provisions and requirements of this Code in every particular as if organized under this act.

B. Any bank, bank holding company, trust company or business association not holding a charter of authority to engage in banking or trust company business in this state shall register with the Commissioner, on a form provided by the Commissioner and pay a registration fee in an amount set by rule of the Board, all bank or trust-related activities conducted in this state by the bank, bank holding company, trust company, business association, or any subsidiary or affiliate thereof.

C. Bank or trust-related activities include receiving deposits, transaction accounts, making loans, issuing debentures or other evidence of debt, holding funds or other property in trust, acting in a fiduciary capacity, or conducting in any other manner banking, or bank or trust-related activities.

Added by Laws 1965, c. 161, § 104. Amended by Laws 1980, c. 360, § 1, emerg. eff. June 27, 1980; Laws 1984, c. 133, § 1, eff. Oct. 1, 1984; Laws 1997, c. 111, § 3, eff. July 1, 1997; Laws 2005, c. 48, § 1, eff. Nov. 1, 2005.

§6-105. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§6-106. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§6-107. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.



§6-201. Establishment - Officers and employees.

A. There shall be a Banking Department, with a main office located at 2900 North Lincoln Boulevard, Oklahoma City, Oklahoma, which shall be a separate department of the state government charged with supervision of the activities in this state as provided in the Oklahoma Banking Code of 1997 and in other legislation conferring jurisdiction upon the Department.

B. The head of the Department shall be the Commissioner. The Commissioner shall be appointed by the Governor with the advice and consent of the Senate. The Commissioner shall have been a qualified elector of the state for at least three (3) years prior to the appointment, shall be at least thirty-five (35) years old and shall have had ten (10) years' experience as a bank officer or employee, or five (5) years' experience as a bank president or managing officer of a bank, or five (5) years' experience as a state or federal bank examiner. The Commissioner shall be appointed for a term of four (4) years. The Commissioner shall continue to serve until a successor is duly appointed, confirmed and qualified. The Commissioner may be removed by the Governor for cause after notice and hearing. A successor to a Commissioner who dies, resigns or is removed shall be appointed in the same manner as provided in this section.

C. 1. The Commissioner shall appoint a Deputy Commissioner who may also serve as secretary to the Board hereinafter created. The Deputy Commissioner shall have been a qualified elector of the state for at least three (3) years prior to the appointment, shall be at least thirty (30) years old and shall have had five (5) years' experience as a bank officer or employee, or three (3) years' experience as a bank president or managing officer of a bank, or five (5) years' experience as a state or federal bank examiner, Assistant Deputy Commissioner, or other Department employee. If the office of the Commissioner is vacant or if the Commissioner is absent or unable to act, the Deputy Commissioner shall be the acting Commissioner.

2. The Commissioner may appoint Administrative Assistants whose administrative duties shall be prescribed by the Commissioner.

3. The Attorney General is hereby authorized to appoint an Assistant Attorney General, in addition to those now provided by law, to be assigned to the Department. The Assistant Attorney General shall perform such additional duties as may be assigned by the Attorney General, and shall otherwise be subject to all provisions of the statutes relating to Assistant Attorneys General. The Banking Department is authorized to pay all or any part of the salary of the Assistant Attorney General.

4. The Commissioner may also appoint a Budget Director for the Department, a Credit Union Administrator and Assistant Deputy Commissioners. The Budget Director, Credit Union Administrator and

Assistant Deputy Commissioners shall have the duties and authority as prescribed by the Commissioner.

5. The Commissioner shall prepare in writing a manual of all employee positions for the Department, including job classifications, seniority status, personnel qualifications, duties, maximum and minimum salary schedules and other personnel information for approval by the Board. The Commissioner may select, appoint and employ such accountants, attorneys, auditors, examiners, clerks, secretaries, stenographers and other personnel as the Commissioner deems necessary for the proper administration of the Department and any other statutory duties of the Commissioner.

D. All officers and employees of the Department shall be in the exempt unclassified service as provided for in Section 840-5.5 of Title 74 of the Oklahoma Statutes. All future appointees to such positions shall be in the exempt unclassified service. Except as provided in subsection B of this section, officers and employees of the Department shall not be terminable except for cause as defined by the Board.

E. The Commissioner may delegate to any officer or employee of the Department any of the powers of the Commissioner and may designate any officer or employee of the Department to perform any of the duties of the Commissioner.

F. The Commissioner, Deputy Commissioner, Assistants to the Commissioner, credit union administrator, budget director, Assistant Deputy Commissioners, examiners, examiner-trainees, and all other personnel shall, before entering upon the discharge of their duties, take and subscribe to the oath of office required of state officers as provided by Section 36.2A of Title 51 of the Oklahoma Statutes.

G. 1. The Commissioner shall adopt an appropriate seal as the Seal of the State Banking Commissioner.

2. Every certificate, assignment and conveyance executed by the Commissioner, in pursuance of the authority conferred upon the Commissioner by law and sealed with the seal of the Department, shall be received in evidence and recorded in the proper recording offices in the same manner as a deed regularly acknowledged, as required by law.

3. Whenever it is necessary for the Commissioner to approve any instrument or to affix the official seal thereto, the Commissioner may charge a fee for affixing the approval of the Commissioner or the official seal to such instrument. Copies of all records and papers in the office of the Department, certified by the Commissioner and authenticated by the seal, shall be received in evidence in all cases equally and of like effect as the original. Whenever it is proper to furnish a copy of any paper filed in the Department or to certify such paper, the Commissioner may charge a fee for furnishing such copy, for affixing the official seal on such copy and/or for certifying the same.

Added by Laws 1965, c. 161, § 201. Amended by Laws 1967, c. 52, § 1, emerg. eff. April 14, 1967; Laws 1967, c. 365, § 1, emerg. eff. May 22, 1967; Laws 1970, c. 321, § 1; Laws 1971, c. 352, § 2; Laws 1975, c. 109, § 1, emerg. eff. May 7, 1975; Laws 1976, c. 280, § 3, emerg. eff. June 15, 1976; Laws 1977, c. 66, § 3, emerg. eff. May 23, 1977; Laws 1979, c. 173, § 1; Laws 1980, c. 159, § 2, emerg. eff. April 2, 1980; Laws 1980, c. 360, § 2, emerg. eff. June 27, 1980; Laws 1981, c. 209, § 6, emerg. eff. May 29, 1981; Laws 1982, c. 223, § 3; Laws 1985, c. 331, § 4, emerg. eff. July 29, 1985; Laws 1992, c. 367, § 13, eff. July 1, 1992; Laws 1993, c. 183, § 2, eff. July 1, 1993; Laws 1995, c. 36, § 1, eff. July 1, 1995; Laws 1997, c. 111, § 4, eff. July 1, 1997; Laws 1999, c. 27, § 1, eff. July 1, 1999; Laws 2005, c. 48, § 2, eff. Nov. 1, 2005; Laws 2008, c. 275, § 1, eff. July 1, 2008; Laws 2009, c. 3, § 1, eff. July 1, 2009; Laws 2010, c. 62, § 1, emerg. eff. April 9, 2010.

#### §6-201.1. Compensation of Commissioner.

A. The annual compensation, payable monthly, of the Commissioner, shall be fixed by the Banking Board. Unless otherwise disapproved by the Legislature, and notwithstanding any other prescription of salary limits including the ranges set forth in Section 3601.2 of Title 74 of the Oklahoma Statutes, the Banking Board may fix the salary of the Commissioner in an amount not in excess of the maximum salary proposed for the Banking Department and set forth in the most recent Annual Compensation Report prepared by or for the Office of Management and Enterprise Services.

B. The Commissioner and, with the Commissioner's authority, other members of the Department shall be entitled to reimbursement for actual and necessary travel expenses incurred in the performance of their duties, as provided by the State Travel Reimbursement Act. Added by Laws 1985, c. 331, § 5, emerg. eff. July 29, 1985. Amended by Laws 1987, c. 208, § 13, operative July 1, 1987; Laws 1987, c. 236, § 52, emerg. eff. July 20, 1987; Laws 1990, c. 266, § 14, operative July 1, 1990; Laws 1992, c. 367, § 14, eff. July 1, 1992; Laws 1993, c. 183, § 3, eff. July 1, 1993; Laws 1994, c. 270, § 1, operative July 1, 1995; Laws 1997, c. 111, § 5, eff. July 1, 1997; Laws 1999, c. 27, § 2, eff. July 1, 1999; Laws 1999, c. 222, § 1, eff. Sept. 1, 1999; Laws 2003, c. 356, § 3, emerg. eff. June 3, 2003; Laws 2013, c. 62, § 2, emerg. eff. April 18, 2013.

#### §6-202. Board membership and meetings.

A. The Board shall consist of seven (7) members. The Commissioner shall be Chairman and vote only in case of a tie on any question requiring action by the Board.

B. Board - Qualifications. Other than the Commissioner, five members of the Board shall be active officers of state banks or trust companies. One member of the Board shall be a citizen of

Oklahoma, thirty-five (35) years old or older, who shall not have been in the past or become during the member's service on the Board an officer or stockholder in any state-chartered banking institution, nor shall such person be related in the first degree to any other person who is or becomes during the term of such member an officer or stockholder in any state-chartered banking institution under the jurisdiction of the Department.

C. Board - Appointment - Qualifications - Successor - Removal. Members of the Board, including the Commissioner, shall be appointed by the Governor with the advice and consent of the Senate; provided, appointments to the Board, and not including the Commissioner nor the member not affiliated in the past or during the member's term with any banking institution, shall only be made of individuals whose names shall be included in a list of twelve names submitted to the Governor by the Executive Committee of the Oklahoma Association of State Banks, a division of the Oklahoma Bankers Association. If a Board member resigns for any reason before his or her term expires under the provisions of this section, the resigning Board member shall notify the Governor in writing and shall submit a copy of his or her letter of resignation to the Commissioner and the Executive Committee of the Oklahoma Association of State Banks. If the Oklahoma Association of State Banks shall not submit such list within thirty (30) days after a vacancy shall occur, then the Governor may appoint, with the advice and consent of the Senate, such person as the Governor may select who shall meet the qualifications set forth in subsection B of this section.

The term of office of each Board member other than the Commissioner shall be six (6) years. The Governor may, after notice, hearing and proceeding in accordance with the Administrative Procedures Act, remove a member for cause.

D. Travel Expense. Each member shall be entitled to be reimbursed for necessary travel expenses pursuant to the State Travel Reimbursement Act.

E. Board Meetings - Quorum - Disqualification. The Board shall meet at least semiannually. The Commissioner may call additional meetings of the Board upon at least twenty-four (24) hours' notice and in any event shall call a meeting upon the written request of two members. Four members of the Board shall constitute a quorum, and action taken by a majority of those voting at any meeting at which a quorum is present shall be the action of the Board. No member shall participate in a proceeding before the Board to which any corporation or partnership of which the member is or was at any time in the preceding twelve (12) months a director, officer, partner, employee, member or stockholder is a party. A member may be disqualified upon the member's own motion from participating in a proceeding for any other cause deemed by the member to be sufficient.

F. Lack of Quorum - Appointment of Acting Members. At any meeting at which a quorum is not present, whether by reason of the inability of a member to participate or the voluntary disqualification of the member, or otherwise, the Governor may designate the Deputy Commissioner, the Attorney General, or the head of any other department of the state government, in that order, as acting members of the Board for the purpose of constituting a quorum, but the Governor shall not designate more acting members than shall be necessary to constitute a quorum.

G. Clerical, Technical and Legal Assistance. Such clerical, technical and legal assistance as the Board may require shall be provided by the Department.

Added by Laws 1965, c. 161, § 202. Amended by Laws 1975, c. 109, § 2, emerg. eff. May 7, 1975; Laws 1977, c. 208, § 1, emerg. eff. June 14, 1977; Laws 1984, c. 133, § 2, eff. Oct. 1, 1984; Laws 1985, c. 178, § 7, operative July 1, 1985; Laws 1994, c. 157, § 1, emerg. eff. May 6, 1994; Laws 1995, c. 36, § 2, eff. July 1, 1995; Laws 1997, c. 111, § 6, eff. July 1, 1997; Laws 2005, c. 48, § 3, eff. Nov. 1, 2005; Laws 2013, c. 62, § 3, emerg. eff. April 18, 2013.

#### §6-203. Powers of Board.

In addition to other powers conferred by the Oklahoma Banking Code, the Board shall have power to:

1. Regulate its own procedures and practice, except as may be hereafter provided by law;
2. Define any term not defined in the Oklahoma Banking Code;
3. Adopt and promulgate reasonable and uniform rules and regulations to govern the conduct, operation and management of all banks or trust companies created, organized or existing under or by virtue of the laws of this state, and to govern the examination, valuation of assets and the statements and reports of such banks or trust companies, and the form on which such banks or trust companies shall report their assets, liabilities and reserves, and charge off bad debts and otherwise keep their records and accounts, and otherwise to govern the administration of the Oklahoma Banking Code.
  - a. Each bank and trust company and each officer, director, owner, stockholder, agent and employee thereof shall comply with every rule and regulation promulgated so long as the same remain in force.
  - b. The Board may amend, modify or repeal rules and regulations now in force and effect or hereafter adopted. Copies of such amendments and modifications and notice of repeal shall be mailed to each state-chartered bank and state-chartered trust company within ten (10) days after such action is taken;
4. Restrict the withdrawal of deposits from all, or one or more, banks where the Board finds that extraordinary circumstances

make such restriction necessary for the proper protection of depositors in the affected institution or institutions;

5. Authorize banks or trust companies under circumstances in which they are not given authority under the Oklahoma Banking Code to participate in any public agency hereafter created under the laws of this state, or of the United States, the purpose of which is to afford advantages or safeguards to banks or trust companies, and to authorize compliance with all requirements and conditions imposed upon such participants;

6. Order any person to cease violating a provision of the Oklahoma Banking Code, federal banking law, or a lawful regulation issued thereunder, or to cease engaging in any unsound banking or trust practice. A copy of such order shall be mailed to each director of the bank by which such person is employed;

7. Affirm, modify, reverse or stay the enforcement of any order or ruling of the Commissioner concerning banks or trust companies; and

8. Suspend a director, officer or employee of a bank or trust company who becomes ineligible to hold the position, or who, after receipt of an order to cease, violates the Oklahoma Banking Code, federal banking law, or a lawful regulation or order issued thereunder, or who is dishonest or who is reckless or grossly incompetent in the conduct of banking business or who has engaged or participated in any unsafe or unsound practice in connection with a bank or trust company. It shall be a criminal offense for any such person, after receipt of a suspension order, to perform any duty or exercise any power of any bank or trust company until the Board shall vacate such suspension order. A suspension order shall specify the grounds thereof. A copy of the order shall be sent to the bank or trust company concerned, and to each member of its board of directors; provided, in absence of circumstances deemed by the Board to require immediate action, no person shall be suspended under the powers herein granted unless the person shall have first been afforded a hearing before the Board after not less than ten (10) days' notice thereof shall have been served upon the person by registered or certified mail, return receipt requested.

Added by Laws 1965, c. 161, § 203. Amended by Laws 1982, c. 60, § 1, operative Oct. 1, 1982; Laws 1985, c. 168, § 1, emerg. eff. June 18, 1985; Laws 1991, c. 128, § 1, emerg. eff. April 29, 1991; Laws 1994, c. 157, § 2, emerg. eff. May 6, 1994; Laws 1997, c. 111, § 7, eff. July 1, 1997.

§6-204. Powers of Commissioner - Review of orders.

A. In addition to other powers conferred by this Code, the State Banking Commissioner shall have the power to require a bank, bank holding company or trust company or shareholder, officer, director, or bank employee to:

1. Maintain its accounting system in accordance with such regulations as may be prescribed by the Board or as the Commissioner may prescribe in absence of Board regulations; provided, the accounting system required shall have due regard to the size of the banking and trust organization;

2. Observe methods and standards which the Commissioner may prescribe for determining the value of various types of assets;

3. Charge off the whole or part of an asset which at the time of the Commissioner's action could not lawfully be acquired;

4. Write down an asset to its market value;

5. Record liens and other interest in property;

6. Obtain a financial statement from a borrower to the extent that the bank can do so;

7. Obtain insurance against damage to real estate taken as security;

8. Search, or obtain insurance of, the title to real estate taken as security;

9. Maintain adequate insurance against such other risks as the Commissioner may determine to be necessary and appropriate for the protection of depositors, trust funds and the public;

10. Cease and desist from engaging in any act or transaction, or doing any act in furtherance thereof, which would constitute a violation of the provisions of the Oklahoma Banking Code, federal banking law or the applicable banking law of another state, or a lawful regulation issued thereunder, or to cease and desist from engaging in any unsafe or unsound banking or trust practice; and

11. Pay civil money penalties under the same circumstances and conditions applicable to imposition of civil money penalties by the primary federal bank regulatory agency of the bank.

B. Before issuing an order provided for in subsection A of this section, the Commissioner shall give reasonable notice of an opportunity for a hearing. However, if the Commissioner makes written findings of fact that the protection of depositors will be harmed by delay in issuing an order provided for in subsection A of this section, the Commissioner may issue a temporary order pending the hearing on the order provided for in subsection A of this section. The temporary order shall remain in effect until three (3) business days after the hearing on the order provided for in subsection A of this section and shall become final if the bank or trust company subject to the order fails within fifteen (15) days after the receipt of the order to request a hearing to determine whether the temporary order should be modified, vacated, or become final. If a hearing on the temporary order is not held upon written request, the temporary order shall dissolve and the order provided for in subsection A of this section shall not be issued except upon reasonable notice and opportunity for hearing.

C. Any person, bank or trust company aggrieved by a final order of the Commissioner as provided for in this section may obtain a review of the order by the Board, who shall have the power to affirm, modify, reverse, or stay the enforcement of any order of the Commissioner.

D. The Commissioner may enter into cooperative, coordinating, and information-sharing agreements with any other bank supervisory agencies or any organization affiliated with or representing one or more bank supervisory agencies with respect to the periodic examination or other supervision of any bank, bank holding company, or branch in this state of an out-of-state state bank, or any branch of an Oklahoma state bank in any other state, and the Commissioner may accept such reports of examination and reports of investigation in lieu of conducting the Commissioner's own examinations or investigations. If such agreements result in the payment of fees, however calculated, by any other bank supervisory agency to the Oklahoma State Banking Department for examination or supervisory activities conducted by Department personnel, whether such activity is conducted inside or outside of this state, such fees shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title. If such agreements result in the payment of fees, however calculated, by the Department to any other bank supervisory agency for examination or supervisory activities conducted by such other bank supervisory agency, whether such activity is conducted inside or outside of this state, such fees shall be paid by the Department from the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title. The Commissioner may enter into cooperative, coordinating, and information-sharing agreements with the Department of Consumer Credit and other state agencies with whom the agreements may be mutually beneficial.

E. The Commissioner may enter into cooperative agreements with other bank regulatory agencies to facilitate the regulation of banks and bank holding companies doing business in this state. The Commissioner may accept reports of examinations and other records from such other agencies in lieu of conducting its own examinations of banks controlled by out-of-state bank holding companies. The Commissioner may take any action jointly with other regulatory agencies having concurrent jurisdiction over banks and bank holding companies or may take such actions independently in order to carry out the responsibilities of the Commissioner.

F. 1. The Commissioner may issue interpretive statements containing matters of general policy for the guidance of state banks and trust companies and other entities under the jurisdiction of the Department. The Commissioner may amend or repeal an interpretive statement by issuing an amended statement or notice of repeal of a



statement and shall provide notice thereof and make it available to all state-chartered banks and trust companies upon request.

2. The Commissioner may issue opinions in response to specific requests from members of the public or the banking and trust industry directly or through the Deputy Commissioner or the Department's attorneys. The Commissioner may amend or repeal an opinion by issuing an amended statement or notice of repeal of an opinion and shall provide notice thereof and make it available to all state-chartered banks and trust companies upon request, except that the requesting party may rely on the original opinion if all material facts were originally disclosed to the Commissioner, considerations of safety and soundness of the affected bank are not implicated with respect to further and prospective reliance on the original opinion, and the text and interpretation of relevant, governing provisions of this act have not been changed by legislative or judicial action.

3. An interpretive statement or opinion issued under this section does not have the force of law and is not a rule. Added by Laws 1965, c. 161, § 204. Amended by Laws 1971, c. 352, § 3; Laws 1985, c. 168, § 2, emerg. eff. June 18, 1985; Laws 1996, c. 92, § 3, eff. June 1, 1996; Laws 1997, c. 111, § 8, eff. July 1, 1997; Laws 2000, c. 205, § 3, emerg. eff. May 17, 2000; Laws 2003, c. 180, § 1, eff. Nov. 1, 2003; Laws 2005, c. 48, § 4, eff. Nov. 1, 2005; Laws 2013, c. 62, § 4, emerg. eff. April 18, 2013.

§6-205. Access of Commissioner and Board to records of Department.

The Commissioner, Deputy Commissioner and the Board shall have access to any record of the Department.

Added by Laws 1965, c. 161, § 205.

§6-206. Power to subpoena witnesses - Declaratory order - Good faith as a defense.

A. Witnesses - Subpoena. The Commissioner and the Board shall have the power to subpoena witnesses, compel their attendance, require the production of evidence, administer an oath and examine any person under oath in connection with any subject relating to duty imposed upon or a power vested in the Commissioner. These powers shall be enforced by the district court of the district in which the hearing is held.

B. Declaratory order. The Board may, on petition of any interested person and after hearing, issue a declaratory order with respect to the applicability of this Code or a rule issued hereunder to any person, property or state of facts. The orders shall bind the Board and all parties to the proceeding on the state of facts declared unless it is modified or reversed by a court. A declaratory order may be reviewed and enforced in the same manner as

other orders of the Commissioner, but the refusal to issue a declaratory order shall not be reviewable.

C. Civil or criminal liability - Good faith as defense. No person shall be subjected to any civil or criminal liability for any act or omission to act in good faith in reliance upon an existing order, regulation or definition of the Board notwithstanding a subsequent decision by a court invalidating the order, regulation or definition.

Added by Laws 1965, c. 161, § 206.

§6-207. Judicial review of orders of the Board or Commissioner.

A. Final orders of the Board or the State Banking Commissioner may be appealed to the Supreme Court of Oklahoma by any party directly affected and showing aggrievement by the order. A mere increase in competition resulting from the order shall not constitute aggrievement.

B. An appeal shall be commenced by filing with the clerk of the Supreme Court, within thirty (30) days from the date of the order or decision, a petition in error with a copy of the order or decision appealed from. The time limit prescribed herein for filing the petition in error may not be extended. The manner of perfection of the record of the proceedings to be reviewed and the time for its completion shall be in accordance with rules prescribed by the Supreme Court.

C. 1. A necessary jurisdictional prerequisite to the acceptance of the appeal by the Supreme Court shall include an affirmative showing of aggrievement from the record, by reference in the petition in error, which cannot be a mere increase in competition.

2. The appeal must be perfected by the posting of a bond by the appellant in a reasonable amount not to exceed the amount of reasonably projected gross income for four (4) years in the case of a branch, relocation, merger or acquisition, or an amount equal to the capital, surplus and undivided profits required to be paid in the case of a new charter. When the order being appealed is that of the Banking Board, the Board, in its sole discretion, shall set the amount of the bond. When the order being appealed is that of the Commissioner, the Commissioner, in the sole discretion of the Commissioner, shall set the amount of the bond. It is the obligation of the appellant to request that a bond amount be set and such request shall not postpone or extend the time period in which an appeal must be filed with the Oklahoma Supreme Court.

3. In the event the appellant is not the prevailing party in the appeal, the prevailing party may apply for an order assessing the bond in the amount demonstrated by such party to have been lost by reason of the delay caused by the appeal. The amount shall be based on the income projections in the original proceeding found to

have been reasonable. The prevailing party shall make such application to the Board if the original order was issued by the Board or shall make such application to the Commissioner if the original order was issued by the Commissioner.

D. The Court shall give great weight to findings made and inferences drawn by the Board or Commissioner on questions of fact. The Court may affirm the decision or remand the case for further proceedings. Additionally, the Court may reverse or modify the decision if substantial rights of the appellant have been prejudiced because the findings, inferences or conclusions are not supported by substantial evidence in the record.

Added by Laws 1965, c. 161, § 207. Amended by Laws 1970, c. 316, § 1, emerg. eff. April 27, 1970; Laws 1978, c. 161, § 1; Laws 1980, c. 360, § 3, emerg. eff. June 27, 1980; Laws 1982, c. 204, § 1; Laws 1995, c. 36, § 3, eff. July 1, 1995; Laws 1997, c. 111, § 9, eff. July 1, 1997; Laws 1999, c. 27, § 3, eff. July 1, 1999; Laws 2000, c. 205, § 4, emerg. eff. May 17, 2000.

§6-208. Records of Department - Public inspection - Confidentiality - Electronic storage.

A. The following records in the Oklahoma State Banking Department are designated as public records:

1. All applications for state bank charters and supporting information with the exception of personal financial records of individual applicants;

2. All records introduced at public hearings on bank charter applications;

3. Information disclosing the failure of a state bank, an out-of-state bank and branches of out-of-state banks located in this state and the reasons therefor;

4. Reports of completed investigations which uncover a shortage of funds in a bank, an out-of-state bank and branches of out-of-state banks located in this state, after the reporting of the shortage to proper authorities by the State Banking Commissioner. However, nothing in this paragraph shall be construed to mean that reports prepared by the Department in connection with routine, special, or conversion examinations of banks, trust companies, or other entities subject to examination by the Department are public record;

5. Names of all stockholders and officers of banks, out-of-state banks, out-of-state bank holding companies, and branches of out-of-state banks located in this state filed in the office of the Secretary of State; and

6. Regular financial call reports issued at the time of the state bank calls.

B. All other records in the Department shall be confidential and not subject to public inspection. However, the Banking Board,

Commissioner, or Deputy Commissioner may divulge such confidential information with the written approval of the Commissioner after receipt of a written request which shall:

1. Specify the record or records to which access is requested; and

2. Give the reasons for the request. Such records may also be produced pursuant to a valid judicial subpoena or other legal process requiring production, if the Commissioner determines that the records are relevant to the hearing or proceeding and that production is in the best interests of justice. The records may be disclosed only after a determination by the Commissioner that good cause exists for the disclosure. Either prior to or at the time of any disclosure, the Commissioner shall impose such terms and conditions as the Commissioner deems necessary to protect the confidential nature of the record, the financial integrity of any institution to which the record relates, and the legitimate privacy interests of any individual named in such records. If any request is made for a copy of an examination report relating to a state bank, trust company, savings association, or credit union, the request must be accompanied by documentation which indicates no objection by the primary federal regulator having jurisdiction over the bank, trust company, savings association, or credit union to which the examination report relates.

C. All documents which the Department is required, by any provision of the Oklahoma Banking Code or by any other statute or regulation of this state, to retain or preserve in its possession may be retained and preserved, in lieu of retention of the original records or copies, in an electronic format and stored by electronic imaging or otherwise so that the documents may be later reproduced as necessary. Any such electronically stored or imaged document or reproduction shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

D. With respect to records of the Department which are considered public records, and which are subject to the Oklahoma Open Records Act, the Department may charge a document copying fee of twenty-five cents (\$0.25) per page. With respect to records of the Department which are not considered public records, the Department may charge a document copying fee of One Dollar (\$1.00) per page, and when the Commissioner, pursuant to the provisions of paragraph 2 of subsection B of this section, permits the inspection or copying of an examination report prepared by the Department, a minimum fee of One Hundred Dollars (\$100.00) shall be charged. Added by Laws 1965, c. 161, § 208. Amended by Laws 1986, c. 316, § 2, emerg. eff. June 24, 1986; Laws 1994, c. 157, § 3, emerg. eff. May 6, 1994; Laws 1995, c. 36, § 4, eff. July 1, 1995; Laws 1996, c. 92, § 4, eff. June 1, 1996; Laws 1997, c. 111, § 10, eff. July 1,

1997; Laws 2000, c. 205, § 5, emerg. eff. May 17, 2000; Laws 2002, c. 67, § 2, eff. Nov. 1, 2002.

§6-208.1. Availability of personnel data - Confidentiality - Definitions.

A. A supervisory agency shall make available to a requesting agency any data obtained or generated by, and in the possession of, the supervisory agency and that the requesting agency deems necessary for review in connection with the supervision of any person over which the requesting agency has direct supervisory authority. However, the requested data must relate to the person, or an affiliate of the person, over which the requesting agency has direct supervisory authority. An agency has direct supervisory authority over a person if such authority is specifically provided by statute, or the agency granted the charter, license, or registration of the person, or otherwise granted permission for the person to conduct its business in this state.

B. When a requesting agency and a federal regulatory agency or self-regulatory association have concurrent jurisdiction over a person, a requesting agency may share with such agency or association data received from a supervisory agency. However, the federal regulatory agency or self-regulatory association shall return such shared data to the requesting agency unless the federal regulatory agency or self-regulatory association has obtained approval from the supervisory agency to retain the data. The term "federal regulatory agency" shall not include law enforcement agencies.

C. 1. Notwithstanding any other statute, rule, or policy governing or relating to records of the requesting agency, all data received by a requesting agency from a supervisory agency shall be and remain confidential and not open to public inspection, subpoena, or any other form of disclosure while in the possession of the requesting agency. Any request for inspection, subpoena, or other form of disclosure shall be directed at the supervisory agency from which the data originated and disclosure thereof shall be subject to the laws, rules, and policies governing or relating to records of the supervisory agency.

2. The provision of data by a supervisory agency to a requesting agency under this section shall not constitute a waiver of, or otherwise affect, any privilege or claim of confidentiality that a supervisory agency may claim with respect to such data under any federal laws or laws of this state.

D. A supervisory agency shall not be required to share original documents with a requesting agency. A requesting agency shall reimburse the supervisory agency for costs associated with providing copies of data to the requesting agency.

E. Nothing in the Oklahoma Financial Privacy Act, Sections 2201 through 2206 of Title 6 of the Oklahoma Statutes, shall prohibit the sharing of data as described in this section. Additionally, neither a supervisory agency nor requesting agency shall be required to follow any procedure described in the Oklahoma Financial Privacy Act when sharing data as described in this section.

F. As used in this section:

1. "Affiliate" means any person that controls, is controlled by, or is under common control with another person. A person shall be deemed to have "control" over any person if the person:

- a. directly or indirectly or acting through one or more other persons owns, controls, or has power to vote ten percent (10%) or more of any class of voting securities of the other person, or
- b. the person controls in any manner the election, appointment, or designation of a majority of the directors, trustees, or other managing officers of the person;

2. "Data" means copies of any documents, reports, examination reports, letters, correspondence, orders, stipulations, memorandums of understanding, agreements, or any other records not open for public inspection generated by a supervisory agency or obtained by a supervisory agency from the person it supervises, whether in paper or electronic format. However, "data" shall not include records that a requesting agency receives from a supervisory agency pursuant to this section;

3. "Requesting agency" means, as applicable, the Oklahoma State Banking Department, the Oklahoma Insurance Department, or the Oklahoma Department of Securities, that requests from a supervisory agency data relating to a person over which the requesting agency does not have direct supervisory authority;

4. "Supervision" means any examination, assessment, order, stipulation, agreement, report, memorandum of understanding, or other regulatory matter or process that a requesting agency is authorized to perform in relation to a person; and

5. "Supervisory agency" means, as applicable, the Oklahoma State Banking Department, the Oklahoma Insurance Department, or the Oklahoma Department of Securities, that maintains data relating to a person over which the agency has direct supervisory authority.

Added by Laws 2000, c. 205, § 6, emerg. eff. May 17, 2000.

§6-209. Bank and trust companies - Examinations and reports.

A. 1. The State Banking Commissioner shall, at least every eighteen (18) months or as often as the Commissioner deems advisable, examine every bank and trust company, and for the purpose of making such examinations and special examinations, shall have full access to all books, papers, securities, records and other

sources of information under the control of banks and trust companies. Upon the conclusion of the examination, the Commissioner may make and file in the office of the Commissioner a report in detail disclosing the results of such examination or may, on conditions prescribed by the Commissioner, prepare a summary memorandum regarding the results of such examination, and shall, upon request by the bank, mail a copy of such report or memorandum to the bank or trust company examined. However, the Commissioner may accept, in lieu of any three consecutive bank examinations, the examination that may have been made of the bank or trust company within a reasonable period by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, or other supervisory authority having examination jurisdiction and authority over the bank or trust company provided a copy of the examination, report, or other document prepared as a result of the examination is furnished to the Commissioner.

2. The Commissioner may also accept any other report relative to the condition of a bank or trust company, to include joint or concurrent examinations which may be obtained by the authorities within a reasonable period, in lieu of such report authorized by the laws of this state to be required of such bank by the Oklahoma State Banking Department, provided a copy of such report is furnished to the Commissioner.

3. The Commissioner may enter into cooperative, coordinating, and information-sharing agreements with the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, or other supervisory authority having examination jurisdiction and authority over the bank or trust company with respect to the periodic examination or other supervision of any state bank, trust company, or state thrift.

4. When requested in writing upon authority of the board of directors or stockholders owning a majority of the capital stock of any bank or trust company, the Commissioner shall, if in the opinion of the Commissioner such examination is desirable, make or cause to be made an examination into the affairs and conditions of such bank or trust company. For such examination such bank or trust company shall pay the same fees as provided for in subsection B of Section 211 of this title.

B. Every bank shall make four reports each year and more often if called upon by the Commissioner and according to the form which may be prescribed by the Commissioner, and every trust company shall make two reports each year and more often if called upon by the Commissioner and according to the form which may be prescribed by the Commissioner. They must be verified by the oath or affirmation of the president, cashier or secretary of such bank or trust company, attested by the signatures of at least two of the directors, and shall be retained and made available for inspection

upon request of the Commissioner or designated representatives of the Commissioner. Each such report shall exhibit, in detail and under appropriate headings, the assets and liabilities of the corporation at the close of business on any last day by the Commissioner specified, and shall be transmitted to the Commissioner within thirty (30) calendar days after the call date, and may be published at the expense of the bank or trust company in the same form in which it is made to the Commissioner. The Commissioner shall also have the power to call for special reports from any bank or trust company whenever, in the judgment of the Commissioner, the same are necessary in order to gain a full and complete knowledge of its condition. However, the reports authorized and required by this section, to be called for by the Commissioner, shall relate to a date prior to the date of such call to be specified therein. Additionally, the Commissioner may accept, in lieu of the reports referred to in this section, reports made by banks that are members of the Federal Reserve System on forms provided by the Federal Reserve System or reports submitted by banks to the Federal Deposit Insurance Corporation.

C. Every bank or trust company which fails to make and transmit any report required within the discretion of the Commissioner, under the Oklahoma Banking Code, shall be subject to a penalty not to exceed Fifty Dollars (\$50.00) for each day, after the period respectively therein mentioned, that the bank or trust company delays to make and transmit its report. Whenever any bank or trust delays or refuses to pay the penalty herein imposed for a failure to make and transmit a report, the Commissioner is hereby authorized to maintain an action in the name of the state against the delinquent bank or trust company for the recovery of such penalty, and all sums collected by such action shall be paid into the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title.

D. For the purpose of carrying into effect the provisions of this Code, the Commissioner shall provide a form for such examinations and reports, and all examinations and reports received by the Commissioner shall be preserved in the office of the Commissioner for a period of not less than five (5) years. Such examination and reports and all other records of operating banks and trust companies in the Department are to be kept confidential, except as permitted by this Code. Copies of such examinations and reports in the possession of an institution under the Department's supervision are the property of the Department and are not subject to disclosure to third parties, including disclosure or production pursuant to subpoena or other request. All requests for review of such examinations and reports shall be directed to the Department and are subject to the requirements of Section 208 of this title.



Added by Laws 1965, c. 161, § 209. Amended by Laws 1970, c. 321, § 2; Laws 1977, c. 208, § 2, emerg. eff. June 14, 1977; Laws 1979, c. 173, § 3; Laws 1988, c. 166, § 1, emerg. eff. May 24, 1988; Laws 1994, c. 157, § 4, emerg. eff. May 6, 1994; Laws 1995, c. 36, § 5, eff. July 1, 1995; Laws 1997, c. 111, § 11, eff. July 1, 1997; Laws 1998, c. 145, § 1, eff. Nov. 1, 1998; Laws 1999, c. 27, § 4, eff. July 1, 1999; Laws 2000, c. 205, § 7, emerg. eff. May 17, 2000; Laws 2005, c. 48, § 5, eff. Nov. 1, 2005; Laws 2010, c. 62, § 2, emerg. eff. April 9, 2010; Laws 2013, c. 62, § 5, emerg. eff. April 18, 2013.

§6-210. Removal of officer, director or employee of bank or trust company by Commissioner.

Any officer, director or employee of a bank or trust company found by the Commissioner to be dishonest, reckless, unfit to participate in the conduct of the affairs of the institution, or to have engaged or participated in any unsafe or unsound practice in connection with a bank or trust company, or to be practicing a continuing disregard or violation of laws, rules, regulations or orders which are likely to cause substantial loss to the institution or likely to seriously weaken the condition of the institution shall be removed immediately from office by the board of directors of the bank or trust company of which he is an officer, director or employee, on the written order of the Commissioner; provided, that said bank or trust company or officer, employee or director may within ten (10) days file a notice of protest for said removal with the Secretary of the Board and as soon as possible thereafter the Board will review the order of said Commissioner and make such findings as it deems proper, and that, pending said time, the said officer, employee or director shall not perform any of the duties of his office.

Added by Laws 1965, c. 161, § 210. Amended by Laws 1982, c. 223, § 4; Laws 1985, c. 168, § 3, emerg. eff. June 18, 1985.

§6-211. Fees and assessments.

A. 1. The Banking Board shall charge and collect from each bank and trust company under its supervision an annual fee of One Thousand Dollars (\$1,000.00) which shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title.

2. The Board shall charge and collect assessments from each bank or trust company under its supervision on each One Thousand Dollars (\$1,000.00) of assets, or major fraction thereof, at rates established by the Board. Assessments shall be deposited in the Oklahoma State Banking Department revolving fund created by Section 211.1 of this title.

3. Effective January 1, 2007, and each year thereafter, ten percent (10%) of all assessments collected from state-chartered banks existing as of December 31 of the previous year shall be deposited to the General Revenue Fund of the State Treasury. The Board may charge and collect assessments on an annual basis and may, in addition to any annual assessment, charge and collect a special assessment from each bank or trust company, at rates established by the Board. The annual assessments shall be paid to the Oklahoma State Banking Department no later than the fifth day of February in each year. The Board may order refunds of a portion of collected assessments on a pro rata basis. Refunds shall be paid from the Oklahoma State Banking Department revolving fund created by Section 211.1 of this title.

4. The fee for bank trust departments, which shall be in addition to the assessment collected pursuant to paragraph 2 of this subsection, shall be One Thousand Dollars (\$1,000.00). The fees due under this paragraph shall be paid annually to the Banking Department no later than the fifth day of February in each year and shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title. Failure to pay any assessment or fee imposed pursuant to this section by its due date will result in a penalty of Fifty Dollars (\$50.00) per day for each day it is in violation of this section, which penalty, together with the amount due under the foregoing provisions of this section, may be recovered in a civil action in the name of the state.

5. All fees not otherwise directed shall be deposited in the Department revolving fund pursuant to Section 211.1 of this title.

B. Whenever it is deemed advisable by the State Banking Commissioner, special examinations of banks, trust companies and any other person under, subject to or proposed to become under or subject to the supervision of the Commissioner shall be conducted. The expenses of the Department necessarily incurred in a special examination, and the expenses of the Department necessarily incurred in a regular examination of a trust company, shall be chargeable to the bank, trust company or person examined at the rate not to exceed Seventy-five Dollars (\$75.00) per hour plus travel expenses as provided by subsection B of Section 201.1 of this title for each of the examining personnel. Payments received pursuant to this subsection shall be deposited in the Department revolving fund pursuant to Section 211.1 of this title.

C. Section 211 of Title 62 of the Oklahoma Statutes shall not apply to the Oklahoma State Banking Department, the Banking Board, the Credit Union Board nor the Banking Commissioner.

Added by Laws 1965, c. 161, § 211. Amended by Laws 1970, c. 321, § 3; Laws 1971, c. 352, § 4; Laws 1975, c. 109, § 3, emerg. eff. May 7, 1975; Laws 1977, c. 208, § 3, emerg. eff. June 14, 1977; Laws

1979, c. 173, § 2; Laws 1984, c. 236, § 4, operative July 1, 1984; Laws 1986, c. 216, § 5, operative July 1, 1986; Laws 1987, c. 208, § 14, operative July 1, 1987; Laws 1987, c. 236, § 53, emerg. eff. July 20, 1987; Laws 1988, c. 166, § 2, emerg. eff. May 24, 1988; Laws 1990, c. 260, § 11, operative July 1, 1990; Laws 1990, c. 277, § 1, operative July 1, 1990; Laws 1991, c. 275, § 4, operative July 1, 1991; Laws 1993, c. 183, § 4, eff. July 1, 1993; Laws 1995, c. 36, § 6, eff. July 1, 1995; Laws 1997, c. 111, § 12, eff. July 1, 1997; Laws 2000, c. 205, § 8, emerg. eff. May 17, 2000; Laws 2003, c. 356, § 4, emerg. eff. June 3, 2003; Laws 2005, c. 48, § 6, eff. Nov. 1, 2005; Laws 2006, c. 57, § 6, emerg. eff. April 17, 2006; Laws 2008, c. 275, § 2, eff. July 1, 2008.

§6-211.1. Revolving fund - Creation.

There is hereby created in the State Treasury a revolving fund for the Oklahoma State Banking Department. The revolving fund shall consist of all fees and assessments paid to or collected by the Department, including all monies received by the Commissioner under Sections 104, 204, 303, 415, 501.1 and 501.2 of this title and Section 381.16 of Title 18 of the Oklahoma Statutes and those payments required to be deposited in the revolving fund pursuant to Sections 211, 1103, 1206, 2001.2, 2008, 2107 and 2113 of this title, Section 381.15 of Title 18 of the Oklahoma Statutes, and Section 7106 of Title 36 of the Oklahoma Statutes. The revolving fund shall be a continuing fund, not subject to fiscal year limitations. Expenditures from the fund shall be made pursuant to the laws of this state and the statutes relating to the Department, and without legislative appropriation. Warrants for expenditures from the fund shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employees of the Department and approved for payment by the Director of the Office of Management and Enterprise Services.

Added by Laws 1997, c. 111, § 13, eff. July 1, 1997. Amended by Laws 2000, c. 77, § 5, emerg. eff. April 14, 2000; Laws 2000, c. 205, § 9, emerg. eff. May 17, 2000; Laws 2003, c. 356, § 5, emerg. eff. June 3, 2003; Laws 2005, c. 48, § 7, eff. Nov. 1, 2005; Laws 2012, c. 304, § 30.

§6-211.2. Repealed by Laws 2005, c. 48, § 24, eff. Nov. 1, 2005.

§6-211A. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-212. Commissioner's annual report.

A. Commissioner's Report - Contents. The Commissioner shall report to the Governor annually. The report shall be a public document and shall include such matters as the Commissioner deems advisable.

B. Copies furnished to Legislature and Oklahoma Publishing Clearing House. Copies of the annual reports not previously so submitted shall be submitted to the Legislature at the opening of each regular session and to the Oklahoma Publishing Clearing House. A copy of the annual report shall also be published on the Oklahoma State Banking Department's website.

Added by Laws 1965, c. 161, § 212. Amended by Laws 1967, c. 267, § 1, emerg. eff. May 8, 1967; Laws 1970, c. 321, § 4; Laws 1971, c. 352, § 5; Laws 1975, c. 161, § 1; Laws 1982, c. 223, § 5; Laws 1997, c. 111, § 15, eff. July 1, 1997; Laws 2010, c. 62, § 3, emerg. eff. April 9, 2010.

NOTE: Laws 1975, c. 109, § 4 repealed by Laws 1982, c. 223, § 15.

§6-213. Interests of department officers or employees in banks or trust companies.

No officer or employee of the Department shall be an officer, director, attorney, owner or shareholder in any bank or trust company or, except as hereinafter provided, receive, directly or indirectly, any payment or gratuity from any such bank or trust company or be indebted to any bank or trust company or other institution over which the Department has supervisory control. Willful violation of this section is declared to be a criminal offense. This provision shall not prohibit employees of the Department from being members of credit unions or from being indebted to credit unions and finance companies, nor shall it prohibit their being depositors in a bank or lessees of safe deposit boxes therein on the same terms as are available to the public generally, or being indebted to a bank upon a mortgage loan upon the mortgagor's own home, or upon an installment debt transferred to a bank in the regular course of business by a seller of consumer goods, including automobiles purchased by the officer or employee. Further, this section shall not prohibit the five banker members of the Board from being executive officers in banks and from receiving bona fide compensation as such officers.

Added by Laws 1965, c. 161, § 213. Amended by Laws 1967, c. 54, § 1, emerg. eff. April 14, 1967; Laws 1986, c. 316, § 3, emerg. eff. June 24, 1986; Laws 1997, c. 111, § 16, eff. July 1, 1997.

§6-214. Bank and trust company records - Preservation -  
Reproduction.

A. Preservation of records. Every bank and trust company shall retain its business records for such periods as are or may be prescribed by or in accordance with the terms of this section.

B. Permanent records. Each bank and trust company shall retain permanently the minute books of meetings of its stockholders and directors, its capital stock ledger and capital stock certificate ledger or stubs, its general ledger (or the record kept by the bank

in lieu thereof), its daily statements of condition, and all records which the Board shall, in accordance with the terms of this section, require to be retained permanently.

C. Disposal of other records. All other bank and trust company records shall be retained for such periods as the Board shall, in accordance with the terms of this section, prescribe.

D. Records - Regulations of Board. The Board shall from time to time issue regulations classifying all records kept by banks and trust companies and prescribing the period for which records of each class shall be retained. Such periods may be permanent or for a term of years. Such regulations may be amended or repealed. Prior to issuing any such regulation the Board shall consider:

1. Actions and administrative proceedings in which the production of bank or trust company records might be necessary or desirable;

2. State and federal statutes of limitation applicable to such actions or proceedings;

3. The availability of information contained in bank and trust company records from other sources; and

4. Such other matters as the Board shall deem pertinent in order that its regulations will require banks and trust companies to retain their records for such periods as are commensurate with the interests of their customers and shareholders and of the people of this state in having such records available.

E. Disposal - No duty to thereafter produce. Any bank or trust company may dispose of any record which has been retained for the period prescribed, in accordance with the terms of this section for retention of records of its class, and shall, after it has disposed of a record, thereafter be under no duty to produce such record in any action or proceeding.

F. Permission to reproduce records - Admissibility. In lieu of retention of the original records, any bank or trust company may cause any, or all, of its records, and records at any time in its custody, including those held by it as a fiduciary, to be photographed, stored by electronic imaging or otherwise reproduced in permanent form. Any such photograph, imaged document or reproduction shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

G. Section applicable to all banks and trust companies. To the extent that they are not in contravention of any statute of the United States or regulations promulgated thereunder, the provisions of this section shall apply to all banks and trust companies doing business in this state.

Added by Laws 1965, c. 161, § 214. Amended by Laws 1995, c. 36, § 7, eff. July 1, 1995; Laws 1997, c. 111, § 17, eff. July 1, 1997.

§6-215. Limitation of liability.

No member of the Board or officer or employee of the Department shall be liable in any civil action for damages for any act done or omitted in good faith in performing the functions of his office. Added by Laws 1965, c. 161, § 215.

§6-216. Standards in regulations, orders and rules.

The Board and the Commissioner, in the exercise of the power to make orders and rules and to issue regulations pursuant to this Code, shall act in the interests of promoting and maintaining a sound banking system and sound trust companies, the security of deposits and depositors and other customers, the preservation of the liquid position of banks and in the interest of preventing injurious credit expansions and contractions.

Added by Laws 1965, c. 161, § 216.

§6-217. Repealed by Laws 2000, c. 205, § 38, emerg. eff. May 17, 2000.

§6-218. Transfer of stock or controlling interest - Notice to and approval by Commissioner.

A. Commissioner's approval required where transfer of stock jeopardizes interest of depositors - Banks and trust companies. Whenever, in the opinion of the Commissioner, the condition of any bank or trust company is such that any transfer of the capital stock of such bank or trust company would jeopardize the interest of its customers, the Commissioner shall promptly so notify in writing the board of directors and officers of such bank or trust company of the determination of the Commissioner and the same shall be forwarded by certified or registered mail, return receipt requested, and the Commissioner shall therein require that, when any shares of the capital stock of the bank or trust company are to be transferred on the books or records of the bank or trust company, the officer or officers proposing to make the transfer shall report in writing to the Commissioner such proposed transfer of stock. After such notice, no transfer thereof shall be made without first obtaining the written consent thereto of the Commissioner.

B. Transfer of controlling interest - Banks.

1. Whenever a change occurs or is about to occur in the outstanding voting stock of any bank or bank holding company which will result in a change in the control of the bank or the bank holding company, the president or other chief executive officer of such bank or bank holding company, immediately upon obtaining such knowledge of such change in the control of the bank or bank holding company or such contemplated or consummated sale or transfer of such stock, shall report such facts to the Commissioner.

2. As used in this section, the term "control" means the possession, directly or indirectly, of the power to direct or cause

the direction of the management and policy of a bank or bank holding company. If there is any doubt as to whether a change in the ownership of the outstanding voting stock in any insured bank or bank holding company is sufficient to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the Commissioner.

3. Notwithstanding paragraph 1 of subsection B of this section, a change in ownership of ten percent (10%) of the voting stock of a bank or bank holding company shall be reported as a change of control to the Commissioner.

C. Reporting transfers required. No officer of any bank or trust company shall fail to report any transfer of stock to the Commissioner at the time the same is made, as required by this section.

Added by Laws 1965, c. 161, § 218. Amended by Laws 1995, c. 36, § 8, eff. July 1, 1995; Laws 1997, c. 111, § 18, eff. July 1, 1997.

§6-219. Changes in chief executive officer and directors.

Every bank and trust company shall report promptly to the Commissioner any change for whatever reason in the chief executive officer and directors, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer and directors.

Added by Laws 1965, c. 161, § 219. Amended by Laws 1968, c. 93, § 2, emerg. eff. April 1, 1968.

§6-220. Impairment of capital - Assessments - Limitations.

A. Commissioner may direct assessment - Procedure. The Commissioner may order a bank or trust company to levy an assessment in a designated amount upon the holders of record of common stock to remedy an impairment of capital. Upon receipt of an order to levy an assessment, the directors shall, within three (3) business days, cause to be sent to all holders of common stock, at their addresses on the books of the bank or trust company, a notice of the amount of the assessment, a copy of the order of the Commissioner and a copy of this subsection. If an assessment is not paid within thirty (30) days after the notice is mailed, the bank or trust company shall offer the shares of the defaulting shareholders for sale at public auction at a price which shall not be less than the amount of the assessment and the cost of the sale. Any excess shall be paid to the prior owners. The method of collection provided herein shall be the sole method of collecting assessments.

B. Limitation of bank operations where capital impaired. Whenever the capital or reserve of any bank shall be impaired, the Commissioner may order it to make no new loans or discounts except upon sight bills of exchange drawn against actually existing values.

Added by Laws 1965, c. 161, § 220. Amended by Laws 1984, c. 133, § 3, eff. Oct. 1, 1984.

§6-221. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-222. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-223. Repealed by Laws 1977, c. 66, § 7, eff. July 1, 1977.

§6-224. Repealed by Laws 1988, c. 166, § 13, emerg. eff. May 24, 1988.

§6-301. Certificate of authority.

From and after the passage of the Oklahoma Banking Code no certificate of authority to engage in the banking or trust company business in this state shall be issued, and no bank or trust company or person shall be permitted to engage in such business within Oklahoma except on certificate issued by the Commissioner upon approval of the Board of an application for authority to organize a state bank or trust company. The issuance of such certificate shall be within the sole discretion of the Board.

Added by Laws 1965, c. 161, § 301. Amended by Laws 1982, c. 204, § 2; Laws 1997, c. 111, § 19, eff. July 1, 1997; Laws 2002, c. 67, § 3, eff. Nov. 1, 2002.

§6-302. Renumbered as § 303.1 of this title by Laws 1982, c. 204, § 16.

§6-303. Incorporators - Fee.

A. One or more persons eligible by the Oklahoma Banking Code or by federal law to own and control a bank or trust company shall file with the State Banking Commissioner, in a method as required by the Commissioner, an application for authority to organize setting forth the information required by Section 305 of this title.

B. Each organizer shall subscribe and pay in full in cash for stock having a total subscription price of not less than one percent (1%) of the minimum capital required by Section 303.1 of this title.

C. An application fee in an amount prescribed by Board rule shall accompany the application. The fee is payable from the organizational expense fund and is nonrefundable.

Added by Laws 1965, c. 161, § 303. Amended by Laws 1967, c. 258, § 1; Laws 1970, c. 321, § 6; Laws 1971, c. 352, § 6; Laws 1982, c. 204, § 4; Laws 1990, c. 173, § 2, emerg. eff. May 3, 1990; Laws 1997, c. 111, § 20, eff. July 1, 1997; Laws 2000, c. 205, § 11, emerg. eff. May 17, 2000; Laws 2001, c. 55, § 1, eff. Nov. 1, 2001.

§6-303.1. Capital structure - Preferred stock.



A. Except as provided in subsection B of this section, the State Banking Commissioner may not issue a charter to a state bank having required capital of less than the greater of Two Million Dollars (\$2,000,000.00) or such amount as may be required by the Federal Deposit Insurance Corporation.

B. The Commissioner may require additional capital for a proposed bank or, on application in the exercise of discretion consistent with protecting safety and soundness, reduce the amount of minimum capital required for a proposed bank, if the Commissioner finds the proposed scope or type of operations of a proposed bank requires additional, or permits reduced, capital, consistent with the safety and soundness of the bank. To the extent determined by the Commissioner to be relevant, the safety and soundness factors to be considered by the Commissioner in the exercise of discretion include but are not limited to:

1. The nature and type of business conducted;
2. The nature and degree of liquidity in assets held in a corporate capacity;
3. The size of population of the proposed market;
4. The existence and type of concentrations of lending or investing, if any, likely for the bank;
5. The geographic size of the proposed market;
6. The competence and experience of management;
7. The extent and adequacy of internal controls;
8. The presence or absence of annual unqualified audits by an independent certified public accountant;
9. The reasonableness of business plans for retaining or acquiring additional capital; and
10. Federal Deposit Insurance Corporation capital requirements.

C. Any trust company hereafter organized shall have paid-in capital totaling Two Million Dollars (\$2,000,000.00).

D. The issuance of preferred stock by a newly organized bank or trust company may be authorized by the Commissioner. Preferred stock shall have such preferences, powers and rights as the Commissioner may approve. It shall not be retired without the approval of the Commissioner and the requirement of such approval shall be stated in the stock certificates, but the Commissioner may give advance approval to sinking funds payable exclusively out of earnings available for dividends.

Added by Laws 1965, c. 161, § 302. Amended by Laws 1970, c. 321, § 5; Laws 1982, c. 204, § 3. Renumbered from § 302 of this title by Laws 1982, c. 204, § 16. Amended by Laws 1988, c. 166, § 3, emerg. eff. May 24, 1988; Laws 1997, c. 111, § 21, eff. July 1, 1997; Laws 2000, c. 205, § 12, emerg. eff. May 17, 2000.

§6-304. Expenses of organization.

A. Each subscriber at the time the subscriber subscribes to the stock of a proposed state bank or trust company shall pay in cash a sum equal to at least five percent (5%) of the sale price of such stock into a fund to be used to pay the expenses of organization. No organizational expense shall be paid out of any other funds of the bank.

B. Upon the issuance of a certificate of authority by the Commissioner any unexpended balance shall be transferred to undivided profits. If the application has been finally denied, any unexpended balance shall be distributed among the contributors in proportion to their respective contributions. The Commissioner may require an accounting of disbursements from the fund and may order the organizers to restore any sum which has been expended for other than proper organizational expenses.

C. No payment shall be made from the organizational expense fund for soliciting subscriptions to stock.

D. Any financial arrangement or transaction involving the proposed bank or trust company and its organizers, directors, officers or principal shareholders shall be disclosed.  
Added by Laws 1965, c. 161, § 304. Amended by Laws 1982, c. 204, § 5; Laws 1997, c. 111, § 22, eff. July 1, 1997; Laws 2002, c. 67, § 4, eff. Nov. 1, 2002; Laws 2008, c. 275, § 3, eff. July 1, 2008.

§6-305. Application for authority to engage in banking or trust company business - Contents - Oath - Proposed certificate of incorporation.

A person seeking authority to organize a state bank or trust company shall submit the original and ten copies of an application for authority to organize a state bank or trust company. Two copies of the proposed certificate of incorporation and proposed bylaws shall be filed with the application. The application shall be signed under oath by each of the organizers.

A. Contents of application. The application shall include the following information:

1. The proposed location;
2. The amount of the capital stock and the class or classes of capital stock proposed to be issued;
3. The corporate name, which shall not be confusingly similar to that of any existing institution in the proposed community;
4. The names of the subscribers to the capital stock and the amount of stock to which each subscribed. If the names of the subscribers are not yet known, the applicant must also submit a copy of any offering circular that may be used in connection with soliciting subscriptions to the capital stock of the proposed bank;
5. The names of the persons, partnerships, associations, or corporations which propose to own or control more than one-half (1/2) of the capital stock;

6. The names of the proposed directors;
  7. Evidence of the character, financial responsibility and ability of the organizers and proposed directors;
  8. Evidence of the need and advisability of approving the application to organize;
  9. The past and present connection with any bank or trust company, other than as a customer on terms generally available to the public, of each proposed director and each subscriber to more than five percent (5%) of the capital stock; and
  10. Any other information which the Commissioner may require.
- B. Statement to be signed under oath. The application shall contain a statement that the requirements of Sections 303 and 304 of this title have been met. The statement shall be signed by the organizers and verified under oath.
- C. Proposed Certificate of Incorporation. The proposed certificate of incorporation shall contain the following:
1. The name of the bank or trust company;
  2. If the bank is to exercise trust powers, a statement to that effect;
  3. The business street address, including city or town, and county in which it is to be located;
  4. The amount of capital, the number of shares of each class, the relative preferences, powers and rights of each class, the par value of the shares of each class and the amount of the paid-in surplus;
  5. A statement whether voting for directors shall or shall not be cumulative and the extent of the preemptive rights of stockholders;
  6. The names and places of residence of the organizers and the number of shares subscribed by each;
  7. The term of its existence, which shall be perpetual;
  8. The board of directors of the proposed bank or trust company who shall serve until the next annual meeting of the stockholders, or until their successors are regularly elected and qualified; and
  9. Such other proper provisions to govern the business and affairs of the bank or trust company as may be desired by the organizers.

Added by Laws 1965, c. 161, § 305. Amended by Laws 1967, c. 258, § 2, emerg. eff. May 8, 1967; Laws 1968, c. 93, § 3, emerg. eff. April 1, 1968; Laws 1975, c. 109, § 5, emerg. eff. May 7, 1975; Laws 1982, c. 204, § 6; Laws 1997, c. 111, § 23, eff. July 1, 1997; Laws 2001, c. 55, § 2, eff. Nov. 1, 2001; Laws 2002, c. 67, § 5, eff. Nov. 1, 2002.

§6-306. Repealed by Laws 1982, c. 204, § 17.

§6-306.1. Commissioner - Certificate of authority - Recommendation of action.

A. Once the Commissioner determines that a bank or savings association is in danger of failing and all or part of the deposit liability of such bank or savings association is to be assumed by a bank being organized for that purpose, the Board at a meeting closed to the public may approve of the organization of the acquiring bank and the Commissioner may grant a certificate of authority to the acquiring bank, and shall not be bound by the provisions, restrictions, and requirements contained in Article III of this title. The Commissioner is further empowered in such event to grant authority to organize a state savings association and issue a certificate of authority without notice or hearing and without action of the Board.

B. If the Commissioner has determined that a bank is in danger of failing and the Commissioner must take possession of the bank pursuant to Article XII of this title, the Board at a meeting closed to the public may approve of the actions of the Commissioner and order the Commissioner to tender to the Federal Deposit Insurance Corporation the appointment as liquidator of the bank.

C. If the Commissioner determines that a bank or other company under the Department's supervision is in danger of failing or is subject to other conditions or circumstances which, if made public, could result in deterioration of the bank or other company, the Board, at a meeting closed to the public, may consider any action recommended by the Commissioner directed at resolving or improving upon the conditions or circumstances to which the bank or other company is subject.

Added by Laws 1982, c. 204, § 7. Amended by Laws 1983, c. 73, § 2, emerg. eff. April 29, 1983; Laws 1984, c. 133, § 4, eff. Oct. 1, 1984; Laws 1985, c. 168, § 4, emerg. eff. June 18, 1985; Laws 1993, c. 183, § 6, eff. July 1, 1993; Laws 1997, c. 111, § 24, eff. July 1, 1997; Laws 1999, c. 27, § 5, eff. July 1, 1999; Laws 2002, c. 67, § 6, eff. Nov. 1, 2002; Laws 2008, c. 275, § 4, eff. July 1, 2008; Laws 2010, c. 62, § 4, emerg. eff. April 9, 2010.

§6-306.2. Acceptance of application for filing - Notice.

A. In the event the Commissioner determines that the organizers have substantially complied with the requirements of Section 305 of this title and an organizational expense fund in a minimum amount approved by the Commissioner has been fully funded, the Commissioner shall accept the application for filing and shall notify the organizers of the acceptance. Prior to acceptance by the Commissioner, an applicant shall have one opportunity to correct deficiencies in an application. Deficiencies that are not corrected adequately when the application is resubmitted may cause the application to be considered withdrawn or disapproved.

B. Within ten (10) days after the Commissioner has accepted an application for filing, the applicant shall publish notice of such acceptance in a legal newspaper of general circulation in the city, town, or county in which the proposed bank or trust company is to be located. The notice shall be published on the same day for two (2) consecutive weeks and shall contain a statement that an application has been submitted, the names of the organizers, the name and location of the proposed bank or trust company and the date on which the application was accepted for filing. The applicant shall promptly furnish the Commissioner an affidavit evidencing such publication.

Added by Laws 1993, c. 183, § 7, eff. July 1, 1993. Amended by Laws 1997, c. 111, § 25, eff. July 1, 1997; Laws 2010, c. 62, § 5, emerg. eff. April 9, 2010.

§6-307. Repealed by Laws 1982, c. 204, § 17.

§6-307.1. Objectives of Commissioner and Banking Board - Comments or objections.

A. Objectives. The primary objectives of the State Banking Commissioner and the Banking Board shall be to maintain a sound banking system, to encourage a competitive banking environment and to provide convenience to the public.

B. Comments or objections. Within twenty-one (21) days after the first notice by publication as described in Section 306.2 of this title, any interested person may submit to the Commissioner written comments or objections to organization of the proposed bank, or a request for an opportunity to be heard by the Commissioner at a hearing held prior to consideration by the Board of the application for authority to organize. Any request for opportunity to be heard shall set forth reasons justifying the time and expense entailed by such hearing before the Commissioner. In the sole discretion of the Commissioner, the Commissioner may decide to permit such a hearing or may refuse the request for hearing. If the Commissioner refuses the request for hearing, the interested person may be heard at the hearing held by the Board to consider the application. In the absence of a request, the Commissioner may order a hearing to be held before the Commissioner if the Commissioner determines that it is in the public interest.

Added by Laws 1982, c. 204, § 8. Amended by Laws 1997, c. 111, § 26, eff. July 1, 1997; Laws 2002, c. 67, § 7, eff. Nov. 1, 2002; Laws 2010, c. 62, § 6, emerg. eff. April 9, 2010.

§6-308. Hearing before Commissioner.

A. Notice. When a hearing is permitted before the Commissioner, the Commissioner shall notify interested persons of the date, time and place at which an opportunity to be heard shall

be afforded. Interested persons shall include the applicant, the persons requesting a hearing and other persons who have submitted written comments and objections to the Commissioner.

B. Participation in the hearing. Within ten (10) days after the date of notice of hearing, each person desiring to be heard shall notify the Commissioner of such person's intention to participate in the hearing. At least five (5) days prior to the hearing, each participant shall submit to the Commissioner and the applicant a list of witnesses and copies of each exhibit to be offered as the Commissioner may require. Any participant who fails to comply with these deadlines shall be prohibited from participation in the hearing.

C. Presiding officer. The presiding officer at the hearing shall be the Commissioner or the designee of the Commissioner. The presiding officer shall have the authority to appoint a panel to assist the presiding officer.

D. Order of presentation.

1. Opening statements. The applicant and each other participant shall make an opening statement. The length of such statements shall be within the discretion of the presiding officer.

2. Applicant's presentation. Following the opening statements, the applicant shall present any data and materials, oral or documentary of the applicant.

3. Other presentations. Following the applicant's presentation, other interested persons may present their views with respect to the application under consideration.

4. Summary statements. After all the above presentations have been concluded, the participants may make short and concise summary statements reviewing their positions.

E. Witnesses. The obtaining of witnesses is the responsibility of the participants. All witnesses will be present of their own volition, but any person appearing as a witness may be subject to questioning by any participant, by the presiding officer or by any member of the panel. The refusal of a witness to answer questions may be considered by the presiding officer in determining the weight to be accorded the testimony of that witness. Witnesses shall not be sworn.

F. Evidence. The presiding officer shall have the authority to exclude witnesses, evidence, data or materials which the presiding officer deems to be improper, irrelevant, or duplicitous. Formal rules of evidence shall not be applicable to these hearings. Documentary material must be of a size consistent with ease of handling, transportation and filing, and must be provided for each participant by the party presenting such evidence. While large exhibits may be used during the hearing, copies of such exhibits must be provided by the party in reduced size for submission as

evidence. Ten copies of all such documentary evidence shall be furnished to the Commissioner.

G. Procedural questions. The presiding officer or any designated member of the assisting panel shall determine all procedural questions. The Commissioner and the presiding officer shall each have the authority to limit the number of witnesses to be called by each participant and to impose such time limitations as they shall deem reasonable.

H. Transcript. If the proceedings of the hearing are recorded by a court reporter, a transcript of the hearing shall be made. The party requesting the hearing may arrange for a court reporter to be present to record the proceedings. All expenses of the reporter, including the furnishing of two copies of the transcript to the Commissioner, shall be borne by the person or persons requesting the opportunity to be heard. In the event the Commissioner orders a hearing when no request is submitted, expenses shall be borne by the applicant.

I. The record. The record of these proceedings shall include the charter application file described in Section 309 of this title, all documentary evidence presented at the hearing and any transcript.

Added by Laws 1982, c. 204, § 9. Amended by Laws 1997, c. 111, § 27, eff. July 1, 1997; Laws 2002, c. 67, § 8, eff. Nov. 1, 2002; Laws 2005, c. 48, § 8, eff. Nov. 1, 2005.

§6-309. Public charter application file - Contents - Availability - Findings and conclusions - Objections.

A. Contents. The charter application file shall consist of the application with supporting data and supplementary information, with the exception of personal financial records of individual applicants and other material deemed by the Commissioner to be confidential. In addition, the charter application file shall contain all data and information submitted by interested persons in opposition to such application.

B. Availability of charter application file. Except for personal financial records of individual applicants and other material deemed by the Commissioner to be confidential, the charter application file shall be available for inspection in the office of the Banking Department upon written request from any person. No documents in the charter application file may be removed from the office of the Banking Department. Photocopies may be made upon request. The charge for such copies shall be determined pursuant to Section 208 of this title.

C. Findings and conclusions. The presiding officer of a hearing permitted under Section 308 of this title shall issue findings of fact and conclusions of law within thirty (30) days after the hearing or additional time as prescribed by the presiding

officer based on the material contained in the record and shall mail a copy of the findings and conclusions to each participant. The presiding officer, at the discretion of the presiding officer, may give consideration to the following in arriving at the findings, conclusions and recommendation of the presiding officer:

1. The character, financial responsibility and business experience of the organizers and proposed directors;
2. The adequacy of the existing banking facilities in the proposed market;
3. The economic and competitive conditions in the proposed market;
4. The likelihood of successful operation of the proposed institution;
5. The adequacy of initial capital, proposed earnings and deposit prospects of the proposed institution; and
6. Negative impact on banks serving all or part of proposed market.

D. Objections; Board hearing. Written objections to the presiding officer's findings and conclusions, or procedural objections, if any, shall be submitted to the Commissioner by participants within fourteen (14) days after the issuance of the presiding officer's findings and conclusions. The Commissioner shall schedule a date for consideration of the presiding officer's findings of fact and conclusions of law and recommendations to the Board and for presentation of oral arguments by participants in support of or in opposition to the written objections previously submitted.

The Commissioner shall promptly notify all participants of the date scheduled for hearing before the Board.  
Added by Laws 1982, c. 204, § 10. Amended by Laws 1983, c. 73, § 3, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 28, eff. July 1, 1997; Laws 2002, c. 67, § 9, eff. Nov. 1, 2002; Laws 2005, c. 48, § 9, eff. Nov. 1, 2005.

§6-310. Board hearing on application - Condition - Approval - Notice.

A. Board hearing. The Board shall consider all applications for authority to organize a state bank or trust company. If the Commissioner has granted an earlier hearing on the application, the Board shall review the transcript of the proceedings, if any, including the findings of fact and conclusions of law of the presiding officer. The Board may hear oral argument in support of and in opposition to the written objections, if any, and shall adopt, reject or remand the findings, conclusions and recommendation of the presiding officer. The Board shall adopt the presiding officer's findings, conclusions and recommendation unless it finds the presiding officer's findings, conclusions and recommendation are



not supported by the record. Remand may be for the sole purpose of the presiding officer taking additional evidence from the participants. Any such remand shall specifically identify the scope and nature of additional evidence sought by the Board. Proceedings on remand shall be conducted within the time limits set by the Board in the manner as prescribed by the presiding officer.

The Board may adopt, reject or modify any finding of fact not supported by the record. The Board may adopt or reject any conclusion of law. The Board may enter such additional findings of fact that it deems necessary or appropriate and which is supported by the record.

In the absence of a hearing granted before the Commissioner, the Board may adopt its own findings of fact and conclusions of law with respect to the approval or disapproval of the application. If the applicant or any interested party desires to obtain a transcript of the proceedings before the Board, such person shall notify the Commissioner in writing within ten (10) days of the Board's hearing and must arrange for a court reporter to be present at the hearing. All expenses of the reporter, including the furnishing of two copies of the transcript to the Commissioner, shall be borne by the person or persons arranging for the reporter. In the event the Board requests a reporter to be present, expenses shall be borne by the applicant.

B. Condition. Approval of an application for authority to organize a state bank shall be contingent upon the proposed bank making a bona fide application for Federal Deposit Insurance or for membership in the Federal Reserve System.

C. Approval of an application. When approving or disapproving an application for authority to organize a state bank or trust company, the Board may accept or reject any findings of fact or conclusions of law reached in an earlier hearing before the Commissioner, or may approve or disapprove the application based on its own findings of fact and conclusions of law. The Board must provide written findings of fact and conclusions of law only when required by the provisions of the Oklahoma Administrative Procedures Act.

D. Notice. Within ten (10) days after approval or disapproval of the application by the Board, the Commissioner shall provide notice to all interested persons.

Added by Laws 1982, c. 204, § 11. Amended by Laws 1983, c. 73, § 4, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 29, eff. July 1, 1997; Laws 2002, c. 67, § 10, eff. Nov. 1, 2002; Laws 2005, c. 48, § 10, eff. Nov. 1, 2005.

§6-311. Appeal of Board's decision.

The decision of the Board may be appealed to the Oklahoma Supreme Court by any party directly affected and showing

aggrievement resulting from the Board's decision. An appeal shall be commenced and conducted in accordance with the provisions of Section 207 of this title.

Added by Laws 1982, c. 204, § 12. Amended by Laws 1997, c. 111, § 30, eff. July 1, 1997.

§6-311.1. Existing certificate of incorporation for which no certificate of authority is outstanding.

In the case of an existing certificate of incorporation for which no certificate of authority is currently outstanding, a holder of such certificate of incorporation shall follow the procedure and obtain the approvals as set forth in Sections 312 and 313 of this title.

Added by Laws 1997, c. 111, § 31, eff. July 1, 1997. Amended by Laws 2002, c. 67, § 11, eff. Nov. 1, 2002.

§6-312. Issuance of certificate of incorporation - Shareholders meeting - Filing of verified application for certificate - Contents.

Within ninety (90) days after approval by the Board of an application for authority to organize or any additional period allowed by the Commissioner:

1. The proposed certificate of incorporation submitted to the Commissioner with the application for authority to organize shall be signed under oath by each of the organizers and submitted in duplicate to the Commissioner. A copy thereof, duly approved by the Commissioner, shall be filed with the Secretary of State by the applicant. The Secretary of State shall issue a certificate in the form provided by law for other corporations and the existence of such bank or trust company shall date from the issuance of the certificate of the Secretary of State; provided, it shall be a criminal offense against this Code for a state bank or trust company to perform any act other than to perfect its organization, obtain and equip a place of business and otherwise prepare to do business before receiving a certificate of authority to operate issued to it by the Commissioner;

2. After the certificate of incorporation is received from the Secretary of State, a meeting of the shareholders shall be held to elect directors and adopt the bylaws. The bylaws adopted may be amended by majority vote of the outstanding voting shares and the bylaws may provide for amendment by the board of directors of any provision other than those relating to the duties, term of office, remuneration, reimbursement or indemnification of a director, and no share shall be issued until the bank's capital has been paid in full; and

3. After the first meeting of the shareholders and the board of directors, the president, secretary or cashier shall file with the Commissioner a verified application for certificate of authority.

The application shall contain:

- a. a statement as to the amount of capital which the bank has collected from subscribers to the bank's stock,
- b. the name, address and business and professional affiliations of each director and executive officer,
- c. evidence of the character, financial responsibility and ability of the managing officer,
- d. the name and address of each shareholder and the number of shares held by each,
- e. the address at which the bank or trust company will operate,
- f. a statement that all of the bylaws adopted were attached as an exhibit to the application for authority to organize,
- g. if a bank, a statement that an application for Federal Deposit Insurance or for membership in the Federal Reserve System has been approved, and
- h. such other information as the Commissioner may require to enable the Commissioner to determine whether a certificate of authority should be issued.

Added by Laws 1982, c. 204, § 13. Amended by Laws 1983, c. 73, § 5, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 32, eff. July 1, 1997; Laws 2002, c. 67, § 12, eff. Nov. 1, 2002.

§6-313. Return of defective application or documents - Approval or denial of application - Issuance of certificate of authority - Revocation of powers and cancellation of certificate of incorporation.

A. If the application for a certificate of authority or any accompanying documents do not comply with the requirements of this Code, the Commissioner shall, within twenty (20) days after the receipt thereof, return them to the applicant, calling attention to the defect or defects therein. If the application and accompanying documents are not so returned within such twenty-day period they shall be deemed to have been accepted for filing by the Commissioner.

B. The Commissioner shall approve or deny the application for a certificate of authority within sixty (60) days after such application has been accepted. The Commissioner shall approve the application if:

1. The Board shall have approved the managing officer;
2. The capital in the amounts set forth in the application has been fully paid;
3. Bylaws attached to the application have been adopted;
4. Any conditions imposed by the Board or the Commissioner in approving the application for authority to organize have been fulfilled; and

5. The requirements of this Code have been satisfied; provided, the Commissioner with the consent of the Board may deny the application for a certificate of authority if the bank's application for Federal Deposit Insurance or for membership in the Federal Reserve System has not been approved.

C. If the Commissioner approves such application, the Commissioner shall within twenty (20) days of such action issue a certificate of authority and shall provide the same to the corporation. If the Commissioner denies the application the Commissioner shall, within twenty (20) days of such action, mail a notice of the denial to the corporation, stating therein the reason or reasons for the denial.

D. If the requirements of Section 312 of this title have not been met within the time therein provided, or if the application for certificate of authority has been denied by the Commissioner, or if no certificate of authority exists for a period of six (6) months after the date of the Board's approval of the application for authority to organize for any bank or trust company, or if the bank or trust company shall fail to commence business within six (6) months after the issuance by the Commissioner of the certificate of authority, or any additional period allowed by the Commissioner, the Commissioner shall cancel the certificate of authority, revoke all banking and trust powers and recommend to the Secretary of State cancellation of the certificate of incorporation. Upon receipt of such recommendation, the Secretary of State shall cancel the certificate of incorporation and the bank or trust company shall be liquidated in accordance with the order of the Commissioner. If an improper expenditure has been made, the Commissioner may order the persons who were organizers or directors at the time to restore the same by equal contributions.

Added by Laws 1982, c. 204, § 14. Amended by Laws 1995, c. 36, § 9, eff. July 1, 1995; Laws 1997, c. 111, § 33, eff. July 1, 1997; Laws 2002, c. 67, § 13, eff. Nov. 1, 2002.

§6-401. Organization of new bank or trust company.

A bank or trust company may be organized to exercise the powers provided in the Banking Code and such general corporate powers as are appropriate to its purpose.

Added by Laws 1965, c. 161, § 401. Amended by Laws 1997, c. 111, § 34, eff. July 1, 1997.

§6-402. Powers of banks and trust companies.

Any bank or trust company now or hereafter organized under the laws of this state shall, without specific mention thereof in its certificate of incorporation, have all the powers conferred by the Oklahoma Banking Code and the following additional corporate powers:

1. To continue perpetually as a corporation;

2. To make contracts;
3. To sue and be sued, complain and defend, in its corporate name;
4. To sell any asset in the ordinary course of business;
5. To have a corporate seal, which may be altered at pleasure, and to use the same by causing it or a facsimile thereof to be impressed or affixed, or in any manner reproduced;
6. To make, alter, amend, and repeal bylaws, not inconsistent with its certificate of incorporation or with law, for the administration and regulation of the affairs of the corporation;
7. To elect, appoint or remove officers and agents of the corporation and to define their duties and fix their compensation;
8. To adopt and operate reasonable bonus, profit-sharing and pension plans for officers and employees;
9. To make contributions to or for the use or benefit of the following:
  - a. the United States, any state, territory, or political subdivision thereof, the District of Columbia or any possession of the United States, for exclusively public purposes,
  - b. a corporation, foundation, trust, community chest, or other organization created or organized in the United States, or in any state or territory, or of the District of Columbia, or of any possession of the United States, and organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, civic enterprise, literary or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation, or
  - c. other lawful expenditures, contributions and donations; to the extent authorized, approved, or ratified by action of the board of directors of the corporation, except as otherwise specifically provided or limited by its certificate of incorporation, its bylaws, or by resolution duly adopted by its stockholders;
10. To exercise such incidental powers as may be necessary or desirable to carry on the banking business including, but not limited to, powers as may now or hereafter be conferred upon national banks by the laws of the United States and the regulations and policies of the United States Comptroller of the Currency, unless otherwise prohibited or limited by the State Banking Commissioner or the State Banking Board. Upon approval of the

Commissioner, and subject to all applicable federal and state laws, the operating subsidiaries or financial subsidiaries of a bank may exercise any power and engage in any activity that is permitted for an operating subsidiary or financial subsidiary of a national bank pursuant to laws of the United States and the regulations and policies of the United States Comptroller of the Currency, or the Board of Governors of the Federal Reserve System unless otherwise prohibited or limited by the Commissioner or the Board;

11. To exercise by its directors, duly authorized officers or agents, subject to law, all such powers as shall be necessary to carry on the banking business;

12. Without specific mention in its charter, to act as escrow agent;

13. To purchase for its own account investment securities under such limitations and restrictions as the Commissioner may prescribe by policy statement pursuant to subsection F of Section 204 of this title;

14. To lease, hold, purchase and convey any and all real estate in the manner provided in this Code and not otherwise;

15. To act as fiscal or transfer agent, executor, administrator, guardian of estates, assignee, receiver, depository and trustee, provided such bank or trust company has complied with the laws of this state relating to the organization and regulation of trust companies;

16. To issue and sell securities as the Commissioner may prescribe by policy statement pursuant to subsection F of Section 204 of this title;

17. To invest in tangible personal property, including, without limitation, vehicles, manufactured homes, machinery, equipment, or furniture, for lease financing transactions on a net-lease basis, subject to rule or order of the Commissioner limiting the amount the bank may invest in such property;

18. To make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families, such as by providing housing, services, or jobs. A state bank may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. A state bank shall not make any such investment if the investment would expose the bank to unlimited liability. The aggregate investment of a state bank under this subsection shall not exceed fifteen percent (15%) of the capital of the bank; and

19. Upon approval by the Commissioner, to underwrite issues of securities or stock through a subsidiary.

Added by Laws 1965, c. 161, § 402. Amended by Laws 1987, c. 135, § 2, emerg. eff. June 3, 1987; Laws 1988, c. 166, § 4, emerg. eff. May 24, 1988; Laws 1991, c. 128, § 2, emerg. eff. April 29, 1991; Laws 1994, c. 157, § 5, emerg. eff. May 6, 1994; Laws 1997, c. 111, § 35,

eff. July 1, 1997; Laws 1999, c. 27, § 6, eff. July 1, 1999; Laws 2000, c. 205, § 13, emerg. eff. May 17, 2000; Laws 2007, c. 80, § 1, eff. Jan. 1, 2008.

§6-402.1. Chartering of banker's bank.

A banker's bank may be chartered pursuant to Sections 301 through 313 of Title 6 of the Oklahoma Statutes and shall have the powers set forth in Section 402 of Title 6 of the Oklahoma Statutes, subject to the following limitations and restrictions:

1. The stock of the bank shall be owned exclusively by other banks, or if the stock of such bank is owned by a holding company, then the stock of the holding company is owned exclusively by other banks;

2. The bank or the bank holding company owning such bank, including all subsidiaries, shall engage primarily in providing service to or for other depository institutions or their holding companies, and the directors, officers, or employees of such institutions;

3. The bank shall have federal deposit insurance by the Federal Deposit Insurance Corporation; and

4. The bank shall provide correspondent banking services at the request of other depository institutions, their subsidiaries or their holding companies and subsidiaries of such holding companies. Added by Laws 1997, c. 111, § 36, eff. July 1, 1997.

§6-403. Repealed by Laws 1998, c. 70, § 2, emerg. eff. April 8, 1998.

§6-403.1. Membership in Federal Reserve System.

A. Any bank incorporated under the laws of this state may subscribe to the capital stock and become a member of the Federal Reserve System.

B. Any bank incorporated under the laws of this state which becomes a member of the Federal Reserve System is by this Code vested with all powers conferred upon member banks of the Federal Reserve System by the terms of the Federal Reserve Act as fully and completely as if such powers were specifically enumerated and described in this Code. All such powers shall be exercised subject to all restrictions and limitations imposed by the Federal Reserve Act, or by regulations of the Federal Reserve Board made pursuant thereto.

C. Compliance on the part of any such bank with the reserve requirements of the Federal Reserve Act is full compliance with those provisions of the laws of this state which require banks to maintain cash balances in their vaults or with other banks, and no such bank shall be required to carry or maintain reserve other than such as is required under the terms of the Federal Reserve Act.

D. Any such bank shall continue to be subject to the supervision and examination required by the laws of this state, except that the Board of Governors of the Federal Reserve System has the right, if it deems necessary, to make examinations. The authorities of this state having supervision over such bank may disclose to the Board of Governors of the Federal Reserve System, or to examiners duly appointed by it, all information in reference to the affairs of any bank which has become or desires to become a member of the Federal Reserve System.

E. The provisions of this section shall be deemed to apply to any bank electing to become a member of the Federal Reserve System prior to the effective date of this act.

Added by Laws 1998, c. 70, § 1, emerg. eff. April 8, 1998.

§6-404. Federal Deposit Insurance Corporation Act - Acts permitted for compliance therewith.

Every bank may do and perform any act and thing necessary or required under the terms of the Federal Deposit Insurance Corporation Act, and any amendments thereto or any act substituted therefor, to secure the benefits of the deposit insurance and other advantages provided by such act, and any amendments thereto or any act substituted therefor applicable to state banks and trust companies.

Added by Laws 1965, c. 161, § 404.

§6-405. Increase or decrease of capital stock - Procedure - Reduction of capital stock - Surrender of certificate.

A. Increase or decrease of capital stock; procedure. Any bank or trust company authorized to conduct a banking business under the laws of the State of Oklahoma may at any time increase or reduce its capital stock, after such change has been approved by the Commissioner and by a majority vote of the outstanding voting stock.

1. After the increase or decrease of capital stock has been authorized at a regular shareholders' meeting or a special shareholders' meeting called for that purpose, the president or secretary of the bank or trust company shall prepare a certificate in the form prescribed by the Commissioner containing a copy of the resolution, as passed by a majority vote of the outstanding voting stock, authorizing the increase or decrease of capital stock. Such certificate shall be verified by oath of the president or secretary of the corporation and forthwith transmitted to the Commissioner.

2. Upon receipt of such certificate, the Commissioner may, in the discretion of the Commissioner, authorize the increase or decrease of the capital stock of the corporation. The Commissioner, after such increase or decrease has been authorized and approved, shall thereupon issue a certificate showing the amount to which the



capital stock has been increased or decreased by authority of the resolution, as certified by the Commissioner.

3. No bank or trust company shall issue any certificate of stock under any increase of capital until the whole amount of such increase has been fully paid either in cash or by transfer from undivided profits.

B. Reduction of capital stock; surrender of certificate.

Whenever the capital stock of any bank or trust company is reduced, every shareholder, owner or holder of any stock certificate shall surrender the same for cancellation and shall be entitled to receive a new certificate for that portion of the stock remaining in force after the reduction has been made. Any stock certificate which is not surrendered for cancellation and reissue, under any decrease of capital stock, shall be null and void as to the amount represented by the decrease. No dividends shall be paid to any shareholder until the old certificate has been surrendered and canceled.

Added by Laws 1965, c. 161, § 405. Amended by Laws 1982, c. 223, § 6; Laws 1983, c. 73, § 6, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 38, eff. July 1, 1997; Laws 2005, c. 48, § 11, eff. Nov. 1, 2005.

§6-405.1. Authorized but unissued stock.

Any bank or trust company, with the written approval of the Commissioner and by majority vote of the outstanding voting stock, may by proper amendment to its certificate of incorporation authorize an increase in the common stock of the bank in the category of authorized but unissued stock. Such authorized but unissued stock may be issued from time to time to employees of the bank pursuant to a stock option or stock purchase plan adopted in accordance with the provisions of Section 40 of this act or in exchange for convertible preferred stock or convertible capital debentures in accordance with the terms and provisions of such securities. Authorized but unissued stock may also be issued from time to time for such other purposes and considerations as may be approved by the board of directors of the bank and by the written approval of the Commissioner.

Added by Laws 1997, c. 111, § 39, eff. July 1, 1997. Amended by Laws 1997, c. 374, § 2, eff. July 1, 1997.

§6-405.2. Employee stock option and stock purchase plans.

A. Scope and application. Any bank or trust company may grant options to purchase, sell or enter into agreements to sell shares of its capital stock to its employees, for a consideration of not less than one hundred percent (100%) of the fair market value of the shares on the date the option is granted, or, if pursuant to a stock purchase plan, one hundred percent (100%) of the fair market value on the date the purchase price is fixed, pursuant to the terms of an

employee stock option plan or employee stock purchase plan which has been adopted by the board of directors of the bank and approved by the holders of at least a majority of the outstanding shares of the bank entitled to vote and by the Commissioner. Stock options issued hereunder shall not extend beyond a period of ten (10) years from date of issuance and shall otherwise qualify as stock options under the provisions of the Internal Revenue Code of 1954, as it may be amended from time to time.

B. Source of shares. Shares issued to employees pursuant to this section may be authorized but unissued stock which has been authorized by stockholders in accordance with the procedures outlined in Section 39 of this act.

Added by Laws 1997, c. 111, § 40, eff. July 1, 1997. Amended by Laws 1997, c. 374, § 3, eff. July 1, 1997.

§6-406. Amendments - Change of name - Change in location - Change in number and par value of shares - Bank's abandonment of trust powers - Right of dissent.

A. Change of name. A bank or trust company, by majority vote of the outstanding voting stock, may upon written notice to and may after obtaining approval by the Commissioner change its corporate name by appropriate amendment of its certificate of incorporation.

B. Change in location. 1. An application to change a bank or trust company's main office location must be authorized by majority vote of the outstanding voting stock. The application shall be submitted upon a form provided by the Commissioner, and shall contain a copy of the resolution adopted by the stockholders at the stockholders' meeting authorizing the proposed change in location, and shall be verified by the president or secretary of the corporation. An application fee in an amount provided by Board rule shall accompany the application.

2. If the applicant bank's deposits are insured by the Federal Deposit Insurance Corporation, the Commissioner may condition the approval upon the approval of the Federal Deposit Insurance Corporation.

3. The Commissioner may, in the discretion of the Commissioner, approve the application and authorize amendment of the certificate of incorporation.

C. Change in number and par value of shares. Upon application of a bank or trust company authorized by a majority vote of the outstanding voting stock to amend its certificate of incorporation by changing the number or par value of shares, the Commissioner shall approve the application and authorize amendment unless the change will inequitably affect the interest of any stockholders and the bank or trust company does not have sufficient surplus and undivided profits to pay dissenting stockholders the fair value of

their shares and have remaining adequate capital as determined by the Commissioner.

D. Bank's abandonment of trust powers. Upon application approved by majority vote of the outstanding voting stock authorizing the abandonment of its trust powers, and upon compliance with Section 1017 of this title, the Commissioner may, in the discretion of the Commissioner, approve the application and permit amendment of the applicant's certificate of incorporation deleting trust powers.

E. Other amendments. The Commissioner may, in the discretion of the Commissioner, permit amendments to the applicant's certificate of incorporation in addition to those specifically set forth in this section and in Section 405 of this title, if the Commissioner finds and determines the public and interested parties would be served by the approval of such amendments.

F. Right of dissent. Shareholders of banking corporations shall have the right of dissent to corporate action, in the same manner as provided by Section 1104 of this title with respect to the adoption of the following type of amendments to the applicant's certificate of incorporation:

1. With respect to holders of a class of stock, a decrease in the par value per share of the outstanding shares of such class of stock, or a reverse stock split that decreases the aggregate par value of a shareholder's total shares of the affected class of stock;

2. A change of the main office location to a different town or city;

3. With respect to preferred shareholders, a conversion of preferred stock into common stock, other than in accordance with conversion features, if any, which were contained in the terms of the preferred stock when it was originally issued; and

4. With respect to preferred shareholders, any other amendment which would modify preferred stock to reduce the dividend rate, to make cumulative dividends noncumulative, to reduce the redemption or liquidation price, to eliminate or adversely affect any conversion rights or to eliminate or diminish any voting rights related thereto.

The provisions of this subsection shall not apply to transactions which are subject to dissenters' rights as provided by Sections 1104 and 1109 of this title. Shareholders of banking corporations shall also be entitled to appraisal rights granted with respect to any type of transaction pursuant to the provisions of the Oklahoma General Corporation Act, except for transactions subject to dissenters' rights as provided by the provisions of this section and Sections 1104 and 1109 of this title.

Added by Laws 1965, c. 161, § 406. Amended by Laws 1967, c. 258, § 4, emerg. eff. May 8, 1967; Laws 1975, c. 109, § 8, emerg. eff. May

7, 1975; Laws 1982, c. 223, § 7; Laws 1983, c. 73, § 7, emerg. eff. April 29, 1983; Laws 1992, c. 295, § 1, eff. July 1, 1992; Laws 1994, c. 157, § 6, emerg. eff. May 6, 1994; Laws 1997, c. 111, § 41, eff. July 1, 1997; Laws 2001, c. 55, § 3, eff. Nov. 1, 2001.

§6-407. Amendment - Trust powers.

Any bank heretofore organized not authorized by its certificate of incorporation to exercise trust powers may file an application with the State Banking Commissioner requesting such authority.

1. The application must be approved by majority vote of the outstanding voting stock and the resolution so adopted must be duly verified by the president or cashier of the bank.

2. In passing upon the application, the Commissioner will give consideration to the following matters and to any other facts and circumstances the Commissioner deems proper:

- a. whether the bank has sufficient capital to exercise the fiduciary powers applied for, which capital shall be no less than Two Million Dollars (\$2,000,000.00),
- b. the proposed market for fiduciary services and the probable volume of such fiduciary business available to the bank,
- c. the general condition of the bank, including the adequacy of its capital in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities, including the exercise of fiduciary powers,
- d. the general character and ability of the management of the bank,
- e. the nature of the supervision to be given to the fiduciary activities, including the qualifications, experience and character of the proposed officer or officers of the trust department, and
- f. whether the bank has available legal counsel to advise and pass upon fiduciary matters whenever necessary.

3. The qualifying bank may, by appropriate amendment to its certificate of incorporation, change its name by adding thereto, "& Trust Company" or "and Trust Company".

4. An application for authority to exercise trust powers shall be accompanied by a fee as set by rule of the Banking Board.

Added by Laws 1965, c. 161, § 407. Amended by Laws 1975, c. 109, § 9, emerg. eff. May 7, 1975; Laws 1982, c. 223, § 8; Laws 1990, c. 173, § 3, emerg. eff. May 3, 1990; Laws 1997, c. 111, § 42, eff. July 1, 1997; Laws 2000, c. 205, § 14, emerg. eff. May 17, 2000.

§6-408. Amendment of existing articles of incorporation with certificate of incorporation.

Each bank or trust company having articles of incorporation on file with the Secretary of State shall amend the articles with a certificate of incorporation as identified by Section 1005 of Title 18 of the Oklahoma Statutes using a form as prescribed by the Commissioner no later than November 1, 1997.

Added by Laws 1965, c. 161, § 408. Amended by Laws 1997, c. 111, § 43, eff. July 1, 1997.

§6-409. Dividends.

A. Withdrawal of capital - Dividends - Bad debts - Banks and trust companies. Without the prior written approval of the Commissioner, no bank shall, during the time it shall continue its banking operations, withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital or surplus. If losses have at any time been sustained by any such bank, equal to or exceeding its undivided profits then on hand, no dividend shall be made, and no dividend shall ever be made by any bank, while it continues its banking operations, to an amount greater than its net profits then on hand, deducting therefrom its losses and bad debts. All debts due to any bank, on which interest is past due and unpaid for a period of six (6) months, unless the same are well secured and in process of collection, shall be considered bad debts within the meaning of this section.

No trust company shall declare or pay any dividend to an amount greater than its net undivided profits then on hand, deducting therefrom:

1. All losses;
2. All debts, unless the same are well secured, on which interest for a period of one (1) year is past due and unpaid and debts upon which final judgment has been recovered but has been for more than one (1) year unsatisfied and on which interest for a period of one (1) year is unpaid, unless the same are well secured;
3. All assets or depreciation which the commissioner or a duly appointed examiner may have required to be charged off; and
4. All expenses, interest and taxes accrued or due from the trust company.

After providing for the deductions set forth, the board of directors of a trust company may, at any regular meeting, declare a dividend out of so much of the net undivided profits of the trust company as they judge expedient. Interest unpaid, although due or accrued, shall not be included in the calculation of net undivided profits.

B. Dividends - When payable - Restrictions.

1. The directors of any bank or trust company may, quarterly, semiannually or annually, declare a dividend of so much of the net profits of the corporation as they shall judge expedient, except that, until the surplus fund of a bank shall equal its common

capital, no cash dividends shall be declared unless there has been carried to the surplus fund not less than one-tenth (1/10) part of the bank's net profits of the preceding half year in the case of quarterly or semiannual dividends, or not less than one-tenth (1/10) part of its net profits of the preceding two consecutive half-year periods in the case of annual dividends: Provided that, for the purposes of this section, any amounts paid into a fund for retirement of any preferred stock of any such bank out of its net earnings for such period or periods shall be deemed to be additions to its surplus fund if, upon the retirement of such preferred stock, the amounts so paid into such retirement fund may then properly be carried to surplus. In any such case the bank shall be obligated to transfer to surplus the amounts so paid into such retirement fund on account of the preferred stock as such stock is retired.

2. The approval of the Commissioner shall be required if the total of all dividends declared by a bank in any calendar year shall exceed the total of its net profits of that year combined with its retained net profits of the preceding two (2) years, less any required transfers to surplus or a fund for the retirement of any preferred stock.

3. For the purpose of paragraph 2 of this subsection, the term "net profits" shall mean the remainder of all earnings from current operations plus actual recoveries on loans and investments and other assets, after deducting from the total thereof all current operating expenses, actual losses, accrued dividends on preferred stock, if any, and all federal and state taxes.

Added by Laws 1965, c. 161, § 409. Amended by Laws 1971, c. 352, § 7; Laws 1997, c. 111, § 44, eff. July 1, 1997.

§6-410. Capital debentures - Rediscounting notes to Federal Reserve.

A. Borrowing - Capital debentures. A bank may borrow money and issue evidence of indebtedness and may issue convertible or nonconvertible capital notes or debentures subject to such terms, conditions or limitations as may be prescribed by the Board by order, rule or regulation. Capital notes or debentures which are by their terms expressly subordinated to the prior payment in full of all deposit liabilities of the bank shall be considered as part of the unimpaired capital funds of the bank for the purpose of the computation of the bank's loan and investment limit.

B. Rediscounting notes to Federal Reserve. Any bank may rediscount with and sell to a Federal Reserve Bank any notes, drafts, bills of exchange, acceptances and other securities, with no restrictions, and as fully and to the same extent as this privilege is given to national bank members under the terms of the Federal Reserve Act, or by regulations of the Federal Reserve Board made pursuant thereto.

Added by Laws 1965, c. 161, § 410. Amended by Laws 1977, c. 208, § 5, emerg. eff. June 14, 1977; Laws 1983, c. 73, § 8, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 45, eff. July 1, 1997.

§6-411. Pledge of assets - Banks.

A. A bank may pledge its assets to:

1. Enable it to act as agent for the sale of obligations of the United States;

2. Secure borrowed funds;

3. Secure deposits when the depositor is required to obtain such security by the laws of the United States, by the terms of any interstate compact, by the laws of any state or by order of a court of competent jurisdiction;

4. Secure the uninsured portion of deposits made by a governmental agency of the State of Oklahoma, any public trust having the State of Oklahoma as a beneficiary, rural water district, nonprofit rural water corporation or master conservancy districts formed pursuant to the Conservancy Act of Oklahoma, so long as the pledge is made with the same type of collateral and in the same manner and form as pledges made to secure deposits by the State Treasurer;

5. Anyone as permitted by national banks; or

6. Otherwise comply with the provisions of this Code.

B. In the event the bank pledges assets pursuant to subsection A of this section, the bank shall maintain in its files documentation showing the legal authority or basis for such pledging.

C. With respect to the pledge of assets for deposits identified in subsections A and B of this section, any such pledge shall only apply to the portion not insured by the Federal Deposit Insurance Corporation.

Added by Laws 1965, c. 161, § 411. Amended by Laws 1992, c. 157, § 1, emerg. eff. May 5, 1992; Laws 1993, c. 38, § 1, eff. Sept. 1, 1993; Laws 1997, c. 111, § 46, eff. July 1, 1997; Laws 2000, c. 59, § 1, emerg. eff. April 14, 2000.

§6-412. Signature guaranty.

(1) A bank may become guarantor of the genuineness of a signature.

(2) A bank guaranteeing the signature of a person on any document warrants to any person relying on such guaranty only that:

(a) the signature is that of the person signing; and

(b) the signer is the holder, or the signer has purported authority to sign in the name of the holder; provided that if the holder purports to act as a fiduciary either as "fiduciary" as defined in this Code or his name is signed by a person purporting to act on the holder's behalf as a fiduciary, the bank warrants that

such holder or such person so signing as such fiduciary is in fact the fiduciary he purports to be and warrants that the bank has no actual knowledge that such fiduciary is committing a breach of his obligation as such fiduciary in signing such document and that it has no knowledge of such facts that its action in guaranteeing the signature amounts to bad faith; and

(c) the signer has legal capacity to sign.

(3) A bank may disclaim in its guaranty all or any part of the obligations set forth in subsection (2)(b) of this section.

Added by Laws 1965, c. 161, § 412.

§6-413. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-414. Acquisition of real estate - Term held - Equipment, furniture and fixtures - Leases of real estate and equipment - Investment and loans to corporations holding premises - Conveyance of real estate.

A. 1. A bank or trust company may purchase and hold real estate, equipment, furniture and fixtures necessary for the convenient transaction of its business, the cost of which shall not exceed its capital. This limitation may be exceeded upon written approval of the State Banking Commissioner.

2. With prior approval of the Commissioner, a bank or trust company may purchase and hold fixtures, facilities and real estate, including but not limited to storage facilities, facilities for civic or public use or facilities for the benefit of employees of the bank, bank customers or the community. No banking business of any type shall be engaged in or conducted at such facilities.

3. A bank or trust company may lease out to such tenants as it deems appropriate any portion of its banking house or premises not utilized in the conduct of its banking operations.

4. Upon prior written approval of the Commissioner, a bank or trust company may purchase real estate at a location where the bank or trust company could lawfully establish an office.

5. A state bank may purchase or construct a municipal building, such as a school building, or other similar public facility and, as holder of legal title, lease the same to a municipality or other public authority having resources sufficient to make payment of all rentals as they become due. The lease agreement shall provide that upon its expiration the lessee will become owner of the building or facility.

6. Subject to prior approval by the Commissioner and such conditions and limitations as the Commissioner shall prescribe, which shall be consistent with any rules the State Banking Board may prescribe, a state bank may purchase real estate for the purpose of producing income, sale, or for development and improvement,



including the erection of buildings thereon, for sale or rental purposes.

B. 1. A bank or trust company may purchase and hold real estate conveyed to it in satisfaction of debts previously contracted in good faith in the course of business.

2. All such real estate shall be accounted for individually at the lower of the recorded investment in the loan satisfied or its fair market value on the date of the transfer. The fair market value of the real estate must be supported by an appropriate evaluation of real property collateral that is consistent with safe and sound banking practices. The recorded value of the property must be updated from time to time to reflect current market conditions as well as any other factors that may affect the fair market value.

3. The recorded investment in the loan satisfied is the unpaid balance of the loan, increased by accrued and uncollected interest, unamortized premium, and loan acquisition costs, if any, and decreased by previous direct write down, finance charges and unamortized discount, if any.

C. Upon notification by the bank to the Commissioner that such conditions exist that require the expenditure of funds for the development and improvement of such real estate, and subject to such conditions and limitations as the Commissioner shall prescribe, the bank may expend its funds to enable such bank to recover its total investment.

D. A bank or trust company may acquire and hold real estate such as it shall purchase at sale under judgment, decree or mortgage foreclosure, under securities held by it.

E. 1. Without the written approval of the Commissioner, real estate acquired in the cases contemplated in subsections B and D of this section may be held for an initial holding period of no longer than five (5) years from the date of acquisition. However, a bank may apply, during the first two (2) years in which the real estate is acquired by the bank, for approval by the Commissioner to retain such real estate for the purposes described in paragraph 6 of subsection A of this section. In the case of approval by the Commissioner, the rules of this subsection shall not apply to such property. In the absence of such application, or if the application is denied by the Commissioner, the rules of this subsection shall apply to the retention of the real estate by the bank.

2. Following the expiration of the initial holding period, one additional extension period of up to five (5) years may be granted upon the written approval of the Commissioner.

3. A bank or trust company must begin to write down the book value for each property held as other real estate owned a minimum of ten percent (10%) each year during the additional extension period. The bank or trust company shall then be required to write off the

remaining balance of the other real-estate-owned property at the end of the additional extension period.

4. Unless a bank has applied for approval by the Commissioner during the first two (2) years after the real estate is acquired, to retain such real estate for the purposes described in paragraph 6 of subsection A of this section, a bank shall also continue efforts to dispose of the real estate at the earliest possible opportunity.

5. At the conclusion of the additional extension period, real estate must be disposed of or, if approved by the Commissioner, must be transferred to a subsidiary company of the bank.

6. For purposes of this section, ownership interests in oil, gas and other subsurface mineral rights other than mere leasehold interests shall be considered real estate. However, notwithstanding the holding limitation of this section or any other provision contained herein, any bank or trust company which on October 15, 1982, held, directly or indirectly, any oil, gas and other subsurface mineral rights, other than mere leasehold interests, that since December 31, 1979, had not been valued on the books of such bank or trust company for more than a nominal amount, may continue to hold such subsurface rights or interest without limitation.

F. Any bank or trust company organized under the laws of this state may invest its funds in the stocks, bonds, debentures or other such obligations of any corporation holding the premises of such bank or trust company, and may make loans to or upon the security of any such corporation, but the aggregate of all such investments and loans together with the investments provided for in subsection A of this section shall not exceed its capital. This limitation may be exceeded upon the written approval of the Commissioner.

G. Every conveyance of real estate and every lease thereof made by a bank or trust company shall have the name of such bank or trust company subscribed thereto, either by an attorney-in-fact, president, vice-president, chairperson or vice-chairperson of the board of directors of such corporation.

H. Nothing in this section shall preclude or limit in any manner investments by a bank permitted under any other section of this Code.

Added by Laws 1965, c. 161, § 414. Amended by Laws 1967, c. 84, § 1, emerg. eff. April 18, 1967; Laws 1967, c. 258, § 5, emerg. eff. May 8, 1967; Laws 1975, c. 109, § 10, emerg. eff. May 7, 1975; Laws 1984, c. 133, § 5, eff. Oct. 1, 1984; Laws 1986, c. 316, § 4, emerg. eff. June 24, 1986; Laws 1987, c. 135, § 3, emerg. eff. June 3, 1987; Laws 1990, c. 173, § 4, emerg. eff. May 3, 1990; Laws 1991, c. 128, § 3, emerg. eff. April 29, 1991; Laws 1992, c. 295, § 2, eff. July 1, 1992; Laws 1994, c. 238, § 1, eff. Sept. 1, 1994; Laws 1995, c. 36, § 10, eff. July 1, 1995; Laws 1997, c. 111, § 47, eff. July 1, 1997; Laws 2000, c. 205, § 15, emerg. eff. May 17, 2000; Laws 2003, c. 180, § 2, eff. Nov. 1, 2003; Laws 2005, c. 48, § 12, eff.

Nov. 1, 2005; Laws 2010, c. 62, § 7, emerg. eff. April 9, 2010; Laws 2016, c. 127, § 1, emerg. eff. Apr. 20, 2016.

§6-415. Drive-in or walk-up facilities.

A. 1. Any bank chartered pursuant to the laws of this state may maintain and operate outside attached facilities, and, subject to the approval of the Banking Board as evidenced by its certificate, detached facilities on real property owned or leased by the bank having one or more tellers' windows for drive-in or walk-up service or both.

2. Any branch may maintain and operate outside attached facilities having one or more tellers' windows for drive-in or walk-up service or both on property owned or leased by the bank.

3. For the purposes of this section the date of approval of a bank charter or the date of approval of a branch by the appropriate state or federal authority shall be the date of existence of such bank, branch, or facility.

B. 1. No bank shall be permitted to maintain and operate such additional outside facilities except upon certificate issued by the Board.

2. The application for a certificate to maintain and operate a detached facility shall comply with the regulations of the Board. An application fee in an amount prescribed by Board rule shall accompany the application. Within twenty (20) days after the conclusion of the hearing the Board, in its sole discretion, shall approve or deny the application and shall notify the applicant of its decision.

3. Any banking function may be performed at a detached facility except that of making loans. Upon the recommendation of the State Banking Commissioner, the Attorney General shall bring an appropriate action to enjoin a bank from conducting the making of loans at such facilities.

4. Any facility authorized pursuant to the laws of this state prior to October 1, 1983, shall not be rendered unlawful by any provision of this section.

5. The provisions of this section shall not be construed in derogation or denial of the right to operate and maintain facilities as provided for in Sections 421 and 422 of this title.

C. Notwithstanding paragraph 1 of subsection A of this section and paragraphs 1 and 2 of subsection B of this section, the Board may by rule establish a procedure whereby the Commissioner may grant approval and issue the certificate to establish and operate or relocate a detached facility without a hearing before the Board. The procedure shall include criteria set by the Board to be applied by the Commissioner in the consideration of the application.

Added by Laws 1965, c. 161, § 415. Amended by Laws 1968, c. 93, § 6; Laws 1970, c. 321, § 7; Laws 1971, p. 1033, S.J.R. No. 33, § 1,

emerg. eff. June 17, 1971; Laws 1983, c. 221, § 1, operative Oct. 1, 1983; Laws 1990, c. 173, § 5, emerg. eff. May 3, 1990; Laws 1995, c. 36, § 11, eff. July 1, 1995; Laws 1997, c. 22, § 1, eff. Nov. 1, 1997; Laws 1997, c. 111, § 48, eff. July 1, 1997; Laws 2000, c. 205, § 16, emerg. eff. May 17, 2000.

NOTE: Laws 1971, c. 132, § 1 and Laws 1971, c. 352, § 11 repealed by Laws 1983, c. 221, § 4, operative Oct. 1, 1983.

§6-416. Bank service corporations.

A. Definitions.

1. The term "bank services" means those services authorized under subsections C and D of this section;

2. The term "bank service corporation" means a corporation or limited liability company organized to perform services, all of the capital stock of which is owned by one or more depository institutions, and at least one of which is subject to examination by the Commissioner;

3. The term "depository institution" means a bank or another financial institution subject to examination by the Federal Home Loan Bank Board or the National Credit Union Administration Board; and

4. The term "invest" includes any advance of funds to a bank service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment.

B. Amount of bank investment in service corporations.

1. No limitation or prohibition otherwise imposed by any provision of this Code exclusively relating to banks shall prevent any bank from investing not more than ten percent (10%) of its capital in a bank service corporation; and

2. If stock in a bank service corporation has been held by two or more banks, or institutions, and one of such banks, or institutions, ceases to utilize the services of the corporation and ceases to hold stock in it, and leaves the other as the sole stockholding bank, or institution, the corporation may nevertheless continue to function as such and the other bank or institution may continue to hold stock in it.

C. Services to depository institutions. A bank service corporation may perform the following services for depository institutions and for such other persons as the Board shall permit by regulation: Check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices and similar items or any other clerical, computer, information systems, electronic communications, bookkeeping, accounting, statistical or similar functions performed for a depository institution.

D. Services to other persons. A bank service corporation may provide to any person any of the following services and any other services as the Banking Board shall permit:

1. Any service which a bank shareholder is authorized to perform; and

2. Any services which the Federal Reserve Board has determined by regulation to be permissible for a bank holding company under Section 4(c)(8) of the Bank Holding Company Act.

E. Regulation and examination of services - Banks and trust companies. No bank or trust company subject to examination by the State Banking Commissioner may cause to be performed, by contract or otherwise, any bank or trust company services for itself, whether on or off its premises, unless assurances satisfactory to the Commissioner are furnished to the Commissioner by both the bank or trust company and the party performing such services that the performance thereof will be subject to regulation and examination by the Commissioner to the same extent as if such services were being performed by the bank or trust company itself on its own premises. Added by Laws 1965, c. 161, § 416. Amended by Laws 1977, c. 208, § 6, emerg. eff. June 14, 1977; Laws 1983, c. 73, § 9, emerg. eff. April 29, 1983; Laws 1987, c. 135, § 4, emerg. eff. June 3, 1987; Laws 1997, c. 111, § 49, eff. July 1, 1997; Laws 2001, c. 338, § 1, eff. Nov. 1, 2001.

§6-417. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-418. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-419. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-420. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-421. Military banking facilities.

A. Military banking facilities authorized.

1. Notwithstanding the distance limitations in paragraph 1 of subsection A of Section 415 of this title, any bank located in the State of Oklahoma may, subject to the approval of the Board as evidenced by its certificate, and subject to the approval of the military installation commander as evidenced by a letter of approval, maintain and operate a facility on any military installation located in the State of Oklahoma.

2. Any state bank may maintain and operate a branch on any United States military installation within this state or elsewhere.

B. Certificate to maintain military banking facilities - Notice and hearing - Injunction of prohibited activities.

1. No bank shall be permitted to maintain and operate such military banking facility, except on certificate issued by the Board.

2. The application for a certificate to maintain and operate a military banking facility shall comply with the regulations of the Board. Within twenty (20) days after the conclusions of the hearing the Board shall, in its sole discretion, approve or deny the application and shall notify the applicant of its decision.

3. No banking function shall be performed at the facility save that of accepting deposits, cashing checks, making change, selling bank paper, such as bank drafts, cashier's checks, money orders, traveler's checks, etc., accepting payment for personal utility bills, redeeming and selling United States Savings Bonds, and such other services as the installation commander may request, in writing, of the bank subject to the prior written approval of the Commissioner. Upon the recommendation of the Commissioner, the Attorney General shall bring an appropriate action to enjoin a bank from conducting banking functions at such facility other than those herein granted.

Added by Laws 1965, c. 244, § 1. Amended by Laws 1968, c. 93, § 17, emerg. eff. April 1, 1968; Laws 1996, c. 92, § 5, eff. June 1, 1996; Laws 1997, c. 111, § 50, eff. July 1, 1997.

§6-422. Consumer banking electronic facilities.

A. Any bank, savings and loan association or credit union located within the State of Oklahoma may install, operate or utilize consumer banking electronic facilities, provided written notice is given to the Commissioner prior to the commencement of operations of each facility. Such notice shall contain any reasonable descriptive information pertaining to the facility as shall be required by the rules or regulations of the Board.

B. A consumer banking electronic facility, when located other than at a bank's principal office or detached facility, may be operated exclusively by customers or transactions may be performed through the assistance of any person provided that person is not employed, either directly or indirectly, by any bank, bank holding company or subsidiary, savings and loan association or credit union. Such assistance shall not be deemed to be engaging in the business of banking. Persons assisting bank customers at the site of a consumer banking electronic facility may be trained by bank employees and nothing in this section shall be construed to prohibit periodic servicing of a consumer banking electronic facility by a bank, savings and loan association or credit union employee. Under no circumstances may an employee of a bank, bank holding company, affiliate or subsidiary thereof, savings and loan association or credit union perform transactions for others at the consumer banking electronic facility. However, a consumer banking electronic

facility located on the business premises of a person engaged in the sale of goods or services may be used to perform internal nonbanking functions for such persons.

C. Consumer banking electronic facility transactions shall be considered as the conduct of banking transactions at the headquarters' location of the bank, savings and loan association or credit union for which the data is transmitted.

D. A person not holding a certificate of authority to operate as a bank, credit union, or savings association may install, operate and utilize consumer banking electronic facilities only after filing a registration statement with the Banking Department pursuant to the requirements of Section 104 of this title and any rules promulgated thereunder by the State Banking Board. Provided however, a person filing a registration statement solely in connection with bank or trust-related activities involving consumer banking electronic facilities shall pay to the Department a fee no greater than Fifty Dollars (\$50.00) per facility, up to a maximum of Five Hundred Dollars (\$500.00), notwithstanding any rule by the Board that may establish a higher fee.

Added by Laws 1976, c. 31, § 2, emerg. eff. March 17, 1976. Amended by Laws 1993, c. 183, § 8, eff. July 1, 1993; Laws 1997, c. 111, § 51, eff. July 1, 1997; Laws 2009, c. 3, § 2, eff. July 1, 2009.

#### §6-423. Operations centers.

Upon written notice to the Commissioner, any bank may establish one or more operations centers on property owned or leased by the bank. For purposes of this section, "operations center" means a bank facility separated from the main office of the bank at which only the following bank operations are conducted: computer processing, information systems, electronic communications, loan payment processing, bookkeeping, item processing, currency and coin processing and storage, data processing, and all support functions related thereto.

Added by Laws 1989, c. 293, § 8, emerg. eff. May 24, 1989. Amended by Laws 1997, c. 111, § 52, eff. July 1, 1997.

#### §6-424. Origination of loans at locations other than main office or branch office - Out-of-state banks - Loan and deposit production offices.

A. Subject to rules promulgated by the Banking Board, a bank or out-of-state bank may utilize employees or agents of the bank or out-of-state bank to originate loans or originate deposit accounts, or both, at locations other than the main office or a branch office of such bank or out-of-state bank, provided that the loan decision is made and the loan is funded at the main office or a branch office of the bank or out-of-state bank and provided that no deposits shall be accepted or received at the deposit origination office. A bank

or out-of-state bank may establish an office location described in this section by making an application to the State Banking Commissioner on a form prescribed by the Commissioner. An application fee of Five Hundred Dollars (\$500.00) shall accompany the application.

B. An office shall be considered to be a loan production office if it is open to the public, and employees or agents of the bank or out-of-state bank:

1. Provide loan applications to customers;
2. Facilitate the return of the loan application to the bank or out-of-state bank;
3. Provide promissory notes and/or disclosures to customers;
4. Receive executed notes from customers; or
5. Arrange for the loan proceeds to be delivered to the customer.

C. An office shall be considered to be a deposit production office if it is open to the public, and employees or agents of the bank or out-of-state bank:

1. Provide deposit applications to customers;
2. Facilitate the return of the deposit application to the bank or out-of-state bank;
3. Provide deposit agreements and/or disclosures to customers;
4. Receive executed deposit agreements from customers; or
5. Arrange for the deposited funds to be delivered to the bank.

D. The Commissioner or the Board may, upon written request of a bank or out-of-state bank, designate or approve of specified activities (including a limited number of those described in subsections B and C of this section) that a bank or out-of-state bank may conduct without the facility being considered a loan production office or deposit production office. For purposes of this section, the word "agent" shall include independent contractors, or any other "institution affiliated party" as that term is defined in 12 U.S.C., Section 1813(u).

Added by Laws 1992, c. 295, § 3, eff. July 1, 1992. Amended by Laws 1996, c. 310, § 1, eff. July 1, 1996; Laws 1997, c. 111, § 53, eff. July 1, 1997; Laws 2000, c. 205, § 17, emerg. eff. May 17, 2000; Laws 2003, c. 180, § 3, eff. Nov. 1, 2003; Laws 2005, c. 48, § 13, eff. Nov. 1, 2005.

#### §6-425. Fiduciary relationships.

Unless a state or national bank shall have expressly agreed in writing to assume special or fiduciary duties or obligations, no such duties or obligations will be imposed on the bank with respect to a depositor of the bank or a borrower, guarantor or surety, and no special or fiduciary relationship shall be deemed to exist.

Added by Laws 1994, c. 157, § 8, emerg. eff. May 6, 1994.



§6-426. Agency relationships between subsidiary banks.

A. Any bank subsidiary of a bank holding company may receive deposits, renew time deposits, close loans, service loans, and receive payments on loans and other obligations as an agent for any other bank owned or controlled by the same bank holding company.

B. Despite any other provision of law, a bank acting as an agent in accordance with subsection A of this section for an affiliate shall not be considered a branch of the affiliate.

C. An agency relationship between subsidiary banks pursuant to subsection A of this section shall be on terms that are consistent with safe and sound banking practice and all applicable regulations of any appropriate bank regulatory agency.

Added by Laws 1996, c. 310, § 4, eff. July 1, 1996.

§6-427. Bank or trust institution serving as trustee of certain bond issues - Representative trust office.

Any bank or trust institution serving as a trustee of a bond issue of a public body in Oklahoma shall have and maintain a representative trust office within this state and shall have a trust officer in such office.

Added by Laws 1998, c. 145, § 2, eff. Nov. 1, 1998.

§6-501. Repealed by Laws 1988, c. 20, § 2, emerg. eff. March 16, 1988.

§6-501.1. Interstate mergers and acquisitions - De novo branches - Interstate reciprocity - Establishment and acquisition of branch banks.

A. Upon application to and approval granted by the State Banking Commissioner or Comptroller of the Currency, an out-of-state bank which engages or has engaged in an interstate merger transaction with a bank or savings association that, prior to the merger, had its main office located in this state shall be permitted to establish de novo branches in this state. An out-of-state bank which is not engaging, and has not previously engaged, in an interstate merger transaction with a bank or savings association that, prior to the merger, had its main office located in this state, shall not be permitted to establish a de novo branch in this state, nor to acquire a branch bank or savings association branch in this state, unless, on a reciprocal basis, the state where the main office of the out-of-state bank is located would permit a bank with a main office located in this state to establish a de novo branch in that other state without having engaged in an interstate merger transaction with a bank having its main office in that other state.

B. Subject to the limitations set forth in subsection A of this section, a bank, branch bank, savings association, or savings association branch may be acquired by and engage in an interstate

merger transaction or interstate branch acquisition transaction with any out-of-state bank in accordance with applicable laws and rules of the Oklahoma State Banking Department and the state in which the main office of the out-of-state bank is located. If the out-of-state bank does not have a branch bank or savings association branch in this state at the time the interstate merger or interstate branch acquisition transaction application is filed with the appropriate regulatory authority, and if the law of the state where the main office of the out-of-state bank is located does not permit reciprocal interstate de novo branching by a bank with a main office located in this state as more particularly provided for in subsection A of this section, then the out-of-state bank must acquire the bank or the savings association, and may not acquire just a branch or branches thereof. An interstate merger or interstate branch acquisition transaction will not be permitted if it will result in a violation of the twenty percent (20%) deposit limitation contained in subsection I of Section 19 of this act. If the result of an interstate merger transaction is that the bank or savings association which is acquired is converted to one or more branch banks of an out-of-state bank, the resulting branch bank shall have all the powers and be subject to the same limitations as any other branch bank located in this state. All in-state branch banks of an out-of-state bank shall be regulated by the State Banking Commissioner as if the branch banks comprised an Oklahoma bank and the branch banks shall comply with applicable Oklahoma laws and rules in the conduct of their business in this state to the maximum extent authorized under federal law. No in-state branch bank of an out-of-state bank shall be permitted to engage in any activity not permissible for a bank in this state.

C. Beginning May 31, 1997, a bank may establish a branch bank in any other state, or may acquire branch banks of an out-of-state bank which are located in any other state in accordance with the laws of the other state. The bank shall be required to follow all procedures and to obtain all approvals necessary to establish or acquire a branch bank under applicable Oklahoma law and any applicable rules as may be established by the Banking Board. The bank shall file with the Department a copy of each application or notice filed with federal or other state regulatory authorities relating to the transaction at the same time the application or notice is filed with the federal or other state regulatory authorities. Upon consummation of the transaction, the bank shall have all of the powers under the applicable laws and regulations of the state in which each branch bank is located, subject to the duties and restrictions thereof. In addition to any regulation by bank and regulatory authorities in the state where a branch bank is located, each branch bank located outside of this state shall be subject to regulation by the Department as if the branch bank were

located in this state and shall comply with the law of this state in the conduct of its banking business in such other state.

D. The provisions of this section shall not be construed as permitting branches established pursuant to this section through an interstate merger transaction to be taxed at a rate which is different from or discriminates in any way against a bank, savings association, or branch of either, which is chartered in this state. The Oklahoma Tax Commission is hereby authorized to adopt policies and procedures consistent with the provisions of this subsection.

E. An operating subsidiary of a bank which engages in the business of owner-occupied home mortgage lending shall not be considered a branch under this section in order to conduct such lending operation at any location.

Added by Laws 1988, c. 20, § 1, emerg. eff. March 16, 1988. Amended by Laws 1990, c. 173, § 6, emerg. eff. May 3, 1990; Laws 1993, c. 52, § 1, eff. Aug. 1, 1993; Laws 1995, c. 36, § 12, eff. July 1, 1995; Laws 1996, c. 92, § 6, eff. June 1, 1996; Laws 1996, c. 310, § 2, eff. July 1, 1996; Laws 1997, c. 120, § 1; Laws 1997, c. 404, § 1, eff. Aug. 29, 1997; Laws 1999, c. 27, § 7, eff. July 1, 1999; Laws 2000, c. 205, § 18, emerg. eff. May 17, 2000.

NOTE: Laws 1997, c. 111, § 54 repealed by Laws 1997, c. 404, § 10, eff. Aug. 29, 1997.

§6-501.2. Certificate to establish and operate a branch or relocate a branch - Application - Existing branches and detached facilities - Temporary branches - Deposit limitations - Construction with Title 6, Sections 421 and 422.

A. No bank shall be permitted to establish and operate a branch, or relocate a branch, except upon a certificate issued by the State Banking Commissioner or the Comptroller of the Currency.

B. Upon approval of the Commissioner or Comptroller of the Currency, any bank is authorized to establish and operate in Oklahoma, on real property owned or leased by the bank, an unlimited number of branches by acquisition, de novo, or otherwise, whether fixed or mobile, at or from which any permissible function, business, power, or activity of any kind whatsoever of the bank may be performed or engaged in. Provided, however, no bank, savings bank, savings association, out-of-state bank, out-of-state savings bank, out-of-state savings association, industrial loan company or industrial bank may establish or maintain a branch in this state on the premises or property of an affiliate if the affiliate engages in commercial activities. For purposes of this section, "affiliate" means any company that controls, or is controlled by another company, and "commercial activities" means activities in which a bank may not engage under federal law, either directly or indirectly through an operating subsidiary or financial subsidiary.

C. Except for the procedures relating to establishment of temporary branches, the procedures, standards and requirements for making application for permission to establish and operate a branch shall be set by rule of the Banking Board. However, no emphasis upon competition or competitive factors shall be imposed, and in no event shall such rules impose standards, criteria, or requirements upon state-chartered banks which are more onerous than those existing for national banks.

D. All existing branches and detached facilities of a bank shall, upon the expiration of sixty (60) days after the effective date of this act, by operation of law and without further action by the bank or Commissioner, or the Comptroller of the Currency, become and be deemed lawful branches, fully authorized and validly existing pursuant to this section. Provided, a bank may elect to opt-out of the effects of this subsection as to one or more of its existing detached facilities, by providing to its chartering authority, prior to the expiration of sixty (60) days after the effective date of this act, a written notice that the bank has opted-out of the effects of this subsection with the result that one or more of its detached facilities will continue to be classified as detached facilities rather than as branches. The written notice must clearly identify each particular detached facility to which it applies. "Existing branches and detached facilities", for purposes of this subsection, means branches or detached facilities which have been approved and are open and operating, or are approved but unopened, or for which application was made prior to the effective date of this act and for which approval is given after the effective date of this act.

E. Any bank or savings association with its main office or a branch office located in a county where an institution of higher education is located, may open accounts and accept deposits on the campus of the institution of higher education if notice is provided to the Department and written permission is granted by the institution, for no more than seven (7) days per year. The authorization of this subsection shall be self-executing and no application to the regulators of the bank or savings association shall be required by this section for a bank or savings association to comply with this subsection.

F. A temporary branch may be established and operated upon approval of the Commissioner or Comptroller of the Currency. As used in this subsection, "temporary branch" means:

1. A branch that is located at a fixed site that is within one thousand (1,000) feet of the location of the approved site of the same bank for a permanent branch, and such temporary branch is scheduled to, and will, permanently close not later than a certain date, no longer than one (1) year after the temporary branch is first opened, as specified in the permanent branch application and

the public notice. No separate fee shall be imposed for a temporary branch approved under this paragraph if the temporary site is originally described in an application seeking to establish a permanent branch;

2. A branch that is approved for a limited period of time, without requirement of notice or hearing, as a temporary replacement for a previously existing branch that is inoperable due to an "emergency" as defined in Section 102 of this title or that is established because of an emergency in a community that prevents access to an established branch by customers in a specified community. Approval of a temporary branch established under this paragraph shall expire at the time the emergency that caused the establishment of the temporary branch no longer exists. No separate fee shall be imposed for a temporary branch approved under this paragraph; or

3. Branches that are approved for a limited time not to exceed, in the aggregate, fifteen (15) days per year, per institution, that will be operated during special events open to the public or to members of a specific group. The application fee for a temporary branch under this paragraph shall be the same as that charged for a loan and deposit production office. Requests to establish a branch under this paragraph must be made on a form prescribed by the Commissioner.

G. The Board may, by rule, establish a procedure whereby the Commissioner may grant approval and issue the certificate to establish or acquire and operate or relocate a branch or other banking office permitted by this section without a hearing before the Board. The procedure shall include criteria set by the Board to be applied by the Commissioner in the consideration of the application.

H. Notwithstanding subsection C of this section, an application fee for branch, branch relocation or other banking office applications may be assessed in amounts set by rule of the Board.

I. 1. It shall be unlawful for any bank or out-of-state bank which has direct or indirect control of more than twenty percent (20%) of the total amount of deposits of insured depository institutions located in Oklahoma, as determined by the Commissioner on the basis of the most recent reports of such institutions to their supervisory authorities, to acquire any other bank or savings association in this state.

2. The deposit limitation provided for in this subsection shall not apply to disallow an acquisition of a bank or savings association if control results only by reason of ownership or control of shares of a bank or savings association acquired directly or indirectly:

- a. in a good faith fiduciary capacity, except when such shares are held for the benefit of the acquiring bank's shareholders,
- b. by a bank in the regular course of securing or collecting a debt previously contracted in good faith, or
- c. at the request of or in connection with the exercise of regulatory authority for the purpose of preventing imminent failure of the bank or savings association or to protect the depositors thereof as determined by the principal supervisory agency in its sole discretion.

However, at the end of a period of five (5) years from the date of acquisition, for the circumstances set forth in subparagraphs b and c of this paragraph, the deposits of the acquired bank or savings association shall be included in computing the deposit limitation and if deposits are in excess, appropriate reductions and disposition shall be made with six (6) months to meet such limitations. Further, in the circumstances set forth in subparagraph c of this paragraph, the Commissioner and Federal Deposit Insurance Corporation shall give priority in authorizing any such acquisition to any acquiring bank whose total deposits do not exceed the deposit limitation.

J. The provisions of this section shall not be construed in derogation or denial of the rights to operate and maintain facilities as provided for in Sections 421 and 422 of this title.

K. An operating subsidiary of a bank which engages in the business of owner-occupied home mortgage lending shall not be considered a branch under this section in order to conduct such lending operations at any location.

Added by Laws 2000, c. 205, § 19, emerg. eff. May 17, 2000. Amended by Laws 2007, c. 80, § 2, eff. Jan. 1, 2008; Laws 2008, c. 275, § 5, eff. July 1, 2008.

#### §6-502. Bank holding companies.

A. This section may be cited as the "Bank Holding Company Section" and shall have for its purpose the maintenance of competitive services between banks by limiting the expansion of bank holding companies and similar organizations. It is deemed to be in the public interest that competition prevail in the banking system in the State of Oklahoma and to that end that the independence of unit banks be preserved. Further, it shall be the policy of this state to oppose any attempt by any bank holding company to acquire control of any bank located in this state if such acquisition would result in a monopoly or in an attempt to monopolize the business of banking in this state.

B. A company may be a multibank holding company and have direct or indirect ownership or control of two or more banks or bank

holding companies, subject to the deposit limitation provided for in subsection C of this section. However, except as specifically permitted in this Code, all forms of direct or indirect ownership or control of banks, bank holding companies, and multibank holding companies by any out-of-state bank or out-of-state bank holding company shall be prohibited.

C. It shall be unlawful for a multibank holding company or an out-of-state bank or bank holding company to acquire direct or indirect ownership or control of any insured depository institution located in this state if the acquisition results in any such holding company or bank having direct or indirect ownership or control of insured depository institutions located in this state, the total deposits of which at the time of the acquisition exceed twenty percent (20%) of the total amount of deposits of insured depository institutions located in this state as determined by the State Banking Commissioner on the basis of the most recent reports of such institutions to their supervisory authorities which are available at the time of the proposed acquisition or to acquire direct or indirect control of any insured depository institution in this state after such multibank holding company or an out-of-state bank or bank holding company has reached or exceeded the twenty percent (20%) threshold as provided in this subsection. Acquisitions of other multibank holding companies shall not be exempt from this limitation.

D. The deposit limitation provided for in subsection C of this section shall not apply in the following circumstances:

1. Control of a bank by reason of ownership or control of shares acquired by a bank or by a bank holding company in good faith in a fiduciary capacity, except where such shares are held for the benefit of the shareholders of such bank or such bank holding company; or

2. Control of a bank by reason of ownership or control of shares acquired by a bank or by a bank holding company in the regular course of securing or collecting a debt previously contracted in good faith.

E. A bank holding company or a multibank holding company may apply for and obtain an interim charter to organize an interim state bank for the purpose of facilitating the creation of a bank holding company, or acquiring or merging with an existing bank in accordance with the provisions of Section 502.1 of this title or the laws of the United States.

F. A national bank in this state, bank holding company, or multibank holding company seeking to acquire a state bank or national bank in this state, or a nonbanking company that submits an application for approval of such acquisition to the Board of Governors of the Federal Reserve System pursuant to the provisions

of Sections 1841 et seq. of Title 12 of the United States Code Annotated shall also submit a copy of such application to the Board.

G. The district court shall have jurisdiction to determine all questions of compliance with the provisions of this section, except such jurisdiction shall not apply to actions of the Board or proceedings before the Board conducted pursuant to the Banking Code. The decision of the district court shall be appealable to the Supreme Court in the same manner as in other civil cases.

H. 1. Each bank holding company, multibank holding company and out-of-state bank holding company which directly or indirectly owns, controls, or has power to vote twenty-five percent (25%) or more of the voting shares of one or more banks shall furnish a copy of the annual report of the operations of the holding company which is submitted to the Federal Reserve Bank for each fiscal year to the Commissioner.

2. The books and records of each bank holding company of state-chartered banks are subject to inspection and examination by the Commissioner.

Added by Laws 1965, c. 161, § 502. Amended by Laws 1983, c. 221, § 3, operative Oct. 1, 1983; Laws 1985, c. 3, § 1, emerg. eff. Feb. 22, 1985; Laws 1985, c. 331, § 3, emerg. eff. July 29, 1985; Laws 1986, c. 155, § 1, emerg. eff. May 7, 1986; Laws 1988, c. 166, § 5, emerg. eff. May 24, 1988; Laws 1989, c. 293, § 1, emerg. eff. May 24, 1989; Laws 1993, c. 183, § 9, eff. July 1, 1993; Laws 1996, c. 92, § 7, eff. June 1, 1996; Laws 1996, c. 310, § 3, eff. July 1, 1996; Laws 1997, c. 120, § 2; Laws 1997, c. 404, § 2, eff. Aug. 29, 1997; Laws 2000, c. 205, § 20, emerg. eff. May 17, 2000.

NOTE: Laws 1997, c. 111, § 55 repealed by Laws 1997, c. 404, § 10, eff. Aug. 29, 1997.

§6-502.1. Interim state banks - Application - Prefiling meeting - Acceptance of application - Merger or consolidation.

A. Rules of General Applicability.

1. The interim state bank, prior to commencing business, shall be a party to a merger or consolidation with an existing bank. The application to organize an interim state bank and the subsequent merger or consolidation application shall be melded into a single process requiring, after the filing of the subsequent merger or consolidation application, one opportunity for public comment after notice is published by the applicant and one substantive review by the Department pursuant to Section 1103 of this title.

2. The provisions of Section 303 of this title governing the number of organizers shall not apply to applications to organize an interim state bank.

B. Prefiling meeting concerning application to organize an interim state bank. The proposed organizers of an interim state bank should schedule a meeting with the Commissioner to discuss the



proposal and the Department rules, policies and procedures, including means to combine many procedural and processing requirements, applicable to the organization of an interim state bank. The Department shall provide the organizers with forms and documents which should be filed with the application for authority to organize an interim state bank. The prefiling meeting provided for in this subsection may be waived by the Commissioner.

C. Acceptance of application to organize.

1. The Commissioner shall accept an application for authority to organize an interim state bank for processing if the applicant has completed all of the information requested in the application. Applicants shall have one opportunity to correct deficiencies. Deficiencies that are not corrected adequately when the application is resubmitted may cause the application to be considered withdrawn or disapproved.

2. Approval of the application by the Board shall be specifically conditioned on approval of the subsequent merger or consolidation. The approval shall be rescinded automatically if the merger or consolidation is disapproved or if subsequent approval for establishment of a holding company or for acquisition of the interim bank by the holding company is not received within twelve (12) months from the filing of the application for authority to organize an interim state bank, unless an extension has been requested by the applicant and granted by the Board. If the merger or consolidation application is not filed within six (6) months of approval of the interim state bank, the preliminary approval shall be withdrawn unless an extension has been requested by the applicant and granted by the Board.

D. Subsequent merger or consolidation.

1. When the interim state bank's duly executed certificate of incorporation is filed with and accepted by the Board, the interim state bank becomes a body corporate, and may then legally enter into the merger or consolidation agreement.

2. All steps necessary to perfect the organization of a state bank must be completed before consummation of the merger or consolidation.

E. Rules. The Board shall adopt and promulgate rules necessary to effectuate the provisions of this section.

Added by Laws 1989, c. 293, § 2, emerg. eff. May 24, 1989. Amended by Laws 1993, c. 183, § 10, eff. July 1, 1993; Laws 1997, c. 111, § 56, eff. July 1, 1997.

§6-503. Trust companies - Branch offices.

Nothing contained in this Code shall authorize trust companies, covered by or eligible for insurance coverage by the Federal Deposit Insurance Corporation, to establish branch offices within this state. As used in this section, "branch office" includes, but is

not limited to, any additional agency, office or other facility located within this state at which business is conducted. Provided, however, this section shall not be effective as to any such "branch office" in existence at the time and date of the enactment hereof, nor shall it be so construed as to prohibit the establishment of agents or agencies for the sole purpose of conducting the business of title insurance or abstracting.

Added by Laws 1977, c. 46, § 1, emerg. eff. May 11, 1977.

§6-505. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-506. Out-of-state bank holding companies - Acquisitions.

A. An out-of-state bank holding company, upon approval by the Federal Reserve Board, may acquire an unlimited number of banks, bank holding companies and multibank holding companies. Any acquisition made pursuant to the provisions of this section may include assets and liabilities of the bank, bank holding company or multibank holding company and all branches and facilities thereof.

B. No out-of-state bank holding company shall be permitted to acquire direct or indirect ownership or control of any bank, bank holding company, or multibank holding company, except in compliance with this section.

C. No acquisition provided for in this section shall be permitted unless the approval of the Federal Reserve Board required pursuant to subsection A of this section:

1. Includes, for all acquisitions, a finding that:

- a. notice of intent to acquire has been published in a newspaper of general paid circulation in the county or counties where the bank or banks to be acquired are located and that a notice of intent to acquire has been mailed by certified mail with return receipt requested to each person owning stock in the bank, bank holding company or multibank holding company to be acquired,
- b. the reports required by the Federal Reserve Board in order to assess the out-of-state bank holding company's record of meeting the credit needs of its entire community as required under the provisions of Section 2903 of Title 12 of the United States Code have been placed on file as a matter of public record with the Oklahoma State Banking Department, and
- c. the bank and, if acquired indirectly, its bank holding company or multibank holding company immediately after the acquisition meets the capital adequacy guidelines of the appropriate federal financial supervisory agency; and

2. Includes, for any acquisition of a majority of the voting shares, a finding that the acquisition has been approved by the board of directors and a majority of the voting shares of the bank or of its parent bank holding company or multibank holding company.

D. All limitations and restrictions of the Oklahoma Banking Code applicable to banks, bank holding companies and multibank holding companies shall apply to a bank, bank holding company or multibank holding company which becomes a subsidiary of an out-of-state bank holding company and to such out-of-state bank holding company. In addition, any bank which becomes a subsidiary of an out-of-state bank holding company shall maintain current reports showing the bank's record of meeting the credit needs of its entire community as required by the bank's federal financial supervisory agency under Section 2903 of Title 12 of the United States Code on file as a matter of public record with the Department.

E. Any out-of-state bank holding company which controls a bank, a bank holding company or multibank holding company shall be subject to laws of this state and rules of its agencies relating to the acquisition, ownership, and operation of banks, bank holding companies and multibank holding companies.

F. The Board shall have the power to enforce the prohibitions provided for in this section by requiring divestiture and through the imposition of fines and penalties, the issuance of cease and desist orders, and such other remedies as are provided by law.

G. Any final order of the Board shall be appealable pursuant to the provisions of Section 207 of this title.

Added by Laws 1986, c. 155, § 4, operative July 1, 1987. Amended by Laws 1986, c. 316, § 14, emerg. eff. June 24, 1986; Laws 1987, c. 135, § 8, eff. July 1, 1987; Laws 1989, c. 293, § 4, emerg. eff. May 24, 1989; Laws 1996, c. 92, § 9, eff. June 1, 1996; Laws 1997, c. 111, § 57, eff. July 1, 1997; Laws 2000, c. 205, § 21, emerg. eff. May 17, 2000.

§6-510. Short title.

This act shall be known and may be cited as the "Oklahoma Industrial Loan Company Branch Act of 2006".

Added by Laws 2006, c. 235, § 1, emerg. eff. June 6, 2006.

§6-511. Industrial loan company - Industrial bank - Definition.

As used in this act, an "industrial loan company" or "industrial bank" means a company that is chartered by another state to make consumer loans or commercial loans or to accept deposits insured by the Federal Deposit Insurance Corporation but not to accept demand deposits and that is not subject to the Bank Holding Company Act of 1987 or to supervision by the Federal Reserve System.

Added by Laws 2006, c. 235, § 2, emerg. eff. June 6, 2006.

§6-512. Out-of-state companies or banks - Reciprocity requirement - Certificate for establishment or relocation of branch.

A. An out-of-state industrial loan company or industrial bank shall not be permitted to establish a de novo branch in this state, nor to acquire a branch bank or savings association branch in this state, unless, on a reciprocal basis, the state where the main office of the out-of-state industrial loan company or industrial bank is located would permit a bank chartered under the laws of this state with a main office located in this state to establish a de novo industrial loan company or industrial bank branch in that other state without having engaged in an interstate merger transaction with an industrial loan company or industrial bank having its main office in that other state.

B. No industrial loan company or industrial bank shall be permitted to establish and operate a branch, or relocate a branch, except upon a certificate issued by the State Banking Commissioner.

C. The State Banking Board shall adopt and promulgate rules necessary to effectuate the provisions of this act. The Board may, by rule, establish a procedure whereby the Commissioner may grant approval and issue the certificate to establish or acquire and operate or relocate a branch or other banking office permitted by this section without a hearing before the Board. The procedure shall include criteria set by the Board to be applied by the Commissioner in the consideration of the application.

Added by Laws 2006, c. 235, § 3, emerg. eff. June 6, 2006. Amended by Laws 2007, c. 80, § 3, eff. Jan. 1, 2008.

§6-513. Severability.

The provisions of this act are severable and if any part or provision shall be held void, the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this act.

Added by Laws 2006, c. 235, § 4, emerg. eff. June 6, 2006.

§6-601. Business days and hours.

A. 1. The days and hours within which a state bank or national bank, credit union, savings association or trust company may be open for business may be set by its board of directors.

2. Any plan so adopted by any such organization may be changed by it from time to time in its discretion.

B. 1. Any act authorized, required or permitted to be performed at or by any such bank, association or credit union on a business day when such bank, association or credit union is so closed may be performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such delay. If the organization chooses to close on a weekday which is not a legal holiday, the bank shall still have responsibility for

paying or returning checks by its midnight deadline. For purposes of this section, legal holidays and Saturday and Sunday shall not be considered "business days".

2. In no case shall such bank, credit union, or savings association be closed for more than three (3) consecutive days, except as permitted under Section 603 of this title. Notice of a change in hours or days of operation should be furnished to customers to the extent practicable.

Added by Laws 1965, c. 161, § 601. Amended by Laws 1986, c. 316, § 5, emerg. eff. June 24, 1986; Laws 1993, c. 183, § 11, eff. July 1, 1993; Laws 1995, c. 36, § 13, eff. July 1, 1995; Laws 1997, c. 111, § 58, eff. July 1, 1997.

§6-602. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-602.1. Detached facilities, branch offices, deposit production offices and loan production offices - Business days and hours.

If a bank, credit union, or savings association has one or more detached facilities or branch offices or deposit production offices or loan production offices, those facilities, branches, or loan production offices may be open at times and on days which are different from the hours and days the main office is open, as specified in the organization's plan. Notice of a change in hours or days of operation should be furnished to customers to the extent practicable.

Added by Laws 1997, c. 111, § 59, eff. July 1, 1997.

§6-603. Emergency closing.

A. Power of the Commissioner. Whenever the Commissioner is of the opinion that an emergency exists or is impending in this state or in any part or parts of this state, he may, by proclamation, authorize institutions located in the affected area or areas to close any or all of their offices. In addition, if the Commissioner is of the opinion that an emergency exists or is impending, which affects or may affect a particular institution, or a particular office or offices thereof, but not institutions located in the area generally, he may authorize the particular institution or office or offices so affected to close. The office or offices so closed shall remain closed until the Commissioner proclaims that the emergency has ended, or until such earlier time as the officers of the institution determine that one or more offices, theretofore closed because of the emergency, should reopen, and, in either event, for such further time thereafter as may reasonably be required to reopen. If an emergency exists such that, in the opinion of the Commissioner, one or more institutions in the affected area will not be able to resume business at the closed offices within a reasonable period of time, the Commissioner may authorize the affected

institutions to open one or more temporary facilities at locations outside of the affected area, including branch facilities, without formal application or fee, after notice to and approval by the Commissioner. Any temporary facility opened under this subsection may remain open until the Commissioner declares that the emergency has passed, at which time the institution shall close the temporary facility or seek approval to remain at the location through filing of a formal application and payment of any required fee.

B. Powers of officers. Whenever the officers of an institution are of the opinion that an emergency exists or is impending, which affects or may affect one or more or all of an institution's offices, they shall have the authority, in the reasonable and proper exercise of their discretion, to determine not to open any one or more or all of such offices on any business or banking day or, if having opened, to close any one or more or all of such offices during the continuation of such emergency, even if the Commissioner has not issued and does not issue a proclamation of emergency. The office or offices so closed shall remain closed until such time as the officers determine that the emergency has ended, and for such further time thereafter as may reasonably be required to reopen; however, in no case shall such office or offices remain closed for more than forty-eight (48) consecutive hours, excluding other legal holidays, without requesting the approval of the Commissioner.

The officers of an institution may close any one or more or all of the institution's offices on any day or days designated by proclamation of the President of the United States or the Governor of this state as a day or days of mourning, rejoicing, or other special observance.

C. Notice to Commissioner. An institution closing an office or offices pursuant to the authority granted under subsection B of this section shall give as prompt notice of its action as conditions will permit, and by any means available, to the Commissioner or, in the case of a national bank, to the Comptroller of the Currency.

D. Effect of closing. Any day on which an institution, or any one or more of its offices, is closed during all or any part of its normal banking hours pursuant to the authorization granted under this section shall be, with respect to such institution or, if not all of its offices are closed, then with respect to any office or offices which are closed, a legal holiday for all purposes with respect to any banking business of any character. No liability, or loss of rights of any kind, on the part of any institution, or director, officer, or employee thereof, shall accrue or result by virtue of any closing authorized by this section.

The provisions of this section shall be construed and applied as being in addition to, and not in substitution for or limitation of, any other law of this state or of the United States, authorizing the closing of an institution or excusing the delay by an institution in

the performance of its duties and obligations because of emergencies or conditions beyond the institution's control or otherwise.

E. National banks. This section shall apply to national banks only with the approval of the Comptroller of the Currency.

F. As used in this section, the term "institution" means banks, credit unions, and savings associations chartered under the laws of this state. The term also includes banks, credit unions, and savings associations chartered under the laws of another state that have branch offices in this state unless the laws of the other state provide a more restrictive rule in the case of emergencies.

Added by Laws 1971, c. 352, § 8. Amended by Laws 2007, c. 80, § 4, eff. Jan. 1, 2008.

§6-701. Repealed by Laws 1984, c. 133, § 10, eff. Oct. 1, 1984.

§6-702. Liability of fiduciaries owning stock.

Persons holding stock as executors, administrators, guardians or trustees shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be, if living and competent to act and hold the stock in his own name.

Added by Laws 1965, c. 161, § 702.

§6-703. Liability of preferred shareholders.

The holders of preferred stock shall not be held individually responsible as such holders for any debts, contracts, or engagements of the bank or trust company and shall not be liable for assessments to restore impairment in the capital of such corporation as now provided by law with reference to holders of common stock.

Added by Laws 1965, c. 161, § 703.

§6-704. Repealed by Laws 1984, c. 133, § 10, eff. Oct. 1, 1984.

§6-705. Transfer of shares - Law governing.

Except as otherwise provided for in the Oklahoma General Corporation Act, the transfer of stock and the certificates of stock which represent the stock or uncertificated stock shall be governed by the Uniform Commercial Code - Investment Securities. To the extent that any provision of the Oklahoma General Corporation Act is inconsistent with any provision of the Uniform Commercial Code - Investment Securities, the provisions of the Uniform Commercial Code - Investment Securities shall be controlling.

Added by Laws 1965, c. 161, § 705. Amended by Laws 1997, c. 111, § 60, eff. July 1, 1997.

§6-706. Stock as personalty - Transfer on books - Shareholders indebted to bank or trust company - Lending on stock prohibited - Purchase of treasury stock.

A. Transfer of shares. The shares of stock of a bank or trust company shall be deemed personal property and shall be transferred on the books of the bank or trust company, in such manner as the bylaws may prescribe but no stock shall be transferred on the books of any bank or trust company where the registered holder thereof is indebted to the bank or trust company for any matured and unpaid obligations. The shares of stock of a stockholder indebted to the bank or trust company, as provided herein, may be transferred or any claims of the bank or trust company, as herein defined, may be waived at any time by written consent of the bank or trust company, executed by an officer other than the borrowing stockholder.

B. Lending on stock prohibited. It shall be unlawful for any bank or trust company to loan its funds to any stockholder, on its stock or its holding company stock as collateral security; provided, that any bank or trust company may hold its stock to secure the indebtedness previously in good faith contracted.

C. Purchase of treasury stock. With the approval of the Commissioner and subject to the conditions as the Commissioner may prescribe, a bank may purchase its own stock as treasury stock. Added by Laws 1965, c. 161, § 706. Amended by Laws 1977, c. 208, § 7, emerg. eff. June 14, 1977; Laws 1997, c. 111, § 61, eff. July 1, 1997.

§6-707. Issuance of preferred stock - Classes - Procedure - Reduction of common stock and issuance of preferred stock - One meeting - Preferred stock as capital.

A. Issuance of preferred stock - Classes - Procedure. Subject to the provisions of subsection C of Section 303.1 of this title relating to newly organized banks, any bank or trust company now or hereafter organized may, with the approval of the Commissioner, and by majority vote of the outstanding voting stock at a meeting held after thirty (30) days' notice, given by restricted delivery, pursuant to action taken by its board of directors, issue, from time to time, preferred stock of one or more classes, in such amounts and with such par values as shall be approved by the Commissioner, and may amend its certificate of incorporation accordingly. A copy of the minutes of such directors' and shareholders' meetings, certified to by the proper officers and under the corporate seal of the bank or trust company and accompanied by the written approval of the Commissioner and amended certificate of incorporation, may be immediately filed in the office of the Secretary of State, and when so filed shall be deemed and treated as an amendment to the certificate of incorporation of such bank or trust company.



B. Reduction of common stock and issuance of preferred stock - One meeting. Should the shareholders of any bank or trust company, with the approval of the Commissioner, determine to authorize the issuance of preferred stock, reduce its common stock and amend its certificate of incorporation to accomplish such issuance and reduction as authorized by this Code, the shareholders may at one meeting, called by one action of its board of directors, by one notice being given, and by one vote, authorize the issuance of such preferred stock and the reduction of its common stock and amend its certificate of incorporation.

C. Preferred stock as capital. For the purposes of this Code, the term "capital" or "capital stock" shall include the amount of outstanding preferred stock issued and unimpaired by a bank or trust company.

Added by Laws 1965, c. 161, § 707. Amended by Laws 1977, c. 208, § 8, emerg. eff. June 14, 1977; Laws 1983, c. 73, § 10, emerg. eff. April 29, 1983; Laws 1997, c. 111, § 62, eff. July 1, 1997.

§6-708. Common stock dividend on retirement of preferred stock.

The certificate of incorporation, or as the same may be amended, of any such bank or trust company may provide that upon retirement of any preferred stock of such bank or trust company issued pursuant to the provisions of this Code, the board of directors may, without further action of its stockholders, and without further action of the Commissioner, declare and pay a common stock dividend by the issuance of shares or fractional shares of common stock equal in aggregate par value to the aggregate par value of the preferred stock so retired.

Added by Laws 1965, c. 161, § 708. Amended by Laws 1997, c. 111, § 63, eff. July 1, 1997.

§6-709. Rights of preferred shareholders - Dividends - Voting and conversion rights.

A. Dividends. Notwithstanding any other provision of law, whether related to restrictions upon payment of dividends upon capital stock or otherwise, the holders of preferred stock shall be entitled to receive cumulative dividends only if provided for in the bank or trust company's certificate of incorporation or amendment thereto.

B. Dividends on common stock may not be paid until dividends on preferred stock have been paid - Retirement. No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full. If the bank or trust company is placed in voluntary or involuntary liquidation, no dividends shall be paid to the holders of common stock until the holders of preferred stock shall have been paid in full the par

value or the retirement price (whichever is greater) of such stock plus any authorized accumulated dividends.

C. Voting rights - Conversion - Retirement. Preferred stock shall have such voting and conversion rights and such control of management, and shall be subject to retirement at such price and in such manner and upon such conditions, as may be provided in the certificate of incorporation or any amendment thereto, with the approval of the Board.

Added by Laws 1965, c. 161, § 709. Amended by Laws 1984, c. 133, § 6, eff. Oct. 1, 1984; Laws 1997, c. 111, § 64, eff. July 1, 1997; Laws 2009, c. 3, § 3, eff. July 1, 2009.

§6-710. Stockholders' meetings - Cumulative voting - Proxies - Voting trusts - Preemptive rights - Examination of stockbook.

A. Stockholders' meetings.

1. An annual meeting of shareholders shall be held for the election of directors on a date and at a time designated by or in the manner provided for in the bylaws. Any other proper business may be transacted at the annual meeting.

Additional meetings shall be held as may be provided in the bylaws.

2. Notice shall be mailed at least ten (10) days before a meeting to every person who was a stockholder of record twenty (20) days before the date of the meeting or at such longer period as may be provided in the bylaws. Such notice shall be mailed to the stockholder's address on the records of the bank. No business shall be transacted at a special meeting which is not specified in the notice thereof or necessary or proper in connection with, or incidental to, the business specified.

3. If any meeting of the shareholders be adjourned to another time or place, no notice as to such adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken, unless otherwise provided in the bylaws; provided, however, that in the event such meeting be adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

4. Notice of the time, place and purpose of any meeting of shareholders, whether required by this Code, by the certificate of incorporation, or by the bylaws, may be waived in writing by any shareholder or by the attendance of the shareholder at such meeting. Such waiver may be given before or after the meeting, and shall be filed with the secretary or entered upon the records of the meeting.

5. The holders of a majority of the outstanding voting shares, or their authorized representatives, shall constitute a quorum. In the absence of a quorum, a meeting may be adjourned from time to time without notice to the stockholders.

B. Voting - Cumulative voting - Bank or trust company may not vote own shares - Exceptions. Except on the election of directors, when cumulative voting is provided for in the certificate of incorporation or as it may be amended, each share of common stock shall have one vote which may be cast by the owner of record on the record date, or the proxy of the owner, whether or not the owner of record has the beneficial interest therein. The bank or trust company may not vote shares which it holds in any capacity other than as fiduciary.

C. Proxies. Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporation action in writing without a meeting may authorize another person or persons to act for the shareholder by written proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

D. Voting trust - Board approval required. No shares deposited under a voting trust agreement shall be voted by the trustee unless the agreement has been approved by the Board. Approval shall be withheld, or, if previously granted, revoked whenever it appears that the existence of the trust would tend to reduce competition among lending institutions or to affect adversely the character or competence of the management or the bank's policies or operating procedures. In the absence of such approval, the record owner may vote the owner's share. No shares held by a licensed securities broker, or by any person, firm or corporation acting for such broker or who is an owner, employee, associate shareholder or partner of a licensed securities broker, shall be directly or indirectly voted unless the bank's bylaws expressly authorized the voting of such broker held shares.

E. Preemptive rights of shareholders. All voting shares of capital stock of any bank or trust company shall vest preemptive rights to subscribe for any additional shares or any obligations convertible into shares to be allotted or used by such bank or trust company unless specifically negated by the original certificate of incorporation or unless the rights have been specifically waived at the time of authorization of new offering. Any amendment to the certificate of incorporation to remove preemptive rights must be made pursuant to unanimous approval by the shareholders of the bank. The preemptive rights of shareholders shall not extend to fractional shares.

F. Examination of stockbook. The stockbook and the minutes of stockholders' meeting shall be available for examination by a stockholder of the corporation at the principal place of business during business hours.

Added by Laws 1965, c. 161, § 710. Amended by Laws 1975, c. 109, § 12, emerg. eff. May 7, 1975; Laws 1977, c. 208, § 9, emerg. eff.

June 14, 1977; Laws 1997, c. 111, § 65, eff. July 1, 1997; Laws 2002, c. 67, § 14, eff. Nov. 1, 2002.

§6-711. Directors and officers - Banks and trust companies.

A. The affairs of a bank or trust company shall be managed by a board of directors which shall exercise its powers and be responsible for the discharge of its duties. The number of directors, which shall not be less than five, shall be fixed by the bylaws and the number so fixed shall be the board regardless of vacancies. Directors need not be stockholders of the bank or trust company unless so required by the bylaws of the bank or trust company. A director who is disqualified shall be removed by the board of directors or by the Commissioner. No action taken by a director prior to resignation or removal shall be subject to attack on the ground of the disqualification of such director.

B. Unless otherwise restricted by the certificate of incorporation or bylaws, the board of directors shall have the authority to fix a reasonable compensation for the directors.

C. Directors shall be elected by the stockholders at the first meeting and thereafter at the annual meeting or at a special meeting called for that purpose. If the certificate of incorporation or amendments thereto provide for cumulative voting, the votes of each share may be cast for one person or divided among two or more, as the stockholder may choose. The person or persons (to the number of directors to be elected) having the largest number of votes shall be elected.

D. Each director, when appointed or elected, shall take an oath that the director will, so far as the duty devolves on the director, diligently and honestly administer the affairs of such bank or trust company, and will not knowingly violate or willingly permit to be violated any of the provisions of the Oklahoma Banking Code. The oath shall be taken before a notary public, properly authorized and commissioned by the state in which the director resides, or before any other officer having an official seal and authorized by the state to administer oaths, except that the oath shall not be taken before any such notary public or other officer who is an officer of the director's bank. The oath, subscribed by the director making it, and certified by the notary public or other officer before whom it is taken, shall be immediately transmitted to the Commissioner and shall be filed and preserved in the office of the Department for a period of ten (10) years.

E. Honorary or advisory members of the board of directors may be appointed by a state bank to act in advisory capacities without the power or responsibility of final decision in matters concerning the business of the bank. Any listing of such honorary or advisory directors must distinguish between them and the bank's board of directors or indicate their advisory status.

F. The terms of office of directors shall be one (1) year. Each director shall hold office until a successor is elected and qualified or until an earlier resignation or removal. Vacancies may be filled by vote of the board of directors until the next meeting of the stockholders.

G. A director may be removed by the stockholders at a meeting. Where cumulative voting for directors is provided in the certificate of incorporation or amendment thereto, no director shall be removed unless the votes cast against a motion for the removal are less than the total number of shares outstanding divided by the number of authorized directors, but all of the directors shall be removed if a majority of the outstanding shares approves a motion for the removal of all.

H. The officers designated by the bylaws shall be elected by the board of directors. The president and managing officer shall be members of the board of directors. The president may also serve as managing officer. The board of directors of a state bank may enter into employment contracts with its officers and employees upon reasonable terms and conditions. An officer may be removed by the board of directors at any time but removal shall not prejudice any rights that the officer may have to damages for breach of contract of employment.

Added by Laws 1965, c. 161, § 711. Amended by Laws 1967, c. 258, § 6, emerg. eff. May 8, 1967; Laws 1977, c. 208, § 10, emerg. eff. June 14, 1977; Laws 1981, c. 269, § 1, eff. Jan. 1, 1982; Laws 1988, c. 166, § 6, emerg. eff. May 24, 1988; Laws 1995, c. 36, § 14, eff. July 1, 1995; Laws 1997, c. 111, § 66, eff. July 1, 1997.

§6-711.1. Transferred employees - Purchase of former residence by bank.

As a legitimate part of a program for the development and efficient utilization of bank personnel, a state bank may, subject to board approval, purchase the residence of an employee who has been transferred or required by his or her employment with the bank to move to another area. The bank should arrange for early divestment of title to such property.

Added by Laws 1997, c. 111, § 67, eff. July 1, 1997.

§6-712. Liability of directors, officers, and other persons - Overdrafts.

A. Liability for violation of bank and trust laws. Any director, officer or other person who shall knowingly participate in any violation of the laws of this state, relative to banks and banking and trust companies, shall be liable for all damages which the corporation, its stockholders, depositors, creditors or owners of trust funds shall sustain in consequence of such violation; and upon proper showing that any director or directors knowingly

assented to, participated in, acquiesced in after failure to make due inquiry, or caused a loan to be made in excess of the amounts prescribed in Article VIII of this Code such director or directors shall be individually liable for the amount of such loan and shall be required to eliminate the same from the assets of the bank upon the request of the Commissioner.

B. Liability for overdrafts. Any bank officer or employee who shall knowingly, willfully and fraudulently, for the purpose of defrauding the bank, pay out of the funds of said bank upon the check, order or draft of any individual, firm, corporation or association, which has not on deposit with such bank a sum equal to such check, order or draft, shall be personally liable to such a bank for the amount so paid and such liability shall be covered by his official bond.

C. After August 9, 1989, no claim or action seeking to recover money damages shall be brought by the Federal Deposit Insurance Corporation, Resolution Trust Corporation or other federal banking regulatory agency against any director or officer, including any former director or officer, of any insured financial depository institution as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 unless such claim or action arises out of the gross negligence, or willful or intentional misconduct of such officer or director during his term of office with such insured financial institution.

Added by Laws 1965, c. 161, § 712. Amended by Laws 1977, c. 208, § 11, emerg. eff. June 14, 1977; Laws 1988, c. 166, § 7, emerg. eff. May 24, 1988; Laws 1992, c. 295, § 28, eff. July 1, 1992.

§6-712.1. Indemnification for defending suits - Directors' personal liability eliminated or limited.

A. The bylaws of a bank or trust company, as adopted or amended by the stockholders, may provide that it shall indemnify every officer, director, and employee, heirs, executors and administrators of the officer, director or employee, against judgments resulting from and the expenses reasonably incurred by the officer, director or employee in connection with any action to which the officer, director or employee may be made a party by reason of such person being an officer, director or employee of the bank or trust company, including any action based upon any alleged act or omission on the part of such person as an officer, director or employee of the bank or trust company, except in relation to matters as to which such person shall be finally adjudged in such action to be liable for the negligence or misconduct. In the event of a settlement out of court, indemnification shall be provided only in connection with such matters covered by the settlement as to which the bank or trust company is advised by its counsel that the person to be indemnified was not liable for such negligence or misconduct. The foregoing

rights of indemnification shall not be exclusive of other rights to which such officers, directors and employees may be entitled.

B. The bylaws or a resolution of a bank or bank holding company, as adopted or amended by the stockholders, may include a provision eliminating or limiting the personal liability of a director to the bank or its holding company, or to the stockholders of either for monetary damages for breach of fiduciary duty as a director but not for:

1. Any breach of the director's duty of loyalty to the bank or its holding company, or to the stockholders of either;

2. Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

3. Payment of any unlawful dividend or for any unlawful stock purchase or redemption; or

4. Any transaction from which the director derived an improper personal benefit.

Added by Laws 1997, c. 111, § 68, eff. July 1, 1997.

§6-713. Fidelity bonds and other insurance.

A. Directors must require fidelity bonds. The directors of a bank or trust company shall require good and sufficient fidelity bonds on all active officers and employees, whether or not they draw salary or compensation, which bonds shall provide for indemnity to such bank or trust company on account of any losses sustained by it as the result of any dishonest, fraudulent or criminal conduct by them acting independently or in collusion or combination with any person or persons. Such bonds may be in individual, schedule or blanket form, and the premiums therefor shall be paid by the corporation.

B. Other insurance. The said directors shall also require suitable insurance protection to the bank or trust company against burglary, robbery, theft and other insurable hazard to which the bank or trust company may be exposed in the operations of its business on the premises or elsewhere.

C. Annual review of bonds and insurance by board of directors - Insurance - Bonds and insurance subject to approval of Commissioner and to regulations of board. The directors of every bank and trust company shall be responsible for prescribing at least once in each calendar year the amount or penal sum of the bonds and policies specified in this section and the sureties or underwriters thereon, after giving due and careful consideration to all known elements and factors constituting such risk or hazard. Such action shall be recorded in the minutes of the board of directors and thereafter be reported to the Commissioner and be subject to his approval. Evidence of any and all such bonds shall be filed with the Commissioner as soon as procured.

Added by Laws 1965, c. 161, § 713. Amended by Laws 2003, c. 180, § 4, eff. Nov. 1, 2003.

§6-714. Directors - Meetings and duties.

A. The board of directors of a bank shall meet at least once every month and the board of directors of a trust company shall meet at least once every quarter. However, the Commissioner may prescribe circumstances, which if satisfied by a bank, will permit the bank's board of directors to meet no less often than once every two months. If the Commissioner permits a board of directors to meet less often than monthly, any requirement in this title or in the rules of the Oklahoma Administrative Code for monthly reviews by the board shall be interpreted to mean review at each meeting of the board of directors. Board members of the bank may participate in such meetings by teleconference, video conference, or other means by which any board member not physically present at a meeting location may vote and otherwise participate in the meeting and be aware of all communication and business being transacted at the meeting at the same time as it occurs. The State Banking Commissioner, a director or an executive officer may call a special meeting. A majority of the board of directors shall constitute a quorum. The board shall keep minutes of each meeting, including a record of attendance and a record of all votes of the directors that would be pertinent to the business of the bank, to any officer, or to any stockholder. A copy of the minutes of each meeting of the board of directors shall be furnished to the Commissioner upon request. A copy shall be signed by the chairman of the board or the secretary to the board and retained at the bank. The minutes may be transmitted to the Commissioner electronically.

B. The board of directors of each bank shall review at least monthly and the board of directors of each trust company shall review at least quarterly written reports prepared by the president or other officer of the corporation setting forth such transactions occurring during the calendar month or quarter, as appropriate, preceding the meeting as the Commissioner shall require by appropriate regulations.

C. The board of directors of every bank and trust company shall examine, at least once in each calendar year at intervals of not more than fifteen (15) months, all the affairs of the corporation including the character and value of investments and loans, the efficiency of operating procedures and such other matters as the Commissioner may require. However, upon request by a bank or trust company, the Commissioner may allow the examination called for by this subsection to occur at intervals less frequent than called for in this subsection or may condition the requirement of such examination upon the occurrence of some event. A report of the examination shall be submitted promptly to the Commissioner and



shall embody such information as the Commissioner requires. The board of directors may provide that such examination shall be conducted by a committee of not less than three directors, by certified public accountants, or by independent auditors responsible only to the board of directors. Such examination shall be made when practicable without the assistance of the executive officers of the bank or trust company. Such report of examination shall be reviewed by the directors at the next meeting of the board of directors.

D. A bank authorized to exercise trust powers shall not accept or voluntarily relinquish a fiduciary account without approval or ratification of the board of directors or of a committee of officers or directors designated by the board to perform this function, but the board of directors or the committee may prescribe general rules governing acceptance or relinquishment of fiduciary accounts, and action taken by an officer in accordance with these rules is sufficient approval. Any committee so designated shall keep minutes of its meetings and report at each monthly meeting of the board of directors all action taken since the previous meeting of the board. The board of directors shall designate one or more committees of not less than three qualified officers or directors to supervise the investment of fiduciary funds. No investment shall be made, retained or disposed of without the approval of a committee to which the bank has delegated investment or review responsibility. The committee, in making investment decisions, shall be subject to the provisions of the Oklahoma Uniform Prudent Investor Act. The committee shall keep minutes of its meetings and shall report at each monthly meeting of the board of directors its conclusions on all questions.

E. Every official communication directed by the Commissioner or any examiner to any bank or trust company or to any officer thereof, relating to an investigation or examination conducted by the Department or containing suggestions or recommendations as to the conduct of the business of the bank or trust company, shall be submitted by the officer receiving it to the board of directors at the next meeting of the board and duly noted in the minutes of the meeting of the board in such form and in such manner as may be prescribed and directed by the Commissioner. No officer of any bank or trust company shall fail to comply with this subsection.

Added by Laws 1965, c. 161, § 714. Amended by Laws 1967, c. 258, § 7, emerg. eff. May 8, 1967; Laws 1968, c. 407, § 1, emerg. eff. May 17, 1968; Laws 1995, c. 189, § 1, eff. Nov. 1, 1995; Laws 1995, c. 358, § 1, eff. Nov. 1, 1995; Laws 1996, c. 3, § 1, emerg. eff. March 6, 1996; Laws 1997, c. 111, § 69, eff. July 1, 1997; Laws 2000, c. 205, § 22, emerg. eff. May 17, 2000; Laws 2001, c. 55, § 4, eff. Nov. 1, 2001; Laws 2016, c. 127, § 2, emerg. eff. Apr. 20, 2016.

NOTE: Laws 1995, c. 36, § 15 repealed by Laws 1995, c. 358, § 13, eff. Nov. 1, 1995. Laws 1995, c. 351, § 14 repealed by Laws 1996, c. 3, § 25, emerg. eff. March 6, 1996.

§6-715. Applicability of Oklahoma General Corporation Act.

The provisions of the Oklahoma General Corporation Act, shall, insofar as the same are not inconsistent herewith, govern corporations operating under the provisions of this Code.

Added by Laws 1965, c. 161, § 715. Amended by Laws 1986, c. 292, § 144, eff. Nov. 1, 1986.

§6-716. Repealed by Laws 1994, c. 157, § 10, emerg. eff. May 6, 1994.

§6-716.1. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-801. Reserves.

A. Member banks of Federal Reserve System. Every state bank that is a member of the Federal Reserve System shall maintain such reserves against deposits as may be required by the Federal Reserve Act, as amended, or by the Board of Governors of the Federal Reserve System.

B. Banks not members of Federal Reserve System. Every bank which is not a member of the Federal Reserve System shall maintain such reserves against deposits as may be required by the Depository Institutions Deregulation and Monetary Control Act of 1980, as amended and as prescribed by the Board of Governors of the Federal Reserve System.

C. Power of Board to change reserve requirement - State nonmember banks. Whenever the Board shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes such action advisable, the Board may change from time to time the requirements as to reserves against demand or time deposits, or both, of banks which are not members of the Federal Reserve System. Such change shall not be operative or effective until reasonable notice thereof has been given to all state banks which are not members of the Federal Reserve System. Provided, that in no event shall the reserve requirement be less than that required of a national bank. Added by Laws 1965, c. 161, § 801. Amended by Laws 1967, c. 281, § 1; Laws 1968, c. 93, § 7; Laws 1971, c. 352, § 9; Laws 1975, c. 109, § 13, emerg. eff. May 7, 1975; Laws 1982, c. 60, § 2, operative Oct. 1, 1982; Laws 1997, c. 111, § 70, eff. July 1, 1997.

§6-802. Limitations on maximum indebtedness to bank - Exceptions.

A. 1. The total obligations to any bank or trust company of any person, copartnership, association or corporation shall at no

time exceed thirty percent (30%) of the capital, less intangible assets, of the bank or trust company. For purposes of this section, the calculation of capital shall be made as of the date the bank or trust company enters into a binding commitment using data from the most recent quarterly report of condition of the bank or trust company.

2. a. The term "obligations" shall mean the direct liability, exclusive of interest, of the maker or acceptor of paper discounted with or sold to such bank and the liability, exclusive of interest, of the endorser, drawer or guarantor who obtains a loan from or discounts paper with or sells paper under the guaranty of the endorser, drawer or guarantor to such bank or trust company.
- b. Loans or other extensions of credit to an industrial development authority, or similar public entity created for the purpose of constructing and leasing a plant facility to an occupant, are not an obligation of the authority for the purpose of this section if:
  - (1) the bank relies on the credit of the occupant in making the loan,
  - (2) the authority's liability with respect to the loan is limited solely to whatever interest it has in the particular facility,
  - (3) the authority's interest is assigned to the bank as security for the loan, and
  - (4) the occupant's lease rentals are assigned and paid directly to the bank.

B. The limitation set forth in paragraph 1 of subsection A of this section shall be subject to the following exceptions:

1. Loans or extensions of credit secured by not less than a like amount of bonds or notes of the United States or certificates of indebtedness of the United States, treasury bills of the United States or obligations fully guaranteed both as to principal and interest by the United States shall not be subject to any limitation based upon capital;
2. Obligations shall not be subject under this section to any limitation based upon such capital to the extent that such obligations are secured or covered by guaranties, or by commitments or agreements to take over or to purchase, made by any Federal Reserve Bank or by the United States or any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States;
3. Obligations secured by a segregated deposit account in the lending bank; and

4. Obligations as may be approved by the Commissioner upon written request by the bank.

C. The Board may promulgate rules to administer and implement this section, including rules to define or further define terms used in this section and to establish limits or requirements other than those specified in this section for particular classes or categories of obligations.

Added by Laws 1965, c. 161, § 802. Amended by Laws 1968, c. 93, § 8, emerg. eff. April 1, 1968; Laws 1968, c. 407, § 2, emerg. eff. May 17, 1968; Laws 1972, c. 207, § 1, emerg. eff. March 31, 1972; Laws 1975, c. 109, § 14, emerg. eff. May 7, 1975; Laws 1976, c. 66, § 1, emerg. eff. April 22, 1976; Laws 1979, c. 173, § 4; Laws 1982, c. 223, § 11; Laws 1983, c. 73, § 11, emerg. eff. April 29, 1983; Laws 1984, c. 133, § 7, eff. Oct. 1, 1984; Laws 1991, c. 128, § 5, emerg. eff. April 29, 1991; Laws 1995, c. 36, § 17, eff. July 1, 1995; Laws 1997, c. 111, § 71, eff. July 1, 1997.

§6-803. Real estate loans.

Any bank may make, arrange, purchase, sell in whole or in part real estate loans or extension of credit secured by liens on interests in real estate, subject to such terms, conditions and limitations as may be prescribed by the Commission or by order, rule or regulation.

Added by Laws 1965, c. 161, § 803. Amended by Laws 1967, c. 62, § 1, emerg. eff. April 17, 1967; Laws 1968, c. 93, § 20, emerg. eff. April 1, 1968; Laws 1968, c. 407, § 3; Laws 1970, c. 321, § 8; Laws 1971, c. 352, § 10; Laws 1975, c. 84, § 1; Laws 1977, c. 208, § 12, emerg. eff. June 14, 1977; Laws 1978, c. 150, § 1; Laws 1979, c. 173, § 5; Laws 1982, c. 60, § 3, operative Oct. 1, 1982; Laws 1983, c. 73, § 12, emerg. eff. April 29, 1983.

§6-804. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-805. Prohibition on bank employing funds in trade or commerce - Sale of personal property - Leasing of personal property - Acquisition of leased personal property.

A. Bank prohibited from employing its funds in trade or commerce - Exception.

1. Except as permitted in other sections of this Code, a state bank shall not invest its funds in trade or commerce by buying, selling, or otherwise dealing in goods, except as necessary to avoid or minimize a loss on a loan or investment previously made in good faith and shall not invest any of its funds in the stock of any other bank, nor make any loans or discounts on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such securities or purchase shall be

necessary to prevent loss upon a debt previously contracted in good faith.

2. Except as permitted in other sections of this Code, a trust company shall not invest any of its funds in the stock of any other trust company.

3. Unless written approval for a longer period is granted by the Commissioner, stock or other personal property so purchased or acquired shall within one (1) year from the time of its purchase or acquisition be sold or disposed of at public or private sale, and after the expiration of one (1) year any such stock or other personal property shall not be considered as part of the assets of any bank.

B. Sale of personal property acquired under subsection A. A bank may sell any personal property which may come into its possession as collateral security for any debt or obligation due it, in the manner prescribed by the Uniform Commercial Code, Section 1-101 et seq. of Title 12A of the Oklahoma Statutes, and other pertinent statutes.

C. Leasing of personal property - Limitation on term and amount.

1. A bank may become the owner and lessor of personal property upon the specific request of and for the use of a customer. Except upon the written approval of the Commissioner, the term of the lease shall in no event exceed ten (10) years and all such leases shall provide for the payment of regularly scheduled periodic payments, the total of which shall at least equal the cost to the bank of the personal property so leased.

2. The total investment by a bank for benefit of any person, copartnership, association or corporation, combined with all other obligations of such person to the bank, shall at no time exceed thirty percent (30%) of the bank's capital.

D. Acquisition of leased personal property. When a bank has completed a leasing arrangement in conformity with subsection C of this section, the bank may then purchase the personal property to be leased.

Added by Laws 1965, c. 161, § 805. Amended by Laws 1986, c. 316, § 6, emerg. eff. June 24, 1986; Laws 1987, c. 135, § 9, emerg. eff. June 3, 1987; Laws 1997, c. 111, § 72, eff. July 1, 1997.

§6-806. Investments - Underwriting - Limitations.

A. A bank may purchase and sell equity and investment securities without recourse, solely on the order and for the account of a customer, and may not underwrite an issue of securities except as otherwise provided by the Banking Code or rules adopted thereunder.

B. Except as otherwise provided by the Banking Code or rules adopted thereunder, a bank may not invest its funds in equity

securities except as necessary to avoid or minimize a loss on a loan or investment previously made in good faith.

C. A bank may purchase investment securities for its own account under limitations and restrictions prescribed by rules adopted under the Banking Code. Except as otherwise provided by this section, the total amount of the investment securities of any one obligor or maker, held by the bank for its own account, may not exceed an amount equal to thirty percent (30%) of the bank's capital using data from the most recent quarterly report of condition of the bank or trust company.

D. With the approval of the Commissioner, a bank may establish and capitalize one or more operating subsidiaries and financial subsidiaries, subject to rules promulgated by the Board.

E. Notwithstanding subsection A, B or C of this section, a bank may, with prudent banking judgment, deal in, underwrite, or purchase for its own account, without limitation as to amount unless otherwise indicated in this subsection:

1. Bonds and other legally created general obligations of a state, an agency or political subdivision of a state, the United States, or an agency or instrumentality of the United States;

2. An investment security that this state, an agency or political subdivision of this state, the United States, or an agency or instrumentality of the United States has unconditionally agreed to purchase, insure, or guarantee;

3. Investment securities (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of Section 142(b)(1) of the United States Internal Revenue Code) issued by or on behalf of any state or political subdivision of a state, including any municipal corporate instrumentality of one or more states, or any public agency or authority of any state or political subdivision of a state, if the bank is well capitalized (as defined in 12 U.S.C., Section 1831o);

4. Investment securities issued under the authority of the Federal Farm Loan Act;

5. Investment securities insured by the Secretary of Housing and Urban Development under Title IX of the National Housing Act or investment securities insured by the Secretary of Housing and Urban Development pursuant to Section 207 of the National Housing Act, if the investment securities to be issued in payment of the insured obligations are guaranteed as to principal and interest by the United States;

6. Securities that are offered and sold under 15 U.S.C., Section 77d(5);

7. Mortgage-related securities, as defined by 15 U.S.C., Section 78c(a), except that notwithstanding Section 347 of the Riegle Community Development and Regulatory Improvement Act of 1994, a note or obligation that is secured by a first lien on one or more

parcels of real estate on which is located one or more commercial structures shall be subject to the limitations of subsection C of this section;

8. Investment securities issued or guaranteed by the Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Agriculture Mortgage Association, or the Federal Farm Credit Banks Funding Corporation;

9. Purchase and hold for its own account shares of stock of small business investment companies in an aggregate amount not exceeding five percent (5%) of the capital stock and surplus of the bank, and receive and retain the benefits of the stock ownership, including stock dividends;

10. Purchase and hold for its own account shares of stock of a banker's bank set forth in Section 402.1 of this title, but in no event shall the total amount of the stock held by the bank exceed ten percent (10%) of the capital of the bank and in no event shall the purchase of the stock result in the bank acquiring more than five percent (5%) of any class of voting securities of the banker's bank; and

11. Stock of a Federal Home Loan Bank.

F. Mutual Funds.

1. A bank may invest for its own account in equity securities of an investment company registered under the Investment Company Act of 1940 and the Securities Act of 1933 if the portfolio of the investment company consists wholly of investments in which the bank could invest directly for its own account.

2. If the portfolio of an investment company described by paragraph 1 of this subsection consists wholly of investments in which the bank could invest directly without limitation under subsection E of this section, the bank may invest in the investment company without limitation.

3. If the portfolio of an investment company described by subsection C of this section contains an investment or obligation that is subject to the limits of Section 802 of this title, the bank may invest in the investment company not more than an amount equal to thirty percent (30%) of the bank's capital.

4. A bank that invests in an investment company as provided by this section shall periodically determine that its pro rata share of any security in the portfolio of the investment company is not in excess of applicable investment and lending limits by reason of being combined with the bank's pro rata share of that security held by all other investment companies in which the bank has invested and with the bank's own direct investment and loan holdings.

G. Other Limitations. A bank may not purchase for its own account, in any amount, paving, sewer or other special improvement

obligations that are payable from the proceeds of special assessments.

H. Assets shall not be carried above cost. With the exception of securities held by the bank for sale, no bank or trust company shall, except with the previous written consent of the Commissioner, enter or at any time carry on its books any of its assets at a valuation exceeding the actual cost to the bank or trust company. Added by Laws 1965, c. 161, § 806. Amended by Laws 1970, c. 321, § 11; Laws 1975, c. 109, § 15, emerg. eff. May 7, 1975; Laws 1980, c. 360, § 6, emerg. eff. June 27, 1980; Laws 1982, c. 60, § 4, operative Oct. 1, 1982; Laws 1985, c. 168, § 5, emerg. eff. June 18, 1985; Laws 1988, c. 166, § 8, emerg. eff. May 24, 1988; Laws 1991, c. 128, § 6, emerg. eff. April 29, 1991; Laws 1992, c. 295, § 4, eff. July 1, 1992; Laws 1995, c. 36, § 18, eff. July 1, 1995; Laws 1997, c. 111, § 73, eff. July 1, 1997; Laws 2002, c. 67, § 15, eff. Nov. 1, 2002.

§6-807. Sale and purchase of loans.

Subject to its legal loan limits, a bank may sell or purchase obligations which satisfy the Banking Code for loans and may sell and acquire such loans in full or in part. Added by Laws 1965, c. 161, § 807. Amended by Laws 1982, c. 223, § 12; Laws 1997, c. 111, § 74, eff. July 1, 1997.

§6-808. Banks prohibited from making political contributions - Penalties.

A. Prohibition against political expenditures. It is unlawful for any bank to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any candidate, political committee, or for any other person to accept or receive any contribution prohibited by this section (Section 808A).

B. Penalties. Every bank which makes any contribution or expenditure in violation of this section (Section 808A) shall be fined not more than Five Thousand Dollars (\$5,000.00); and every officer or director of any bank who consents to any such contribution or expenditure by the bank, and any person who accepts or receives any such contribution, shall be fined not more than One Thousand Dollars (\$1,000.00) or imprisoned not more than one (1) year, or both; and if the violation was willful shall be fined not more than Ten Thousand Dollars (\$10,000.00) or imprisoned not more than two (2) years, or both.

Added by Laws 1965, c. 161, § 808. Amended by Laws 1997, c. 133, § 123, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 54, eff. July 1, 1999.



NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 123 from July 1, 1998, to July 1, 1999.

§6-809. Prohibited acts - Penalties - Injunctions.

A. Except as provided in Section 411 of this title, no bank, banker or bank official shall give preference to any depositor, borrower, or creditor by pledging the assets of the bank as collateral security. No bank, banker or bank official shall sell or transfer any of the assets of any insolvent bank in consideration of any deposit in such bank. Any officer, director or employee of any bank who violates any provision of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine of not less than One Hundred Dollars (\$100.00), nor more than One Thousand Dollars (\$1,000.00), or by imprisonment in the State Penitentiary for not less than one (1) year, nor more than five (5) years, or by both such fine and imprisonment.

B. No attachment, injunction, execution or other recordation which constitutes a lien under the laws of this state upon the property of a bank created, organized or existing under or by virtue of the laws of this state, shall be issued against such a bank or its property before final judgment in any suit, action or proceeding in any federal, state, county or municipal court. As used in this subsection, "final judgment" shall mean a judgment on the merits from which no appeal can be taken or the time in which to file an appeal has elapsed and not merely a judgment rendered.

C. The Board shall have the authority, pursuant to Section 203 of this title, to order or seek injunction over any person, as defined in Section 103 of this title, to cease and desist violating any of the provisions of this section.

Added by Laws 1965, c. 161, § 809. Amended by Laws 1968, c. 93, § 9, emerg. eff. April 1, 1968; Laws 1993, c. 183, § 12, eff. July 1, 1993; Laws 1997, c. 133, § 124, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 55, eff. July 1, 1999.

NOTE: Laws 1997, c. 111, § 75 repealed by Laws 1999, 1st Ex.Sess., c. 5, § 452, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 124 from July 1, 1998, to July 1, 1999.

§6-901. Deposits in name of two or more persons - "Payable on Death" deposit accounts - Forms of deposit accounts included.

A. When a deposit has been made or shall hereafter be made in any bank in the names of two or more persons, payable to any of them or payable to any of them or the survivor, such deposit, or any part thereof, or any interest thereon, may be paid to either of the persons, whether one of such persons shall be a minor or not, and whether the other be living or not; and the receipt or acquittance

of the person so paid shall be valid and sufficient release and discharge to the bank for any payment so made.

B. 1. When a deposit has been made or shall hereafter be made in any bank using the terms "Payable on Death" or "P.O.D.", such deposits shall be payable on the death of the account owner to one or more designated P.O.D. beneficiaries, or to an individual or individuals named beneficiary if living, and if not living, to the named estate of the beneficiary, notwithstanding any provision to the contrary contained in Sections 41 through 57 of Title 84 of the Oklahoma Statutes. Each designated P.O.D. beneficiary shall be a trust, an individual, or a nonprofit organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3).

2. A deposit account with a P.O.D. designation shall constitute a contract between the account owner, (or owners, if more than one) and the bank that upon the death of the last surviving owner of the account, and after payment of account proceeds to any secured party with a valid security interest in the account, the bank will hold the funds for or pay them to the named primary beneficiary or beneficiaries if living. If a primary beneficiary predeceases the account owner, the share of that primary beneficiary shall be distributed pursuant to either paragraph 4 or 5 of this subsection, whichever is applicable.

3. Each P.O.D. beneficiary designated on a deposit account shall be a primary beneficiary unless specifically designated as a contingent beneficiary.

4. If there is only one primary P.O.D. beneficiary on a deposit account and that beneficiary is an individual, the account owner may designate one or more contingent beneficiaries for whom the funds shall be held or to whom the funds shall be paid if the primary beneficiary is not living when the last surviving owner of the account dies. If there is more than one primary P.O.D. beneficiary on a deposit account, contingent beneficiaries shall not be allowed on that account.

5. If the sole primary P.O.D. beneficiary is not living and one or more contingent beneficiaries have been designated as allowed by paragraph 4 of this subsection, the funds shall be held for or paid to the contingent beneficiaries who are alive at the time of the account owner's death in equal shares, and shall not belong to the estate of the deceased primary beneficiary. If neither the primary beneficiary nor any contingent beneficiary is living at the time of the account owner's death, the funds shall be paid to the account owner's estate .

6. In order to designate multiple primary P.O.D. beneficiaries for a deposit account, the account should be styled as follows:

"(Name of Account Owner), payable on death (or P.O.D.) to (Name of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary, in equal shares.)"

7. If only one primary P.O.D. beneficiary has been designated on a deposit account, the account owner may add the following, or words of similar meaning, in the style of the account or in the account agreement:

"If the designated P.O.D. beneficiary is deceased, then payable on the death of the account owner to (Name of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary), as contingent beneficiaries, in equal share."

8. Adjustments may be made in the styling, depending upon the number of owners of the account, to allow for survivorship rights, and the number of beneficiaries. It is to be understood that each beneficiary is entitled to a proportionate share of the account proceeds only after the death of the last surviving account owner, and after payment of account proceeds to any secured party with a valid security interest in the account. All designated primary P.O.D. beneficiaries shall have equal shares. All designated contingent P.O.D. beneficiaries shall have equal shares as if the sole primary beneficiary is deceased. In the event of the death of a beneficiary prior to the death of the account owner, the share of that beneficiary shall be divided among any surviving beneficiaries or distributed to contingent beneficiaries pursuant to paragraphs 4 and 5 of this subsection, if applicable. If no beneficiaries are alive at the time of the account owner's death, the funds should be held for, or paid to, the estate of the deceased account owner.

9. A bank may require the owner of an account to provide an address for any primary or contingent P.O.D. beneficiary. If the P.O.D. account is an interest-bearing account and the funds are not claimed by the P.O.D. beneficiary or beneficiaries within sixty (60) days after the death of the last surviving account holder, or after the bank has notice of the death of the last surviving account holder, whichever is later, the bank has the right to convert the account to a non-interest-bearing account.

10. No change in the designation of a named beneficiary shall be valid unless executed by the owner of the fund and in the form and manner prescribed by the bank; however, this section shall be subject to the provisions of Section 178 of Title 15 of the Oklahoma Statutes.

11. The receipt or acquittance of the named beneficiary so paid, or of the legal representative of the account owner's estate, in the event the beneficiary predeceased the account owner, shall be valid and sufficient release and discharge to the bank for any payment so made, unless, prior to such payment, the bank receives notice in the form and manner required in Section 905 of this title.

12. Subsequent to the effective date of this act, a bank shall provide a customer creating a P.O.D. account with a written notice that the distribution of the proceeds in the P.O.D. account shall be consistent with the provisions of this section.

C. The provisions of this section shall apply to all forms of deposit accounts, including, but not limited to, transaction accounts, savings accounts, certificates of deposits, negotiable order of withdrawal (N.O.W.) accounts, and M.M.D.A. accounts. Added by Laws 1965, c. 161, § 901. Amended by Laws 1979, c. 173, § 6; Laws 1980, c. 360, § 7, emerg. eff. June 27, 1980; Laws 1991, c. 128, § 7, emerg. eff. April 29, 1991; Laws 1994, c. 313, § 1, eff. Sept. 1, 1994; Laws 1997, c. 111, § 76, eff. July 1, 1997; Laws 2001, c. 55, § 5, eff. Nov. 1, 2001; Laws 2006, c. 151, § 1, eff. Nov. 1, 2006; Laws 2021, c. 316, § 2, eff. Nov. 1, 2021.

§6-902. Trustee deposit accounts.

A. Whenever any deposit shall be made in a bank by any person which is in form in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the interest thereon, may be paid to the person or persons for whom the deposit was made. A deposit held in this form shall be deemed to constitute a Totten Trust. A revocation of such trust may only be made in writing to the bank and the bank shall not suffer any liability for payment of funds pursuant to the trust unless and until it receives written notice of revocation.

B. 1. If a deposit account is opened with a bank by one or more persons expressly as a trustee for one or more other named persons and further notice of the existence and terms of a legal and valid trust is not given in writing to the bank, the bank may accept and administer the account as set forth in subsection A of this section.

2. If a deposit account is opened with a bank by one or more persons expressly as a trustee for one or more other named persons pursuant to or purporting to be pursuant to a written trust agreement, the trustee may provide the bank with a certificate of trust to evidence the trust relationship. The certificate shall be an affidavit of the trustee and must include the effective date of the trust, the name of the trustee, the name or method for choosing successor trustees, the name and address of each beneficiary, the authority granted to the trustee, the disposition of the account on the death of the trustee or the survivor of two or more trustees, other information required by the bank, and an indemnification of the bank. The bank may accept and administer the account, subject to the provisions of Title 58 of the Oklahoma Statutes, in accordance with the certificate of trust without requiring a copy of

the trust agreement. The bank is not liable for administering the account as provided by the certificate of trust, even if the certificate of trust is contrary to the terms of the trust agreement, unless the bank has actual knowledge of the terms of the trust agreement.

3. On the death of the trustee or the survivor of two or more trustees, the bank may pay all or part of the withdrawal value of the account with interest as provided by the certificate of trust. If the trustee did not deliver a certificate of trust, the bank's right to treat the account as owned by a trustee ceases on the death of the trustee. On the death of the trustee or the survivor of two or more trustees, the bank shall, unless the certificate of trust provides otherwise, pay the withdrawal value of the account, with interest, in equal shares to the persons who survived the trustee, are named as beneficiaries in the certificate of trust, and can be located by the bank from its own records. If there is not a certificate of trust, payment of the withdrawal value and interest shall be made as provided by Title 58 of the Oklahoma Statutes. Any payment made under this section for all or part of the withdrawal value and interest discharges any liability of the bank to the extent of the payment. The bank may pay all or part of the withdrawal value and interest in the manner provided by this section, regardless of whether it has knowledge of a competing claim, unless the bank receives actual knowledge that payment has been restrained by order of a court of competent jurisdiction.

4. This section does not obligate a bank to accept a deposit account from a trustee who does not furnish a copy of the trust agreement or to search beyond its own records for the location of a named beneficiary.

5. This section does not affect a contractual provision to the contrary that otherwise complies with the laws of this state. Added by Laws 1965, c. 161, § 902. Amended by Laws 1991, c. 128, § 8, emerg. eff. April 29, 1991; Laws 1993, c. 183, § 13, eff. July 1, 1993; Laws 1997, c. 111, § 77, eff. July 1, 1997.

§6-903. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-903.1. Deposit accounts for minors.

A. Except as otherwise provided by this section, a bank or credit union lawfully doing business in this state may enter into a deposit account with a minor as the sole and absolute owner of the account and may pay checks and withdrawals and otherwise act with respect to the account on the order of the minor. A payment or delivery of rights to a minor who holds a deposit account evidenced by a receipt or other acquittance signed by the minor discharges the bank or credit union to the extent of the payment made or rights delivered.

B. If the minor is the sole and absolute owner of the deposit account, the disabilities of minority are removed for the limited purposes of enabling:

1. The minor to enter into a depository contract with a bank or credit union; and

2. The bank or credit union to enforce the contract against the minor, including collection of overdrafts and account fees and submission of account history to account reporting agencies and credit reporting bureaus.

C. A parent or legal guardian of a minor may deny the minor's authority to control, transfer, draft on, or make withdrawals from the minor's deposit account by notifying the bank or credit union in writing. On receipt of the notice by the bank or credit union, the minor may not control, transfer, draft on, or make withdrawals from the account during minority except with the joinder of a parent or legal guardian of the minor.

D. If a minor with a deposit account dies, the receipt or other acquittance of the minor's parent or legal guardian discharges the liability of the bank or credit union to the extent of the receipt or other acquittance, except that the aggregate discharges under this subsection may not exceed Three Thousand Dollars (\$3,000.00).

E. Subsection A of this section does not authorize a loan to the minor by the bank or credit union, whether on pledge of the minor's savings account or otherwise, or bind the minor to repay a loan made except as provided by subsection B of this section or other law or unless the depository institution has obtained the express consent and joinder of a parent or legal guardian of the minor. This subsection does not apply to an inadvertent extension of credit because of an overdraft from insufficient funds, returned checks or deposits, or other shortages in a depository account resulting from normal banking or credit union operations.

Added by Laws 1997, c. 111, § 78, eff. July 1, 1997. Amended by Laws 2000, c. 77, § 1, emerg. eff. April 14, 2000.

§6-904. Stockholder, director, officer or employee of bank as notary public - Administration of oaths - Protests - Notary fee.

It shall be lawful for any notary public who is a stockholder, director, officer or employee of a bank to take the acknowledgment of any party to any written instrument executed to or by such bank, or to administer an oath to any other stockholder, director, officer, employee or agent of such bank, or to protest for nonacceptance or nonpayment bills of exchange, drafts, checks, notes and other negotiable instruments which may be owned or held for collection by such bank. It shall be unlawful for any notary public to take the acknowledgment of an instrument executed by or to a bank of which the notary public is a stockholder, director, officer or employee, where such notary is a party to such instrument, either

individually or as a representative of such bank, or to protest any negotiable instrument owned or held for collection by such bank where such notary is individually a party to such instrument. Nothing contained in this section shall be construed to prohibit or limit the charging of a notary fee by the notary public who is a stockholder, director, officer, or employee of a bank. Added by Laws 1965, c. 161, § 904. Amended by Laws 1997, c. 111, § 79, eff. July 1, 1997.

§6-905. Adverse claims to deposits - Restraining order or injunction - Indemnity bond.

Notice to any bank or trust company doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank or trust company to recognize said adverse claimant unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank or trust company, in form and with sureties acceptable to it, a bond, indemnifying said bank or trust company from any and all liability, loss, damage, costs and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company; provided, that this law shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship are made to appear by the affidavit of such claimant.

Added by Laws 1970, c. 321, § 12.

§6-906. Transfer to known heirs of deceased without designated beneficiary - Affidavit - Release and discharge - False affidavit.

A. 1. When a deposit has been made in a bank or credit union in the name of a sole individual without designation of a payable-on-death beneficiary, upon the death of the sole owner of the account if the amount of the aggregate deposits held in single ownership accounts in the name of the deceased individual is Fifty Thousand Dollars (\$50,000.00) or less, the bank or credit union may, without a requirement that heirs open an additional account, transfer the funds to the known heirs of the deceased upon receipt of an affidavit sworn to by the known heirs of the deceased which establishes jurisdiction and relationship and states that the owner of the account left no will; provided, however, that no probate proceedings are pending. The affidavit shall be sworn to and signed by the known heirs of the deceased and the same shall swear that the

facts set forth in the affidavit establishing jurisdiction, heirship and intestacy are true and correct. The affidavit may contain a clause indemnifying the bank from any damages related to the release of funds. In the event the account is subject to pending probate proceedings, the release of the deposits in the account shall be determined by the court.

2. Upon the death of an individual who is the sole renter of a safe deposit box in a bank or credit union, the bank or credit union may open the box in the presence of all known heirs and transfer or release the contents to such heirs upon receipt of an affidavit which establishes jurisdiction and relationship to the deceased and states that the renter of the safe deposit box left no will or that the contents of the safe deposit box are the only known assets of the deceased renter. The affidavit shall be sworn to and signed by the known heirs of the deceased and the same shall swear that the facts set forth in the affidavit establishing jurisdiction, heirship and intestacy or that the contents of the safe deposit box are the only asset of the deceased are true and correct. Every known heir shall either be present in person or by a duly authorized agent. If any known heir is unable to be physically present for the opening of the box and transfer of the contents, such heir may appoint an agent by executing authorization in writing in the following form: "I hereby authorize (name of person) to act as my agent at the opening and transfer of contents of safe deposit box (number or other identification) at (name of financial institution)." The authorization form shall be signed and dated by the heir and notarized. The bank or credit union may impose its standard fee for drilling the box if the heirs cannot provide the key for opening.

B. Receipt by the bank or credit union of the affidavit described in subsection A of this section shall be a valid and sufficient release and discharge to the bank or credit union for any transfer of deposits or contents made in good-faith reliance on the affidavit and shall serve to discharge the bank or credit union from liability as to any other party, including any heir, legatee, devisee, creditor or other person having rights or claims to funds or property of the decedent, and include a discharge of the bank or credit union from liability for any estate, inheritance or other taxes which may be due the state from the estate or as a result of the transfer.

C. Any person who knowingly submits and signs a false affidavit as provided in this section shall be fined not more than Three Thousand Dollars (\$3,000.00) or imprisoned for not more than six (6) months, or both. Restitution of the amount fraudulently attained shall be made to the rightful beneficiary by the guilty person. Added by Laws 1991, c. 128, § 9, emerg. eff. April 29, 1991. Amended by Laws 1997, c. 111, § 80, eff. July 1, 1997; Laws 2007, c. 80, § 5, eff. Jan. 1, 2008; Laws 2011, c. 109, § 1, eff. Nov. 1,



2011; Laws 2012, c. 291, § 1, eff. Nov. 1, 2012; Laws 2017, c. 73, § 1, eff. Nov. 1, 2017; Laws 2021, c. 316, § 3, eff. Nov. 1, 2021.

§6-907. Husband and wife deposit for business purpose - Sole proprietorship account.

A deposit made in any bank or credit union by a husband and wife which is primarily for a business purpose may be treated, at the option of the depositors, as a sole proprietorship account, rather than a partnership account unless a formal partnership has been formed.

Added by Laws 1993, c. 183, § 14, eff. July 1, 1993. Amended by Laws 2007, c. 80, § 6, eff. Jan. 1, 2008.

§6-908. Banks and credit unions authorized to offer savings promotion raffles.

A. As used in this section, the term "savings promotion raffle" means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program and each ticket or entry has an equal chance of being drawn, with such contest being subject to regulations that may from time to time be promulgated by the bank's or credit union's primary regulator.

B. Oklahoma banks and credit unions are authorized to offer savings promotion raffles.

Added by Laws 2021, c. 193, § 1, eff. Nov. 1, 2021.

§6-909. Powers of authorized signer.

A. Unless the deposit account agreement states otherwise, an authorized signer on a deposit account shall have the following powers, regardless of whether the account is a consumer or commercial account:

1. Sign checks;
2. Make deposits of checks payable to the account owner into the account;
3. Make cash deposits into the account;
4. Obtain an account balance;
5. View copies of checks he or she has signed; and
6. Obtain deposit slips when making a deposit.

B. If additional authority is not expressly granted in the deposit account agreement, additional powers may be granted in writing by the owner of the account. If the account is an individual account, the owner may execute an additional authorization document. It must be dated and in writing and may be revoked or amended at any time by the account owner. If there are multiple owners, all must execute the additional authorization document. If the account is owned by an entity, the entity must

approve the grant of additional powers in the same manner as it appoints authorized signers.

C. A customer may initial next to the additional powers to be granted and line through those that are not being granted, pursuant to subsection D of this section.

D. Form for Additional Powers for Authorized Signer:

I, the undersigned account owner or duly empowered representative of the account owner, hereby grant and approve the following additional powers for authorized signer(s) on account

# \_\_\_\_\_ . Bank name \_\_\_\_\_ .

\_\_\_\_\_ Obtain and use a debit card or automated teller machine card

\_\_\_\_\_ Obtain copies of statements on the account from the bank

\_\_\_\_\_ Order checks

\_\_\_\_\_ Obtain copies of checks or other transactions on the account

\_\_\_\_\_ Authorize or terminate automated clearing house debits to the account

\_\_\_\_\_ Complete affidavits of forgery

\_\_\_\_\_ Initiate a change of address for the account

\_\_\_\_\_ Withdraw cash up to \$ \_\_\_\_\_

\_\_\_\_\_ Dispute a card transaction on the account

\_\_\_\_\_ Report a lost or stolen card on the account

\_\_\_\_\_ Use online banking to view transactions on the account

\_\_\_\_\_ Set up online bill payments

\_\_\_\_\_ Use the mobile app to access information about the account.

Added by Laws 2021, c. 316, § 1, eff. Nov. 1, 2021.

NOTE: Editorially renumbered from § 908 of this title to avoid a duplication in numbering.

§6-910. Short title – Uniform Special Deposits Act.

This act shall be known and may be cited as the “Uniform Special Deposits Act”.

Added by Laws 2024, c. 174, § 1, eff. Nov. 1, 2024.

§6-910.1. Definitions.

As used in this act:

1. “Account agreement” means an agreement that:

a. is in a record between a bank and one or more depositors,

b. may have one or more beneficiaries as additional parties, and

c. states the intention of the parties to establish a special deposit pursuant to this act;

2. "Bank" means a person engaged in the business of banking including, but not limited to, a savings bank, savings and loan association, credit union, trust company, or bank as defined in Section 102 of Title 6 of the Oklahoma Statutes. Each branch or separate office of a bank is a separate bank for the purpose of this act;

3. "Beneficiary" means a person that:

- a. is identified as a beneficiary in an account agreement, or
- b. if not identified as a beneficiary in an account agreement, may be entitled to payment from a special deposit:
  - (1) under the account agreement, or
  - (2) on termination of the special deposit;

4. "Contingency" means an event or circumstance stated in an account agreement that is not certain to occur but shall occur before the bank is obligated to pay a beneficiary;

5. "Creditor process" means attachment, garnishment, levy, notice of lien, sequestration, or a similar process issued by or on behalf of a creditor or other claimant;

6. "Depositor" means a person that establishes or funds a special deposit;

7. "Good faith" means honesty in fact and observance of reasonable commercial standards of fair dealing;

8. "Knowledge of a fact" means:

- a. with respect to a beneficiary, actual knowledge of the fact, or
- b. with respect to a bank holding a special deposit:
  - (1) if the bank:
    - (a) has established a reasonable routine for communicating material information to an individual to whom the bank has assigned responsibility for the special deposit, and
    - (b) maintains reasonable compliance with the routine, actual knowledge of the fact by that individual, or
  - (2) if the bank has not established and maintained reasonable compliance with a routine described in division (1) of this subparagraph or otherwise exercised due diligence, implied knowledge of the fact that would have come to the attention of an individual to whom the bank has assigned responsibility for the special deposit;

9. "Obligated to pay a beneficiary" means a beneficiary is entitled under the account agreement to receive from the bank a payment when:

- a. a contingency has occurred, and

b. the bank has knowledge the contingency has occurred.  
An "obligation to pay a beneficiary" shall mean the same;

10. "Permissible purpose" means a governmental, regulatory, commercial, charitable, or testamentary objective of the parties stated in an account agreement. The term includes an objective to:

- a. hold funds:
  - (1) in escrow, including for a purchase and sale, lease, buyback, or other transaction,
  - (2) as a security deposit of a tenant,
  - (3) that may be distributed to a person as remuneration, retirement, or other benefit, or compensation under a judgment, consent decree, court order, or other decision of a tribunal, or
  - (4) for distribution to a defined class of persons after identification of the class members and their interest in the funds,
- b. provide assurance with respect to an obligation created by contract, such as earnest money to ensure a transaction closes,
- c. settle an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure,
- d. provide assurance with respect to an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure, or
- e. hold margin, other cash collateral, or funds that support the orderly functioning of financial market infrastructure or the performance of an obligation with respect to the infrastructure;

11. "Person" means an individual, estate, business, or nonprofit entity, government or governmental subdivision, agency, or instrumentality, or other legal entity. The term may include a protected series, however denominated, of an entity if the protected series is established under law that limits, or limits if conditions specified under law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series;

12. "Record" means information:

- a. inscribed on a tangible medium, or
- b. stored in an electronic or other medium and retrievable in perceivable form;

13. "Special deposit" means a deposit as specified in Section 5 of this act; and

14. "State" means a state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, or any other

territory or possession subject to the jurisdiction of the United States, including an agency or instrumentality of the state.  
Added by Laws 2024, c. 174, § 2, eff. Nov. 1, 2024.

§6-910.2. Application of act – Dispute resolution.

A. This act shall apply to a special deposit under an account agreement that states the intention of the parties to establish a special deposit governed by this act, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

B. The parties to an account agreement may choose a forum in this state for settling a dispute arising out of the special deposit, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

C. This shall not affect:

1. A right or obligation relating to a deposit other than a special deposit under this act; or

2. The voidability of a deposit or transfer that is fraudulent or voidable under other law.

Added by Laws 2024, c. 174, § 3, eff. Nov. 1, 2024.

§6-910.3. Variation by agreement – When permitted.

A. The effect of Sections 2 through 6, 8 through 11, and Section 13 of this act may not be varied by agreement, except as provided in those sections. Subject to subsection B of this section, the effects of Sections 7, 12, and 13 of this act may be varied by agreement.

B. A provision in an account agreement or other record that substantially excuses liability or substantially limits remedies for failure to perform an obligation under this act is not sufficient to vary the effect of a provision of this act.

C. If a beneficiary is a party to an account agreement, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the agreement expressly permits the amendment.

D. If a beneficiary is not a party to an agreement and the bank and the depositor know the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment does not adversely and materially affect a payment right of the beneficiary.

E. If a beneficiary is not a party to an account agreement and the bank and the depositor do not know whether the beneficiary has knowledge of the agreement's terms, the bank and the depositor may

amend the agreement without the consent of the beneficiary only if the amendment is made in good faith.

Added by Laws 2024, c. 174, § 4, eff. Nov. 1, 2024.

§6-910.4. Special deposit requirements.

A deposit is a special deposit if it is:

1. A deposit of funds in a bank under an account agreement;
  2. For the benefit of at least two (2) beneficiaries, one or more of whom may be a depositor;
  3. Denominated in a medium of exchange that is currently authorized or adopted by a domestic or foreign government;
  4. For a permissible purpose stated in the account agreement;
- and
5. Subject to a contingency.

Added by Laws 2024, c. 174, § 5, eff. Nov. 1, 2024.

§6-910.5. Special deposit purpose.

A. A special deposit shall serve at least one permissible purpose stated in the account agreement from the time the special deposit is created in the account agreement until termination of the special deposit.

B. If, before termination of a special deposit, the bank or a court determined the special deposit no longer satisfies subsection A of this section, Sections 8 through 11 of this act cease to apply to any funds deposited in the special deposit after the special deposit ceases to satisfy subsection A of this section.

C. If, before termination of a special deposit, the bank determines the special deposit no longer satisfies subsection A of this section, the bank may take action it believes is necessary under the circumstances, including terminating the special deposit.

Added by Laws 2024, c. 174, § 6, eff. Nov. 1, 2024.

§6-910.6. Payment to beneficiary by bank – Obligation – Discharge.

A. Unless the account agreement provides otherwise, the bank is obligated to pay a beneficiary if there are sufficient actually and finally collected funds in the balance of the special deposit.

B. Except as provided in subsection C of this section, the obligation to pay the beneficiary is excused if the funds available in the special deposit are insufficient to cover such payment.

C. Unless the account agreement provides otherwise, if the funds available in the special deposit are insufficient to cover an obligation to pay a beneficiary, a beneficiary may elect to be paid the funds that are available or, if there is more than one beneficiary, a pro rata share of the funds available. Payment to the beneficiary making the election under this subsection discharges the bank's obligation to pay a beneficiary and does not constitute

an accord and satisfaction with respect to another person obligated to the beneficiary.

D. Unless the account agreement provides otherwise, the obligation of the bank obligated to pay a beneficiary is immediately due and payable.

E. The bank may discharge its obligation under this section by:

1. Crediting another transaction account of the beneficiary; or
2. Taking other action that:
  - a. is permitted under the account agreement for the bank to obtain a discharge, or
  - b. otherwise would constitute a discharge under law.

F. If the bank obligated to pay a beneficiary has incurred an obligation to discharge that obligation of another person, the obligation of the other person is discharged if action by the bank under subsection E of this section would constitute a discharge of the obligation of the other person under law that determined whether an obligation is satisfied.

Added by Laws 2024, c. 174, § 7, eff. Nov. 1, 2024.

#### §6-910.7. Property interest.

A. Neither a depositor nor a beneficiary has a property interest in a special deposit.

B. Any property interest with respect to a special deposit is only in the right to receive payment if the bank is obligated to pay a beneficiary and not in the special deposit itself. Any property interest under this subsection is determined under other law.

Added by Laws 2024, c. 174, § 8, eff. Nov. 1, 2024.

#### §6-910.8. Creditor process enforceability against bank.

A. Subject to subsection B of this section, creditor process with respect to a special deposit is not enforceable against the bank holding the special deposit.

B. Creditor process is enforceable against the bank holding a special deposit with respect to an amount the bank is obligated to pay a beneficiary or a depositor if the process:

1. Is served on the bank;
2. Provides sufficient information to permit the bank to identify the depositor or the beneficiary from the bank's book and records; and
3. Gives the bank a reasonable opportunity to act on the process.

C. Creditor process served on a bank before it is enforceable against the bank under subsection B of this section does not create a right of the creditor against the bank or a duty of the bank to the creditor. Other law determines whether creditor process creates a lien enforceable against the beneficiary on a contingent interest

of a beneficiary, including a depositor as a beneficiary, even if not enforceable against the bank.

Added by Laws 2024, c. 174, § 9, eff. Nov. 1, 2024.

§6-910.9. Injunctions or similar relief.

A court may enjoin, or grant similar relief that would have the effect of enjoining, a bank from paying a depositor or beneficiary only if payment would constitute a material fraud or facilitate a material fraud with respect to a special deposit.

Added by Laws 2024, c. 174, § 10, eff. Nov. 1, 2024.

§6-910.10. Right of recoupment or set off.

A. Except as provided in subsection B or C of this section, a bank may not exercise a right of recoupment or set off against a special deposit.

B. An account agreement may authorize the bank to debit the special deposit:

1. When the bank becomes obligated to pay a beneficiary, in an amount that does not exceed the amount necessary to discharge the obligation;

2. For a fee assessed by the bank that relates to an overdraft in the special deposit;

3. For costs incurred by the bank that relate directly to the special deposit; or

4. To reverse an earlier credit posted by the bank to the balance of the special deposit, if the reversal occurs under an event or circumstance warranted under other law of this state governing mistake and restitution.

C. The bank holding a special deposit may exercise a right of recoupment or set off against an obligation to pay a beneficiary, even if the bank funds payment from the special deposit.

Added by Laws 2024, c. 174, § 11, eff. Nov. 1, 2024.

§6-910.11. Duties of bank.

A. A bank does not have a fiduciary duty to any person with respect to a special deposit.

B. When the bank holding a special deposit becomes obligated to pay a beneficiary, a debtor-creditor relationship arises between the bank and beneficiary.

C. The bank holding a special deposit has a duty to a beneficiary to comply with the account agreement and this act.

D. If the bank holding a special deposit does not comply with the account agreement or this act, the bank is liable to a depositor or beneficiary only for damages proximately caused by the noncompliance. Except as provided by other law of this state, the bank is not liable for consequential, special, or punitive damages.



E. The bank holding a special deposit may rely on records presented in compliance with the account agreement to determine whether the bank is obligated to pay a beneficiary.

F. If the account agreement requires payment on presentation of a record, the bank shall determine within a reasonable amount of time whether the record is sufficient to require payment. If the agreement requires action by the bank on presentation of a record, the bank is not liable for relying in good faith on the genuineness of the record if the record appears on its face to be genuine.

G. Unless the account agreement provides otherwise, the bank is not required to determine whether a permissible purpose stated in the agreement continues to exist.

Added by Laws 2024, c. 174, § 12, eff. Nov. 1, 2024.

#### §6-910.12. Termination of special deposit.

A. Unless otherwise provided in the account agreement, a special deposit terminates five (5) years after the date the special deposit was first funded.

B. Unless otherwise provided in the account agreement, if the bank cannot identify or locate a beneficiary entitled to payment when the special deposit is terminated, and a balance remains in the special deposit, the bank shall pay the balance to the depositor or depositors as a beneficiary or beneficiaries.

C. A bank that pays the remaining balance as provided under subsection B of this section has no further obligation with respect to the special deposit.

Added by Laws 2024, c. 174, § 13, eff. Nov. 1, 2024.

#### §6-910.13. Governing law.

Title 12A of the Oklahoma Statutes, consumer protection law, law governing deposits generally, law related to escheat and abandoned or unclaimed property, and the principles of law and equity, including law related to capacity to contract, principle and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, and bankruptcy, supplement this act except to the extent inconsistent with this act.

Added by Laws 2024, c. 174, § 14, eff. Nov. 1, 2024.

#### §6-910.14. Promotion of uniformity.

In applying and construing this uniform act, a court shall consider the promotion of uniformity of the law among jurisdictions that enact it.

Added by Laws 2024, c. 174, § 15, eff. Nov. 1, 2024.

#### §6-1001. Powers of trust companies.

All corporate trust companies now existing or hereafter created shall have the power to:

1. Receive deposits of trust moneys; to receive upon deposit for safekeeping personal property of every description; to guarantee special deposits; and to own or control safety vaults and rent the boxes therein;

2. Accept and execute all such trusts and perform such duties of every description as may be committed to them by any person or persons whatsoever, or any corporation, and act as assignee, receiver, trustee and depository, and to accept and execute all such trusts and perform such duties of every description as may be committed or transferred to them by order, judgment or decree of any of the courts of record of this state or of any state or of the United States;

3. Take, accept and hold by the order, judgment or decree of any court of this state, or of any state or territory of the United States, or by gift, grant, assignment, transfer, devise or bequest of any person or corporation, any real or personal property in trust, and to execute and perform any and all such legal and lawful trusts in regard to the same upon the terms, conditions, limitations and restrictions which may be declared, imposed, established or agreed upon in and by such order, judgment, decree, gift, grant, assignment, transfer, devise or bequest, and to execute as principal or surety, and to guarantee against loss any principal or surety upon any bond or bonds required by law to be given in any proceeding in law or equity in any of the courts of this state or of any state or of the United States;

4. Act as agent or attorney-in-fact for any person or corporation in the management and control of real or personal property and the sale or conveyance of the same, and for the investment of money, and to act for and represent corporations or persons under power and letters of attorney, and as agents for persons and corporations for the purpose of issuing, registering, transferring or countersigning the certificates of stock, bonds or other evidences of debt of any corporation, association, municipality, state or public authority, on such terms as may be agreed upon;

5. Accept from and execute trusts for any married persons in respect to their separate property, whether real or personal, and act as agent for them in the management of such property, and generally to have and exercise such powers as are usually had and exercised by trust companies;

6. Act as executor under last will or at the instance of any person entitled to any administration or guardianship of any estate, as administrator of the estate of any deceased person, or as guardian or curator of any minor, or any incapacitated or partially incapacitated person, as such terms are defined by Section 1-111 of Title 30 of the Oklahoma Statutes, or trustee for any convict in the penitentiary under the appointment of any court of record having

jurisdiction of the person or estate of such deceased person, minor, or incapacitated or partially incapacitated person;

7. Guarantee the fidelity and diligent performance of their duty of persons or corporations holding places of public or private trust, to guarantee or become surety on any bond given by any person or corporation and to reinsure or guarantee any person or corporation against loss or damage by reason of any risk assumed by insuring the fidelity or diligent performance of duty of any such person or corporation, or by guaranteeing or becoming surety on any bond; and to guarantee the principal or interest, or both, of any securities of any kind;

8. Loan money upon real estate and collateral security, and execute and issue its notes payable at a future date, and to pledge its mortgages on real estate and other securities as security therefor, which notes may be issued to an amount not exceeding, in the aggregate, ten times the amount paid up on the capital stock of the company issuing the same, and shall in no case exceed the amount of the first mortgages pledged to secure their payment;

9. Buy and sell the bonds and warrants of this state, and all other kinds of government, state or municipal bonds; and to buy and sell all kinds of negotiable and nonnegotiable paper, stocks and other investment securities;

10. Act as fiscal agent of the United States, or any state, municipality, body politic or corporation, and in such capacity to receive and disburse money, credits, securities and effects;

11. Act as trustee under trusts created by will or by declaration of trust;

12. Act as guardian for any number of persons;

13. Transfer, register and countersign certificates of stock, bonds, or other evidence of indebtedness, and to act as agent of any corporation, foreign or domestic, for any purpose now or hereafter required by statute or otherwise;

14. Act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and to accept and execute any other municipal or corporate trust not inconsistent with the laws of this state;

15. Take, accept and execute any and all such legal trusts, duties and powers in regard to the holding, management and disposition of any estate, real or personal, and the rents and profits thereof, or the sale thereof, as may be granted or confided to it by any court of record, or by any person, corporation, municipal or other authority, and it shall be accountable to all parties in interest for the faithful discharge of every such trust, duty or power which it may so accept;

16. Be appointed and accept the appointment of assignee or trustee under any assignment for the benefit of creditors of any debtor made pursuant to any statute or otherwise;

17. Collect coupons on or interest upon all manner of securities when authorized by the parties depositing the same;

18. Receive and manage any sinking fund of any corporation upon such terms as may be agreed upon between the corporations and those dealing with it;

19. Generally execute trusts of every description and escrow agreements and to act and serve in any and all fiduciary capacities not inconsistent with the laws of this state or of the United States;

20. Prepare, make and certify abstracts of title to real and personal property and to procure and furnish information in relation thereto, where not otherwise inconsistent with the laws of this state; to guarantee or insure the title to real and personal property to persons interested in such property or in mortgages thereon, against loss, by reason of defective title or other encumbrances of or upon such property, and to make determination of title in connection with the issuance of such guaranties or insurance;

21. Discount and negotiate promissory notes, drafts, bills of exchange and other evidence of debt, buy and sell coin and bullion, to accept for payment at a future date drafts drawn upon it by its customers, and to issue letters of credit, authorizing the holders thereof to draw drafts upon it or upon its correspondents at sight or on time not exceeding one (1) year; provided, that no trust company shall incur liabilities under this paragraph to an amount equal at any time in the aggregate to more than its paid-up and unimpaired capital stock and surplus fund, except with the approval of the Commissioner under such general regulations as to amount of acceptances as the Commissioner may prescribe; and

22. Issue debentures, notes, or other evidences of debt in the manner in which business corporations are authorized to do so and for any legal application of proceeds, but only to the extent of an amount equal to ten times its capital and surplus.

Added by Laws 1965, c. 161, § 1001. Amended by Laws 1975, c. 46, § 1, emerg. eff. March 31, 1975; Laws 1975, c. 362, § 1, emerg. eff. June 12, 1975; Laws 1997, c. 111, § 81, eff. July 1, 1997; Laws 1998, c. 246, § 1, eff. Nov. 1, 1998.

§6-1001.1. Temporary borrowing powers of trust companies.

Any trust company may rediscount or sell any of its assets for temporary purposes, with or without guaranty or endorsement.

Added by Laws 1997, c. 111, § 82, eff. July 1, 1997.

§6-1002. Restrictions on acting in certain fiduciary capacities - Reciprocity.

All corporations except: (1) state banks in Oklahoma having trust powers, national banking associations located in this state

and having trust powers and trust companies incorporated under the laws of this state and having trust powers; (2) corporations which are recognized under Section 501(c)(3) of the Internal Revenue Code as being organized and operated exclusively for educational, religious, charitable, or other eleemosynary purposes when exercising powers pursuant to the Oklahoma Charitable Fiduciary Act and the Oklahoma General Corporation Act; and (3) national banks having trust powers, and state banks and trust companies having trust powers located in states which reciprocally allow similar Oklahoma institutions to exercise trust and fiduciary powers therein under no greater restrictions than those imposed under this Code on such fiduciary institutions, are prohibited from acting in any of the following fiduciary capacities within this state:

1. As executor or administrator of the estate of any decedent, whether such decedent was a resident of this state or not, and whether the administration of the estate of such decedent be original or ancillary; provided, that if the executor or administrator of the estate of a nonresident decedent be a corporation duly authorized, qualified and acting as such executor or administrator in the jurisdiction of the domicile of the decedent, it may, as a foreign executor or administrator, perform such duties and exercise such powers and privileges as are required, authorized and permitted by Section 1001 of this title;

2. As guardian of any infant, insane person or person physically or mentally incompetent whether domiciled in this state or not;

3. As trustee under any inter vivos trust, will or other testamentary instrument, provided that any corporation which is authorized to act as such trustee under the laws of the place where it has its principal place of business may receive bequests to it as trustee of money or intangible personal property;

4. As trustee of any real estate in this state or any interest therein under any agreement whereby the beneficial interest in such property is vested in others;

5. As receiver or trustee under appointment of any court in this state;

6. As assignee, receiver or trustee of any insolvent person or corporation or under any assignment for the benefit of creditors; or

7. As fiscal agent, transfer agent or registrar of any municipal or private corporation; provided, however, that nothing herein shall prevent any Oklahoma corporation not a bank or trust company and not having trust powers from being its own fiscal agent, transfer agent or registrar concerning its own affairs, stock or securities.

Nothing in this section shall be construed as authorizing or permitting any foreign bank or trust company to maintain an office within this state.

Added by Laws 1965, c. 161, § 1002. Amended by Laws 1967, c. 258, § 8, emerg. eff. May 8, 1967; Laws 1968, c. 15, § 1; Laws 1969, c. 257, § 1, emerg. eff. April 24, 1969; Laws 1997, c. 111, § 83, eff. July 1, 1997.

§6-1003. Advertising performance of legal services prohibited.

A. No trust company shall advertise to furnish to the public legal services pertaining to the execution of trusts set forth in Section 1001 of this Code, or to the issuance of securities. No trust company shall advertise to furnish or furnish to the public legal advice or practice or hold itself out as practicing law.

B. Any trust company whose officers or agents solicit legal business shall be subject to a fine not to exceed One Thousand Dollars (\$1,000.00).

Added by Laws 1965, c. 161, § 1003.

§6-1004. Deposits of securities with Commissioner.

A. Deposit requirement - As pledge for faithful performance.

(1) Before any bank or trust company, including national banking associations, shall transact any fiduciary business within this state it shall deposit with the Commissioner, as security and as a pledge for the faithful performance of its duties as a trust company, cash or interest-bearing securities, which securities shall have a ready market value in an amount regulated by the amount of cash and securities held in trust by the bank or trust company.

(2) Whenever such cash and securities held in trust amount to less than One Million Dollars (\$1,000,000.00), the deposit shall be Fifty Thousand Dollars (\$50,000.00). Whenever such cash and securities held in trust amount to One Million Dollars (\$1,000,000.00) but do not exceed Five Million Dollars (\$5,000,000.00), the deposit shall be Two Hundred Fifty Thousand Dollars (\$250,000.00). Whenever such cash and securities held in trust amount to Five Million Dollars (\$5,000,000.00) but do not exceed Ten Million Dollars (\$10,000,000.00), the deposit shall be Four Hundred Thousand Dollars (\$400,000.00). Whenever such cash and securities held in trust exceed Ten Million Dollars (\$10,000,000.00), the deposit shall be Five Hundred Thousand Dollars (\$500,000.00); provided, no trust company not receiving deposits other than funds held by it in trust shall be required to increase the deposit to an amount in excess of its capital. The term "cash and securities held in trust" as employed herein shall not include lands held in trust as collateral security for monies lent or to be lent, nor to trust funds registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (48 Stat. 74, 15 U.S.C. Section 77 (1933)), and the Securities Exchange Act of 1934, as amended (48 stat. 881, 15 U.S.C. Section 78 (1934)).

B. Securities eligible for deposit. The securities mentioned in subsection A of this section may be of the following classes and not otherwise:

(1) Interest-bearing bonds, notes or obligations of the United States, or those for which the faith of the United States is pledged for the payment of the principal and interest.

(2) Bonds or other obligations of the State of Oklahoma or any county of this state, or of any incorporated city, town or school or port district of this state having a population of not less than two thousand (2,000) inhabitants as shown by the last federal census, or bonds of any other state of the United States, or any county, incorporated city, town or school district having a population of not less than twenty-five thousand (25,000) inhabitants, as shown by the last federal census, provided such bonds were issued in compliance with the constitution and laws of such state, and there has been no default in payment of either principal or interest on any of the general obligations of such state, county, incorporated town, city or school or port district for a period of five (5) years next preceding the date of the deposit, and such bonds are a general obligation of the state, county, school or port district, city or town issuing the same.

(3) Bonds, other than foreign bonds, listed on the New York Stock Exchange, provided the total obligation of any one debtor shall not exceed twenty percent (20%) of the aggregate deposit.

(4) Notes or bonds secured by first lien upon improved real estate in the State of Oklahoma. Such loans may be subsequent to taxes not due and bonded indebtedness for public improvements not due, but any such obligation, plus taxes not due and bonded indebtedness for public improvements not due, shall not exceed fifty percent (50%) of the reasonable market value of such real estate, except as provided in Section 1008 of this Code. There shall be filed by the bank or trust company in support of such real estate obligation such appraisal, evidence of merchantable title and insurance as may be required by the Commissioner.

C. Purchase of bond or irrevocable letter of credit in lieu of deposit. As an alternative to the deposit and pledge of cash or securities pursuant to the provisions of this section, a bank or trust company may purchase a bond or irrevocable letter of credit, for the benefit of the Commissioner and any person suffering a loss by reason of the malfeasance of the bank or trust company (a "Claimant"). The amount of the bond or letter of credit must be not less than twice the amount of the cash and securities which would otherwise be required to be pledged under paragraph (2) of subsection A of this section. The bond or letter of credit must be submitted to and approved by the Commissioner. The bond or letter of credit may be canceled only after thirty (30) days' prior written notice to the Commissioner and only after the bank or trust company

has made a sufficient deposit of cash or securities under the terms of this section, or the company has been relieved of its fiduciary positions by transfer pursuant to the terms of Section 1109 of this title and has relinquished its trust powers pursuant to the provisions of Section 1017 of this title. Any bank or trust company that does not maintain a bond or letter of credit which complies with the terms of this subsection must make a deposit or pledge of securities pursuant to the terms of this section.

D. Primary liability for deposit. The deposit, bond, or letter of credit required by this section shall be primarily liable for the malfeasance of a company as guardian, executor, administrator, assignee, receiver, trustee under inter vivos trust or trustee under will by an appointment of court, or depository of money in court, and is not liable for any debt or other obligation of the company until such malfeasance liability of the company has been discharged.

E. Right of action against deposit, bond or letter of credit. Any person who suffers loss or damage because of the breach of any trust committed to any bank or trust company shall have a right of action to recover the amount of such loss or damage from the provisions of the bond, letter of credit, or out of the moneys or securities deposited with the Commissioner by the bank or trust company. However, the Commissioner shall not be required to release to a Claimant any amount deposited with the Commissioner or request payment of any amount under the terms of the bond or letter of credit except at the direction of an unappealable order of a court of competent jurisdiction issued in favor of the Claimant. If the amount for which the bank or trust company is liable exceeds the amount of the bond or letter of credit or deposit, all Claimants will receive a pro rata portion of the total bond or deposit based on the Claimant's percentage of the company's total liability.

F. Charge for handling securities. The Commissioner may make such charges and assessments for expenses incurred, including insurance, and services rendered in connection with deposits of securities as he deems just and reasonable.

G. Appraisal of real estate securing deposit. The Commissioner may appraise, or cause to be appraised, or may in lieu of his own appraisal accept the appraisal of qualified appraisers, every parcel of real estate securing any note or bond offered for deposit with the Commissioner. If the appraisal is made by the Commissioner he shall collect from the company offering the mortgages for deposit his actual expenses in making the appraisal. If the appraisal is made by an appraiser selected by the Commissioner he shall collect a reasonable fee from the company.

H. Certificates of title, title insurance, or title opinion on real estate securing deposit. The Commissioner may accept a certificate of title or guaranty of title or title insurance policy from a title insurance company, or the opinion of the attorney who



examined the title to the property for the trust company offering a mortgage and note for deposit, or he may require an opinion as to title from the Attorney General.

I. Fire insurance; deposit of documents with notes or bonds.

(1) Fire insurance shall be in effect upon all insurable property for the reasonable value thereof.

(2) All mortgages or deeds of trust and all insurance policies, abstracts of title (when required by the Commissioners), certificates of title, guaranty of title or title insurance policies and appraisements shall be deposited with the notes or bonds. When less than the whole of a bond issue is deposited, the Commissioner shall not require the deposit of the abstract of title, certificate of title, guaranty of title or title insurance policies and appraisements, but may require in lieu thereof a certificate from the trustee of the mortgage or bond issue that such documents have been deposited with the trustee.

J. Substitution of deposit securities; income of securities deposited.

(1) The Commissioner may require the immediate substitution of other securities when he has reason to believe that the market value of securities which have heretofore been deposited have depreciated below their face value. Substitution of securities with the Commissioner at the request of the depositing bank or trust company may be permitted when approved by the Commissioner.

(2) So long as the depositing bank or trust company continues solvent it shall be permitted to receive and retain all interest, income or dividends from all securities deposited with the Commissioner.

K. Return of deposit; liability of state.

(1) The State of Oklahoma is liable for the return of any funds or securities deposited in accordance with this section.

(2) The State of Oklahoma is responsible for the safe return of such securities deposited with the Commissioner under this Code. Added by Laws 1965, c. 161, § 1004. Amended by Laws 1967, c. 258, § 9, emerg. eff. May 8, 1967; Laws 2002, c. 67, § 16, eff. Nov. 1, 2002; Laws 2005, c. 48, § 14, eff. Nov. 1, 2005.

§6-1005. Banks having trust powers and trust companies not required to give security as trustee, etc.

Banks having trust powers and trust companies of this state having deposited securities with the Commissioner or purchased a bond as provided in Section 1004 of this Code, and authorized to act as assignee, receiver, administrator, executor, guardian, trustee, or in any court appointed fiduciary capacity, shall not be required by any officer or court of this state to give security upon appointment to, or acceptance of, any office of trust which it is by law authorized to execute.

Added by Laws 1965, c. 161, § 1005. Amended by Laws 2002, c. 67, § 17, eff. Nov. 1, 2002

§6-1006. Separation of books and accounts - Labeling securities - Prohibited operations of banks and trust companies having trust powers.

A. Separation of books and accounts. Every bank having trust powers and every trust company shall establish and maintain in its office a trust department, in which shall be kept separate and apart from its other business separate books and accounts, and shall keep all moneys, funds, investments and property of the department at all times segregated from and unmingled with other funds, moneys, investments and property.

B. Labeling of securities. All bonds, warrants, notes, mortgages, deeds and other securities of every nature shall be so marked, stamped, labeled or otherwise identified and segregated as to indicate the department of which such securities are a part.

C. Prohibited operations of banks and trust companies having trust powers. No bank shall receive in its trust department and no trust company shall receive deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange or other items for collection or exchange purposes. Funds deposited or held in trust by the bank or trust company awaiting investment shall be carried in a separate account and shall not be used by the bank or trust company in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Commissioner. Funds awaiting investment may only be so deposited for a short time, not to exceed one (1) year.

Added by Laws 1965, c. 161, § 1006. Amended by Laws 1985, c. 168, § 6, emerg. eff. June 18, 1985; Laws 1993, c. 183, § 15, eff. July 1, 1993.

§6-1007. Lien and claim upon bank failure.

In the event of the failure of a bank having trust powers the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the bank.

Added by Laws 1965, c. 161, § 1007.

§6-1008. Investments - Acceptance as securities by public officials of this state.

A. Securities authorized by Oklahoma Trust Act and Oklahoma Uniform Prudent Investor Act. Banks having trust powers and trust companies shall have the power of investing the moneys placed in their charge through various trust accounts in such loans and

securities as are authorized by the Oklahoma Trust Act and the Oklahoma Uniform Prudent Investor Act.

B. Investments in notes, bonds, or debentures secured, insured or guaranteed by United States - Acceptance by public officials. It shall be lawful for banks having trust powers and trust companies subject to the laws of this state, under limitations prescribed by rule by the Commissioner, to invest their funds and trust funds in their custody and possession, eligible for investment, in notes or bonds secured by mortgages or in debentures the payment of which is insured or guaranteed by the United States of America or by any of its departments or agencies, and without regard to the limitation on the appraised value of the real estate securing the notes or obligations and without regard to limitation on the aggregate amount of such notes, bonds or obligations that may be owned or held by any such bank or trust company.

C. Any notes, bonds, mortgages or debentures insured or guaranteed pursuant to subsection B of this section shall be eligible for deposit with any public official of this state whenever deposits of assets of such banks or trust companies shall be required under any law of this state.

Added by Laws 1965, c. 161, § 1008. Amended by Laws 1995, c. 351, § 15, eff. Nov. 1, 1995; Laws 1997, c. 111, § 84, eff. July 1, 1997.

§6-1009. Official's oath or affidavit.

In any case in which the laws of a state require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this article shall take an oath or make an affidavit, the president, vice-president, cashier, or trust officer of such bank or trust company may take the necessary oath or execute the necessary affidavit.

Added by Laws 1965, c. 161, § 1009.

§6-1010. Common trust funds.

A. Any bank or trust company qualified to act as a fiduciary in this state may:

1. Establish one or more common trust funds for the exclusive purpose of furnishing investments to itself as fiduciary, to itself and others as cofiduciaries, or to another bank or trust company which is a subsidiary of the same bank holding company as fiduciary or cofiduciary for estates, guardianships, and all other fiduciary relationships now in existence or hereafter created which require or authorize investment of trust funds; and

2. Invest funds which it lawfully holds for investment in interests in such common trust funds, unless:

- a. the investment is prohibited by the instrument, judgment, decree, or order creating the fiduciary relationship,

- b. in the case of cofiduciaries, the bank or trust company fails to procure the consent of its cofiduciary or cofiduciaries to such investment,
- c. the bank or trust company is not at all times in full charge of the full management of the fund, or
- d. a cofiduciary or co-trustee has the right to interfere in the management of the common trust funds.

B. 1. The bank or trust company shall not mingle its own funds with common trust funds. Each trust, estate or account owning an interest in such common trust fund shall be deemed to own a proportionate share of each asset of the fund. In determining whether the investment by the trust, estate, or account in such common trust fund is a proper investment for assets held in a fiduciary account, the bank or trust company may consider the common trust fund as a whole and shall not, for example, be prohibited from making the investment if any one or more of the assets of the common trust fund is nonincome producing or might not otherwise be considered a proper investment for a fiduciary account.

2. When making investment decisions pursuant to this subsection, the bank or trust company shall be bound by the provisions of the Oklahoma Trust Act and the Oklahoma Uniform Prudent Investor Act, unless otherwise provided by law.

3. Nothing in this subsection shall in any fashion diminish the responsibility of the bank or trust company to carry out its responsibilities and duties pursuant to the standard of care of a fiduciary in handling trust funds.

C. A bank or trust company administering a common trust fund shall keep proper records, which in addition to all other necessary and proper matters shall show at all times the proportionate interest of each trust in the common trust fund, and, at least once during each period of twelve (12) months, cause an audit to be made of the common trust fund by auditors responsible only to the board of directors of the bank or trust company. The report of such audit shall include a list of the investments comprising the common trust fund at the time of the audit, which shall show the valuation placed on each item on such list by the bank or trust company as of the date of the audit, a statement of purchases, sales and any other investment changes, and of income and disbursements since the last audit, and appropriate comments as to any investment in default as to payment of principal or interest. The reasonable expenses of any such audit made by independent public accountants may be charged to the common trust fund. The bank or trust company administering a common trust fund may charge a reasonable fee for the management of the common trust fund provided that:

1. The fee is disclosed in the report of the audit of the common trust fund; and

2. The amount of the fee does not exceed an amount commensurate with the value of legitimate services of tangible benefit to the participating fiduciary accounts that would not have been provided to the accounts were they not invested in the fund.

The bank or trust company shall absorb the costs of establishing or reorganizing a common trust fund. The bank or trust company shall send a copy of the latest report of such audit annually to each person to whom a regular periodic accounting of the trusts participating in the common trust fund ordinarily would be rendered, or shall send advice to each such person annually that the report is available and that a copy will be furnished without charge upon request.

D. Unless ordered by a court of competent jurisdiction, the bank or trust company operating such common trust funds is not required to render a court accounting with regard to such funds; but it may, by application to the district court, secure approval of such an accounting after such notice, and on such conditions as the court may establish.

Added by Laws 1965, c. 161, § 1010. Amended by Laws 1988, c. 166, § 9, emerg. eff. May 24, 1988; Laws 1995, c. 351, § 16, eff. Nov. 1, 1995; Laws 1999, c. 27, § 8, eff. July 1, 1999.

§6-1011. Loans of trust funds to officers and employees prohibited.

It shall be unlawful for any bank or trust company to lend any officer, director or employee any funds held in trust under the powers conferred by this article.

Added by Laws 1965, c. 161, § 1011.

§6-1012. Banks having trust powers and trust companies subject to examination and supervision of Commissioner.

All corporations mentioned in Section 1001 of this article, whether now existing or hereinafter organized and created, are subject to the examination, supervision and regulation by the Commissioner and to the regulations of the Board. The Board is authorized and empowered to promulgate such regulations as it may deem necessary to enforce compliance with the provisions of this article and the proper exercise of the powers granted therein.

Added by Laws 1965, c. 161, § 1012.

§6-1013. Disclosure of communications and writings prohibited - Exceptions.

Every bank exercising trust powers and every trust company shall, except as otherwise provided in this section, keep inviolate all communications and writings made to or by such trustee touching the existence, condition, management and administration of any private trust confided to it. No creditor or stockholder is entitled to disclosure or knowledge of any such communication or

writing. However, the president, vice-president, manager, trust officer, secretary or regularly employed attorney of such trust company or bank is entitled to knowledge of any such communication or writing. In any suit or proceeding touching the existence, condition, management or administration of any such trust, the court wherein the same is pending may require disclosure of any communication or writing.

Added by Laws 1965, c. 161, § 1013. Amended by Laws 1997, c. 111, § 85, eff. July 1, 1997.

§6-1014. Closing of trust unduly delayed.

Whenever, in the opinion of the Commissioner as a result of a regular or special examination made at his discretion, the closing of any trust in process of administration by any bank or trust company as executor, administrator, guardian, conservator or other trustee is found to be unduly delayed, either through the acts or failure to act of any such bank or trust company or through the acts or failure to act of legal counsel employed in such proceedings, the bank or trust company shall, within thirty (30) days after receiving written notice from the Commissioner, file a report in the premises with the court having jurisdiction of the matter and shall obtain an extension of time under a court order unless such extension is declined by the court. A certified copy of the court's finding in the matter shall be filed by the bank or trust company with the Commissioner within ten (10) days from the issuance of the court order.

Added by Laws 1965, c. 161, § 1014.

§6-1015. Banks authorized to engage in trust business - Powers - Restrictions.

Any bank now or hereafter authorized to engage in the trust business and exercise trust powers shall have and enjoy all the powers granted in this article, save those granted in paragraph (20) of subsection A of Section 1001, and they, their directors, officers and employees shall be subject to all the terms and provisions of this article.

Added by Laws 1965, c. 161, § 1015.

§6-1016. Service charges not part of interest on loans.

The charges or service fees made by the trust department of any bank having trust powers and of any trust company organized and existing under the laws of this state, for any services performed or under any powers granted to such company, under the laws of this state, shall not be considered any part of the interest charged on any loan and shall not be subject to the interest laws of the state.

Added by Laws 1965, c. 161, § 1016.

§6-1017. Voluntary relinquishment of trust powers.

A. 1. Banks. Any bank desiring to surrender its right to exercise the powers granted pursuant to this article in order to relieve itself of the necessity of complying with the requirements of this article, or to have cancelled or returned to it any security pledged or purchased pursuant to Section 1004 of this title, may file with the Commissioner a certified copy of a resolution of its board of directors signifying such desire.

2. Upon receipt of such resolution, the Commissioner, upon satisfaction that such bank has been relieved in accordance with state law of all duties as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, or other fiduciary, under court, private or other appointment previously accepted under authority of this article, may issue to such bank a certificate certifying that such bank is no longer authorized to exercise the powers granted by this article.

3. Upon the issuance of such a certificate by the Commissioner, such banks:

- a. shall no longer be subject to the provisions of this article or the regulations of the Board made pursuant thereto,
- b. shall be entitled to cancel or have returned to it any security pledged or purchased pursuant to the provisions of Section 1004 of this title, and
- c. shall not exercise thereafter any of the powers granted by this article without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this Code.

B. Trust companies. Any trust company desiring to retire from business specified in this article shall furnish to the Commissioner satisfactory evidence of its release and discharge from all obligations and trusts provided for in this article. The Commissioner shall thereupon examine, or cause to be examined, such trust company, and, if the Commissioner is satisfied after such examination that such trust company has discharged all its obligations and trusts, the Commissioner shall revoke its certificate of authority and authorize the cancellation of, or return, of any security pledged or purchased pursuant to the provisions of Section 1004 of this title.

Added by Laws 1965, c. 161, § 1017. Amended by Laws 1998, c. 246, § 2, eff. Nov. 1, 1998; Laws 2005, c. 48, § 15, eff. Nov. 1, 2005.

§6-1018. Voluntary or involuntary liquidation or receivership.

A. Successor trustee upon liquidation or receivership; appointment and qualification; petition by Commissioner. Whenever any bank or national banking association doing a trust business or trust company goes into voluntary or involuntary liquidation or

receivership, successor trustee or trustees shall be appointed and shall qualify in the following manner:

(1) After the Commissioner has taken possession of any such bank or trust company, he shall file in the liquidation proceedings of the bank or trust company a petition setting forth in general terms that the bank or trust company is trustee under certain trusts and that it is desirable and necessary that a successor trustee or trustees be appointed under such trusts. It is not necessary for such petition to designate the parties to any such trust or the nature, purpose or extent of the trusts or the trust properties.

(2) Upon the filing of the petition, the court shall make and enter an order requiring all persons interested in any and all such trusts either to designate and provide and take all necessary steps to appoint successor trustee or trustees within a time to be fixed in the order, or to show cause why a successor trustee or trustees should not be appointed by the court. Such order may be general in its terms and need not designate the trusts involved or the nature, purpose or extent thereof, or give the name of any of the beneficiaries or others interested therein.

(3) In all trusts where all persons interested, or the court having jurisdiction of court trusts, take the steps to provide for the appointment and qualification of a successor trustee or trustees within the time limited in such order, or such further time as the court may allow, the successor trustee or trustees shall, with relation to such trusts, succeed to all the rights, powers, privileges, and obligations of the bank or trust company in liquidation, except claims or liabilities arising out of the management of the trust prior to the date of transfer.

(4) In any trust where those interested therein fail to cause a successor trustee or trustees to be appointed prior to the time fixed in such order, the court shall, by order and decree, appoint a successor trustee or trustees, and such successor trustee or trustees shall, with relation to such trusts, succeed to all the rights, powers, privileges and obligations of the bank or trust company in liquidation, except claims or liabilities arising out of the management of the trust prior to the date of transfer.

(5) A copy of the order provided for in paragraph (2) of this subsection shall be published once a week for four (4) successive weeks in a newspaper of general circulation to be designated by the court and published in the county in which the liquidation proceedings of the bank or trust company are carried on. If there is no newspaper published in such county, publication shall be made in a newspaper of general circulation in the State of Oklahoma designated by the court. Proof of publication shall be made in the same manner as proof of publication of summons is made.

(6) The filing of such petition and the making and entering of such order and the giving of notice of such order as required by



this subsection gives the court full jurisdiction of the trusts and all parties interested therein. The court having jurisdiction in such matter shall require the Commissioner to mail, by registered mail postage prepaid, a copy of such order to each living trustor of all private trusts in which such bank or trust company is trustee or to the then directly participating beneficiaries of all private trusts in which there is no living trustor. Such notice shall be mailed to the last-known address of each such trustor or participating beneficiary as shown by or as may be ascertained by reasonably diligent efforts from the records of the bank or trust company. Proof of mailing shall be in such form as the court shall require.

B. Successor trustee; petition by liquidating agent or receiver; National banking associations. Whenever a national banking association doing a trust business goes into voluntary or involuntary liquidation, the liquidating agent or the receiver thereof may file a petition in the district court of the county in which the national banking association has or had its principal office and place of business, setting forth the same matters as are required to be set forth in the petition filed by the Commissioner under subsection A of this section. Thereafter, successor trustee or trustees for the trusts of such national banking association shall be appointed in the same manner and the same procedure followed and the same jurisdiction acquired as set forth in subsection A of this section.

C. Successor trustee; petition by bank or trust company. When any bank or trust company doing a trust business going into voluntary liquidation, such bank or trust company may file a petition in the district court of the county in which it has its principal office or place of business, setting forth the same matters as are required to be set forth in the petition filed by the Commissioner under subsection A of this section. Thereafter successor trustee or trustees for the trusts of such bank or trust company shall be appointed in the same manner and the same procedure followed and the same jurisdiction obtained as set forth in said subsection A of this section. Provided, however, with respect to those trust accounts for which those interested therein fail to cause a successor trustee or trustees to be appointed, the liquidating bank or trust company shall be responsible for mailing, by registered mail postage prepaid, a copy of the court's order to each living trustor of all private trusts in which such bank or trust company is trustee or to the then directly participating beneficiaries of all private trusts in which there is no living trustor. Such notice shall be mailed to the last-known address of each such trustor or participating beneficiary as shown by or as may be ascertained by reasonably diligent efforts from the records of

the bank or trust company. Proof of mailing shall be in such form as the court shall require.

D. Transfer of trust property to successor trustee. Upon the appointment of any successor trustee or trustees, in the manner provided in this section, the Commissioner, the liquidating agent, the receiver or the bank or trust company in voluntary liquidation, as the case may be, may execute such deeds, conveyances, transfers and assignments as are necessary to transfer to and vest in the successor trustee or trustees all right, title, interest, power and authority in, over and to the trust property theretofore vested in the bank or trust company or national banking association so in liquidation.

E. Discontinuance of trust business; determination of claims against deposit of securities. (1) Whenever a bank, trust company or national banking association doing a trust business discontinues such trust business, all claims of whatsoever kind and nature against the pledged or purchased security of such trust company, bank or national banking association required by law to be made with the Commissioner shall be determined, established and adjudicated in the manner provided in this section. If not so determined, established and adjudicated, such claims shall forever be barred and foreclosed.

(2) The method of determining, establishing and adjudicating such claims shall be as follows: The Commissioner shall file in the district court for the county in which is located the principal office and the place of business in the State of Oklahoma of such trust company, bank or national banking association a verified petition setting forth:

- (a) that such trust company, bank or national banking association desires to retire from the trust business, dissolve or transfer its trust business, or that it is in process of voluntary or involuntary liquidation;
- (b) that it is necessary that claims, if any, against the pledged or purchased security made by such trust company, bank or national banking association with the Commissioner be determined.

F. Order to bring suit; publication of order; jurisdiction over securities; notice to trustor; appearance of minors and incompetents unnecessary. (1) Upon the filing of the petition mentioned in subsection E of this section, the court shall make an order requiring all persons, partnerships, associations or corporations having claims against the pledged or purchased security to commence action or suit thereon in such district court within six (6) months from the date of the order, or forever be barred and foreclosed of any claim on such security. It is not necessary that either the

petition or the order give the names of any beneficiary or the nature of the trusts protected by the security.

(2) A copy of the order shall be published in a newspaper designated by the court, having a general circulation in the county of the principal office and place of business in the State of Oklahoma of such trust company, bank or national banking association, at least once a week for as many consecutive weeks as the court shall determine, not less than four (4) weeks nor more than twelve (12) weeks. If no newspaper is published in such county, the copy of the order shall be published in such newspaper in this state as the court designates. Upon completion of publication, proof thereof shall be made in the same manner as proof of publication of summons is made and such proof shall be filed with the clerk of such court.

(3) The filing of the petition, the making and entering of the order, and the giving of notice of such petition as required by this subsection, gives the court full jurisdiction of the security pledged or purchased under Section 1004 of this title and of all parties having an interest in or claim upon such security. The court so having jurisdiction in such matter shall require the Commissioner to mail, by registered mail postage prepaid, a copy of such order to each living trustor of all private trusts in which the bank or trust company is trustee and which have not been closed or to the then directly participating beneficiaries of all such private trusts in which there is no living trustor. Such notice shall be mailed to the last-known address of each such trustor or participating beneficiary as shown by or as may be ascertained by reasonably diligent efforts from the records of the bank or trust company. Proof of mailing shall be in such form as the court requires.

G. Termination of right to do trust business. The filing by the Commissioner of the proceedings provided for in subsection E of this section shall operate to terminate the right of the bank or trust company or national bank affected thereby to do a trust business, except such business as may be necessary to wind up then existing trusts.

H. Actions or suits on claims; limitation of actions; service of summons; preference on calendars. (1) All persons, partnerships, associations or corporations, including minors, incompetents and all others under any legal disability, having any claim against the pledged or purchased security mentioned in subsection E of this section, shall file action or suit within six (6) months from the date of the court order, and in default thereof shall be forever barred and foreclosed of any and all claim and interest in, to or against the security.

(2) The district court making the order shall have exclusive jurisdiction of all actions or suits brought to determine claims to the pledged or purchased security.

(3) In all actions or suits filed pursuant to this action, the Commissioner shall be a necessary party defendant.

(4) No action or suit shall be deemed to have been commenced within the time required by the order unless, in the case of defendants within the state, summons is actually served within sixty (60) days from the time limited in the order.

(5) Actions or suits filed pursuant to this section shall have preference upon the calendar of both the trial court and the Supreme Court, and shall be tried by such courts without unnecessary delay.

I. Release or payment of security pending suit; distribution of security upon determination of suit. (1) If any actions or suits on claims against the pledged or purchased security mentioned in subsection E of this section are commenced within the time limited by the court order, the Commissioner shall not release or cancel the security, or any part thereof, nor shall the court order the release or cancellation thereof nor the payment of any part thereof until such time as all such actions or suits are determined by final judgment or decree.

(2) When such actions or suits are finally determined, so much of the security as is necessary shall be paid over to such of the claimants as have established their rights thereto in the sums allowed by the court, or if not sufficient the security shall be distributed pro rata among such claimants as have established, by final judgment or decree, their claims thereto.

(3) The court, in the proceeding to be commenced by the Commissioner, shall decree that the balance, if any, or the entire security, in case no claims are established in the manner provided, be cancelled or paid over and delivered to the trust company, bank or national banking association pledging the security or its successors or assigns, except that, in the case of any such trust company, bank or national banking association which is in process of voluntary or involuntary liquidation, the security or balance thereof, if any, shall be paid over to the official lawfully in charge of the liquidation.

J. Commissioner's charges and assessments as a prior lien on security. All unpaid charges and assessments owing to the Commissioner for expenses and services rendered in connection with the pledged or purchased security mentioned in subsection E of this section, and all expenditures incurred or made by the Commissioner, including services rendered by the Commissioner, attorney fees and necessary court expenses in connection with the determination of claims against the security, shall be a first and prior lien on the security, and be first paid before the security, or any part

thereof, is released or paid over to any claimant or trust company, bank or national banking association.

K. Sale and disposition of security to pay expenses, costs, attorney fees and claims. The court having jurisdiction of the proceedings instituted by the Commissioner may, upon such terms as the court shall fix, authorize and order the Commissioner to sell, dispose of and reduce to cash such portion of the security pledged or purchased by such bank or trust company or national banking association as may be necessary to pay for the services rendered and expenses incurred by the Commissioner in connection with such security and the proceedings contemplated by subsections E to L, inclusive, of this section, including attorney fees and court costs, and to pay claims established against such security.

L. Application of subsections E to K, inclusive, of this section. Subsections E to K, inclusive, of this section apply to pledges of security by banks, trust companies and national banking associations which retire from the trust business, transfer such business or go into voluntary or involuntary liquidation or receivership, or other method of liquidation. Provided, however, the provisions of subsections E through K of this section shall not apply to any bank or trust company desiring to relinquish its trust powers and receive a return or cancellation of its pledged security and which has not maintained any active trust accounts or acted in a fiduciary capacity within the most recent six (6) months prior to its filing with the Commissioner pursuant to Section 1017 of this title a certified copy of a resolution of its board of directors signifying such desire to relinquish its trust powers and evidence of its release and discharge from all obligations and trusts provided for in this article.

Added by Laws 1965, c. 161, § 1018. Amended by Laws 1988, c. 319, § 1, eff. Nov. 1, 1988; Laws 2005, c. 48, § 16, eff. Nov. 1, 2005.

§6-1019. Merger, consolidation and sale of assets.

A trust company may merge, consolidate with another trust company or bank or make a sale of assets in the form and manner as set forth in Article XI of this act.

Added by Laws 1965, c. 161, § 1019.

§6-1020. Existing trust powers of religious, charitable, etc. corporations not denied.

Section 1002 of this act shall not be construed to deny to religious, charitable, educational, benevolent or scientific corporations the right to exercise any trust powers granted to them by existing law or any trust agreement.

Added by Laws 1965, c. 473, § 1. Amended by Laws 1997, c. 99, § 1, emerg. eff. April 15, 1997.

§6-1021. Liquidation, dissolution and reorganization of trust companies.

A. A trust company may be liquidated, dissolved and reorganized, for the reasons, in the manner and with the procedures as set forth in Article XII of this act, as such article would be applicable to trust companies, as if trust company were included in the article, with the same force and effect as if named where the word "bank" appears.

B. Voluntary liquidation and dissolution. A trust company may be voluntarily liquidated, as a state bank may be voluntarily liquidated, as provided in Section 1201 of this title.

C. Involuntary liquidation by Commissioner - Reorganization. Except as otherwise provided in this Code, only the Commissioner may take possession of a trust company and proceed in involuntary liquidation or reorganization, in the same manner, for the same reasons, and with the same procedures as provided in Section 1202 of this title, in addition to the other provisions contained in this article affecting the regulation of trust companies.

D. Reorganization. The reorganization of a trust company shall follow the standard manner and procedures contained in Section 1203 of this title, which applies to banks, where the same is applicable to trust companies.

E. Liquidation by Commissioner - Procedure. In liquidating a trust company, the form, manner and procedures shall follow, where applicable, the same form, manner and procedure as for banks contained in Section 1204 of this title.

Added by Laws 1968, c. 93, § 18, emerg. eff. April 1, 1968. Amended by Laws 1997, c. 111, § 86, eff. July 1, 1997.

§6-1022. Banks, trust companies and national banking associations - Registration in name of nominee securities held in fiduciary capacity.

Every bank, trust company and national banking association is authorized to cause securities held as a fiduciary, custodian or managing agent by such bank, trust company or national banking association, whether alone or jointly with an individual, with the consent of the individual fiduciary, if any, (who is hereby authorized to give such consent) to be registered and held in the name of a nominee of such bank, trust company or national banking association without disclosure of the fiduciary relationship. Any such bank, trust company or national banking association shall be liable for any loss occasioned by the acts of its nominee with respect to the securities so registered. The records of the bank, trust company or national banking association shall at all times show the ownership of such securities and of those held in bearer form. Such securities and those held in bearer form shall at all

times be kept separate from the assets of the bank, trust company or national banking association and may be maintained as follows:

(1) in a manner such that all certificates representing the securities from time to time constituting the assets of a particular estate, trust or other fiduciary account are held separate from those of all other estates, trusts or accounts; or

(2) in a manner such that, without certification as to ownership attached, certificates representing securities of the same class of the same issuer and from time to time constituting assets of particular estates, trusts or other fiduciary accounts are held in bulk, including, to the extent feasible, the merging of certificates of small denomination into one or more certificates of large denomination, provided that the bank, trust company or national banking association when operating under the method of safekeeping security certificates described in this subparagraph (2), shall be subject to such rules and regulations as, in the case of a state chartered bank or trust company, the Commissioner and, in the case of a national banking association, the Comptroller of the Currency, may from time to time issue.

Added by Laws 1975, c. 123, § 1, emerg. eff. May 13, 1975.

§6-1023. Deposit of securities in clearing corporation or Federal Reserve Bank.

A. Notwithstanding any other provisions of law, any bank, trust company, or national banking association holding securities in its fiduciary capacity, any bank, trust company, or national banking association holding securities as custodian or managing agent, and any bank, trust company, or national banking association holding securities as custodian for a fiduciary is authorized to deposit or arrange for the deposit of securities in a clearing corporation, as defined in paragraph (5) of subsection (a) of Section 8-102 of Title 12A of the Oklahoma Statutes, or where the securities are those of the United States of America, to deposit or arrange for the deposit of the securities at the Federal Reserve Bank under regulations prescribed from time to time by the Comptroller of the Currency. When securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of the clearing corporation with any other securities deposited in the clearing corporation by any person regardless of the ownership of the securities, and certificates of small denominations may be merged into one or more certificates of larger denomination. The records of the fiduciary and the records of the bank, trust company, or national banking association acting as custodian, managing agent, or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities have been deposited. Ownership of, and other interest in, the securities may be transferred by bookkeeping entry

on the books of the clearing corporation without physical delivery of certificates representing the securities. A bank, trust company, or national banking association which deposits securities pursuant to this section shall be subject to such rules and regulations as, in the case of a state chartered institution, the Commissioner and, in the case of a national banking association, the Comptroller of the Currency, may from time to time issue. A bank, trust company, or national banking association acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities deposited by the bank, trust company, or national banking association in the clearing corporation for the account of the fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of the fiduciary's account or on demand by the attorney for the party, certify in writing to the party the securities deposited by the fiduciary in the clearing corporation for its account as the fiduciary.

B. This section shall apply to any fiduciary holding securities in its fiduciary capacity, and any bank, trust company, or national banking association holding securities as a custodian, managing agent, or custodian for a fiduciary, acting on the effective date of this section or who thereafter may act regardless of the date of the agreement, instrument, or court order by which it is appointed and regardless of whether or not the fiduciary, custodian, managing agent, or custodian for a fiduciary, owns capital stock of the clearing corporation.

Added by Laws 1975, c. 123, § 3, emerg. eff. May 13, 1975. Amended by Laws 1999, c. 141, § 1, eff. Nov. 1, 1999.

§6-1024. Acquisition of control of trust company - Notice - Approval - Review - Penalties.

A. For purposes of this section:

1. "Control" means the power, directly or indirectly, to direct the management or policies of a trust company or to vote twenty-five percent (25%) or more of any class of voting securities of a trust company;

2. "Person" means an individual, corporation, partnership, limited liability company, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated association, and any other legal entity; and

3. "Trust company" shall not include any trust department of banks authorized to engage in the trust company business.

B. No person, acting directly or indirectly or through or in concert with one or more other persons, shall acquire control of any trust company through a purchase, assignment, transfer, pledge, or other disposition of voting stock of a trust company unless the Commissioner has been given sixty (60) days' prior written notice of the proposed acquisition and, within that time period, the



Commissioner has not issued a notice disapproving the proposed acquisition or extending for up to another thirty (30) days the period during which the disapproval may be issued. The period for disapproval may be further extended if the Commissioner determines that any acquiring party has not furnished all the information required under subsection F of this section or that in the judgment of the Commissioner any material information submitted is substantially inaccurate. An acquisition may be made prior to expiration of the disapproval period if the Commissioner issues written notice of the intent of the Commissioner not to disapprove the action.

C. Upon receiving any notice under this section, the Commissioner shall forward a copy thereof to interested persons unless the Commissioner determines that the Commissioner must act immediately upon the notice in order to prevent the probable failure of the trust company involved in the proposed acquisition.

D. Within ten (10) days after the decision of the Commissioner to disapprove any proposed acquisition, the Commissioner shall notify the acquiring party in writing of the disapproval.

E. Within ten (10) days of receipt of a notice of disapproval, the acquiring party may request a hearing before the Board on the proposed acquisition. At the conclusion thereof, the Board shall by order approve or disapprove the proposed acquisition on the basis of the record made at the hearing.

F. Any person whose proposed acquisition is disapproved after agency hearings under this section may obtain review by the Supreme Court by filing a petition in error with the clerk of the court within thirty (30) days from the date the order is filed, and simultaneously sending a copy of the petition by registered or certified mail to the Board. The form for the petition in error, and all other procedures governing the appeal, including the time and manner for designation and completion of the record of the proceedings to be reviewed, shall be in accordance with the rules of the Supreme Court. The findings of the Board shall be set aside if found to be arbitrary or capricious.

G. Except as otherwise provided by regulation of the Board, a notice filed pursuant to this section shall contain the following information:

1. The name, address, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the material business activities and affiliations of each person during the past five (5) years, and a description of any material pending legal or administrative proceedings in which each person is a party and any criminal indictment or conviction of each person by a state or federal court;

2. A statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five (5) fiscal years immediately preceding the date of the notice, together with related statements of income and source and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income and source and application of funds, as of a date not more than ninety (90) days prior to the date of the filing of the notice;

3. The terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;

4. The identity, source and amount of the funds or other consideration used or to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with each person;

5. Any plans or proposals which any acquiring party making the acquisition may have to liquidate the trust company, to sell its assets or merge it with any company or to make any other major change in its business, corporate structure, or management;

6. The identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on behalf of the person, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of employment, retainer, or arrangement for compensation;

7. Copies of all invitations or tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition; and

8. Any additional relevant information in such form as the Board may require by regulation or by specific request in connection with any particular notice.

H. The Commissioner may disapprove any proposed acquisition upon finding that:

1. The proposed acquisition of control would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize in any part of the United States;

2. The effect of the proposed acquisition of control in any section of the country may be substantially to lessen competition or to tend to create a monopoly or the proposed acquisition of control would in any other manner be in restraint of trade, and the anticompetitive effects of the proposed acquisition of control are

not clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served;

3. The financial condition of any acquiring person might jeopardize the financial stability of the trust company or prejudice the interests of any depositors of the trust company;

4. The competence, experience, or integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the trust company, or in the interest of the public, to permit such person to control the trust company; or

5. Any acquiring person neglects, fails, or refuses to furnish to the Commissioner all the information required by the Commissioner.

I. Any person who willfully violates any provision of this section, or any regulation or order of the Commissioner or Board pursuant thereto, shall forfeit and pay a civil penalty of not more than Ten Thousand Dollars (\$10,000.00) per day for each day during which a violation continues. The Board shall have authority to assess a civil penalty, after giving notice and an opportunity to the person to submit data, views, and arguments, and after giving due consideration to the appropriateness of the penalty with respect to the size of financial resources and good faith of the person charged, the gravity of the violation, and any data, views, and arguments submitted. The Commissioner may collect a civil penalty by agreement with the person or by bringing an action in the appropriate district court, except that in a civil action, the person against whom the penalty has been assessed shall have a right to trial de novo.

Added by Laws 1986, c. 316, § 8, emerg. eff. June 24, 1986. Amended by Laws 1997, c. 111, § 87, eff. July 1, 1997; Laws 1999, c. 293, § 1, eff. Nov. 1, 1999.

§6-1101. Merger or conversion.

A. Resulting State Bank. Upon approval of the Board, banks or savings associations may be merged with or converted into a resulting state bank as hereafter prescribed, except that the action by a constituent national bank or federal savings association shall be taken in the manner prescribed by and shall be subject to any limitation or requirements imposed by any law of the United States which shall also govern the rights of its dissenting shareholders.

B. Resulting National Bank. Nothing in the law of this state shall restrict the right of a state bank or state savings association to merge with or convert into a resulting national bank. The action to be taken by a constituent state bank or state savings association and its rights and liabilities and those of its shareholders shall be the same as those prescribed for national

banks at the time of the action by the applicable laws of the United States and not by the laws of this state. Upon the completion of the merger or conversion into a national bank, all authority and the charter of any merging or converting state bank or state savings association shall automatically terminate.

Added by Laws 1965, c. 161, § 1101. Amended by Laws 1990, c. 173, § 7, emerg. eff. May 3, 1990.

§6-1102. Approval of merger by directors and merger agreement.

Where there is to be a resulting state bank, the board of directors of each constituent bank or savings association shall, by a majority of the entire board, approve a merger agreement which shall contain:

1. The name of each constituent bank or savings association and the location of each office;

2. With respect to the resulting bank the name and the location of each proposed office; the name and residence of each director to serve until the next annual meeting of the stockholders; the name and residence of each officer; the amount of capital, the number of shares and the par value of each share; whether preferred stock is to be issued and the amount, terms and preferences; the amendments to the charter and bylaws;

3. The terms for the exchange of shares of the constituent banks or savings associations for those of the resulting bank;

4. A statement that the merger and the merger agreement are subject to approval by the Board and by the stockholders of each constituent bank or savings association;

5. Provisions governing the manner of disposing of the shares of the resulting state bank not taken by dissenting shareholders of constituent banks or savings associations; and

6. Such other provisions as the Board requires to enable it to discharge its duties with respect to the merger.

Added by Laws 1965, c. 161, § 1102. Amended by Laws 1990, c. 173, § 8, emerg. eff. May 3, 1990; Laws 1993, c. 183, § 16, eff. July 1, 1993.

§6-1103. Approval by Board.

A. After approval by the board of directors of each constituent bank or savings association, the merger agreement shall be submitted to the Banking Board for approval, together with a fee for review of the merger as required by rule of the Banking Board which shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title, certified copies of the authorizing resolutions of the several boards of directors showing approval by a majority of the entire board and evidence of proper action by the board of directors of any constituent national bank or federal savings association.

B. Without approval by the Board, no asset shall be carried on the books of the resulting bank at a valuation higher than that on the books of the constituent bank or savings association at the time of the last examination by a state or national bank examiner or savings association examiner before the effective date of the merger.

C. Within thirty (30) days after receipt by the Board of the fee and papers specified in subsection A of this section, the Board shall approve or disapprove the merger and the merger agreement. The Board shall approve the merger and the merger agreement if it appears that:

1. The resulting state bank meets all the requirements of state law as to the formation of a new state bank;
2. The agreement provides an adequate capital structure including surplus in relation to the deposit liabilities of the resulting state bank and its other activities which are to continue or are to be undertaken;
3. The agreement is fair; and
4. The merger is not contrary to the public interest.

If the Board disapproves a merger or a merger agreement, it shall state its objections and give an opportunity to the constituent banks or savings associations to amend the merger agreement to obviate such objection. The Board may by rule establish a procedure whereby the State Banking Commissioner may grant approval of the merger or merger agreement without a hearing before the Board. The procedure shall include criteria set by the Board to be applied by the Commissioner in the consideration of the application.

D. Where the resulting state bank is not to exercise trust powers, the Board shall not approve a merger until satisfied that adequate provision has been made for successors to fiduciary positions held by constituent banks or savings associations, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of this title. Added by Laws 1965, c. 161, § 1103. Amended by Laws 1968, c. 93, § 10, emerg. eff. April 1, 1968; Laws 1990, c. 173, § 9, emerg. eff. May 3, 1990; Laws 1993, c. 183, § 17, eff. July 1, 1993; Laws 1995, c. 36, § 19, eff. July 1, 1995; Laws 1997, c. 111, § 88, eff. July 1, 1997; Laws 2000, c. 205, § 23, emerg. eff. May 17, 2000.

§6-1104. Stockholder approval - Notice requirements - Rights of dissenters - Appraisal expense - Valuation and payment of dissenting shares.

A. Stockholder approval. To be effective, a merger must be approved by the stockholders of each constituent state bank or savings association by a majority vote of the outstanding voting stock at a meeting called to consider such action, which vote shall

constitute the adoption of the charter and bylaws of the resulting state bank, including the amendments set forth in the merger agreement.

B. Notice requirements. The notice of the meeting of stockholders shall state that dissenting stockholders will be entitled to payment of the value of only those shares which are voted against the approval of the plan. Such notice of the meeting of the stockholders shall be given by publication in a newspaper of general circulation in the place where the principal office of each merging bank or savings association is located, at least once a week for four (4) successive weeks, and by mail, at least fifteen (15) days before the date of the meeting, to each stockholder of record of each merging bank or savings association at the address of the stockholder on the books of the bank or savings association of the stockholder, who has not waived such notice in writing; no notice by publication need be given if written waivers are received from the holders of a majority of the outstanding shares of each class of voting stock.

C. Rights of dissenters and value of shares. The owner of shares which were voted against the approval of the merger shall be entitled to receive their value in cash, if and when the merger becomes effective, upon written demand, made to the resulting state bank at any time within thirty (30) days after the effective date of the merger, accompanied by the surrender of the stock certificates. The value of such shares shall be determined as of the date of the shareholders' meeting approving the merger, by three appraisers, one to be selected by the owners of a majority of the dissenting shares involved, one by the board of directors of the resulting state bank, and the third by the two so chosen. The valuation agreed upon by any two appraisers shall govern or, if no agreed value is achieved by at least two of the appraisers, the median valuation shall govern. If the appraisal is not completed within ninety (90) days after the merger becomes effective, the Commissioner shall cause an appraisal to be made, which shall be final and binding on all parties.

D. Appraisal expense. If the valuation of the dissenting shares by the appraisal is the same or less than the amount offered the dissenting stockholder, the expenses of appraisal shall be paid by the dissenting stockholder(s) in the proportion of their share to the total dissenting shares. If the valuation of the dissenting shares by the appraisal is greater than the amount offered the dissenting stockholder, the expenses of appraisal shall be paid by the resulting state bank.

E. Valuation and payment of dissenting shares. The resulting state bank may fix an amount which it considers to be not more than the fair market value of the shares of a constituent bank or savings association at the time of the stockholders' meeting approving the

merger, which it will pay dissenting shareholders of that constituent bank or savings association entitled to payment in cash. The amount due under such accepted offer or under the appraisal shall constitute a debt of the resulting state bank.

Added by Laws 1965, c. 161, § 1104. Amended by Laws 1990, c. 173, § 10, emerg. eff. May 3, 1990; Laws 1997, c. 111, § 89, eff. July 1, 1997.

§6-1105. Effective date of merger, filing of approved agreement, certificate of merger as evidence.

A. A merger shall, unless a later date is specified in the agreement, become effective upon the filing with the Board of the executed agreement together with copies of the resolutions of the stockholders of each constituent bank or savings association approving it, certified by such bank's or savings association's president or a vice-president and a secretary. The charters of the constituent banks or savings associations, other than the resulting bank, shall thereupon be deemed surrendered.

B. The Board shall thereupon issue to the resulting bank a certificate of merger, setting forth the name of each constituent bank or savings association and the name of the resulting state bank. Such certificate shall be conclusive evidence of the merger and of the correctness of all proceedings therefor in all courts and places, and may be recorded in any office for the recording of deeds to evidence the new name in which the property of the constituent banks or savings associations is held.

Added by Laws 1965, c. 161, § 1105. Amended by Laws 1990, c. 173, § 11, emerg. eff. May 3, 1990.

§6-1106. Continuation of corporate entity.

A. The resulting state bank shall be considered the same business and corporate entity as each constituent bank or savings association with all of the rights, powers, and duties of each constituent bank or savings association, except as limited by the charter and bylaws of the resulting state bank.

B. The resulting state bank shall have the right to use the name of any constituent bank or savings association whenever it can do any act under such name more conveniently.

C. Any reference to any constituent bank or savings association in any writing, whether executed or taking effect before or after the merger, shall be deemed a reference to the resulting state bank if not inconsistent with the other provisions of such writing.

Added by Laws 1965, c. 161, § 1106. Amended by Laws 1990, c. 173, § 12, emerg. eff. May 3, 1990.

§6-1107. Conversion from state bank to national and of national to state bank, and trust powers.

A. State bank conversion to national bank. Nothing in the law of this state shall restrict the right of a state bank to convert into a national bank upon compliance with the laws of the United States, and upon completion of such conversion it shall surrender its charter as a state bank.

B. National bank conversion to state bank. A national bank located in this state, which follows the procedure prescribed by federal law to convert into a state bank, shall be granted a state charter if it meets the requirements for the incorporation of a state bank and the standards and requirements set forth by rules and regulations of the Board. Any requirements that shares must be paid in cash may be satisfied by the exchange of shares of the converted state bank for those of the converting national bank, which may be valued at no more than their fair cash market value. The procedure for incorporation of a state bank may be modified to the extent made necessary by the difference between an ordinary incorporation and a conversion.

C. Preservation of identity and use of prior name. The converted bank shall be considered the same business and corporate entity as the converting bank with all of the rights, powers and duties of the converting bank except as limited by the charter and bylaws of the resulting bank. It may use the name of the converting bank whenever it can do any act under such name more conveniently.

D. Succession to fiduciary positions. Where a resulting state bank is not to exercise trust powers, the Board shall not approve a merger or conversion until satisfied that adequate provision has been made for successors to fiduciary positions held by the merging banks or the converting bank, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of this Code.

E. Continuation of corporate entity. Any reference to the converting bank in any writing, whether executed or taking effect before or after the conversion, shall be deemed a reference to the converted bank if not inconsistent with the other provisions of such writing.

Added by Laws 1965, c. 161, § 1107. Amended by Laws 1968, c. 93, § 11, emerg. eff. April 1, 1968; Laws 1993, c. 183, § 18, eff. July 1, 1993.

§6-1108. Nonconforming assets of business.

If a constituent bank or savings association has assets which do not conform to the requirements of state law for the resulting bank, or if a converting national bank has assets which do not conform to the requirements of state law for the converted state bank, or in either case there are business activities which are not permitted for the resulting or converted state bank, the Commissioner may permit a reasonable time to conform with state law.



Added by Laws 1965, c. 161, § 1108. Amended by Laws 1990, c. 173, § 13, emerg. eff. May 3, 1990.

§6-1109. Sale or purchase of all assets of bank, trust company or savings association or of department or branch thereof.

A. 1. Any bank or savings association may sell to any other bank or savings association all, or substantially all, of the selling institution's assets and business; or all, or substantially all, of the assets and business of any department or branch of the selling institution.

2. Any trust company, bank, or savings association may sell to any other trust company, bank, or savings association all, or substantially all, of the assets and trust business of such trust company, bank, or savings association, or all, or substantially all, of the assets and business of any department or branch of the selling trust company, bank, or savings association.

B. 1. Any bank or savings association may, upon assuming the liabilities relating thereto, purchase all, or substantially all, of the assets and business of another bank or savings association, or all, or substantially all, of the assets and business of any department or branch of another bank or savings association.

2. Any trust company, bank, or savings association may, subject to the requirements of subsection E of this section, purchase all, or substantially all, of the assets and business of another trust company, bank, or savings association, or all, or substantially all, of the assets and business of any department or branch of another trust company, bank, or savings association. If the purchasing or selling institution is an out-of-state institution, the agreement of purchase and sale shall be authorized and approved by the board of directors of the institution in accordance with such laws as shall be applicable.

C. The agreement of purchase and sale shall be authorized and approved by the boards of directors of the purchasing and selling banks, trust companies, or savings associations. If the agreement of purchase and sale includes the transfer of a majority of the assets or the transfer of a majority of the deposits of a selling institution, the agreement of purchase and sale shall be authorized and approved by the vote of a majority of the outstanding shares of the selling institution at a meeting called for the purpose in like manner as meetings to approve mergers are called pursuant to Section 1104 of this title and the stockholders shall be entitled to dissent in the same manner as provided in Section 1104 of this title. If the agreement of purchase and sale includes the purchase of assets which are greater than fifty percent (50%) of the purchasing institution's assets prior to the purchase, or includes the assumption of deposits which are greater than fifty percent (50%) of the purchasing institution's deposits prior to the purchase, the

agreement of purchase and sale shall be authorized and approved by the vote of a majority of the outstanding shares of the purchasing institution at a meeting called for the purpose in like manner as meetings to approve mergers are called pursuant to Section 1104 of this title and the stockholders shall be entitled to dissent in the same manner as provided in Section 1104 of this title. If the stockholders of an institution are hereby entitled to dissent, they shall receive notice of their right to dissent along with notice of the stockholders' meeting which is to consider the agreement of purchase and sale, in the same manner as provided in Section 1104 of this title with respect to mergers. Copies of the agreement of purchase and sale shall be filed with and subject to the approval of the State Banking Commissioner, together with a fee for review of the transaction as required by rule of the Banking Board, and shall be accompanied by evidence of such stockholders' approval thereof in like manner as agreements of merger are filed.

D. After the approval required by subsection C of this section is given by the stockholders, a notice of such purchase and sale shall be published once a week for two (2) successive weeks in a newspaper of general circulation in the county in which the assets of the selling bank, trust company, or savings association are located if the entity is an Oklahoma institution, and if not, shall be published as required by the law of the state where the selling institution is located. Proof of such publication shall be filed with the Oklahoma State Banking Department. The Commissioner may permit the requirement for publication of notice to be satisfied after the purchase and sale becomes effective if the Commissioner determines that:

1. The selling bank, trust company, or savings association is solvent, but either is close to insolvency or is experiencing a run on deposits;

2. The terms of the agreement of purchase and sale are essentially fair to the selling bank, trust company, or savings association; and

3. The selling bank, trust company, or savings association will remain solvent after the purchase and sale.

E. Any deposit account or certificate of deposit which is unconditionally assumed by the purchasing institution pursuant to an agreement approved by the Commissioner, and which, after a depositor's preexisting accounts at the purchasing institution are added to the accounts assumed from the selling institution, is fully covered by the FDIC insurance limits at the purchasing institution, shall cease to be an obligation of the selling institution after the purchase and sale becomes effective. Notwithstanding any term of the purchase and sale agreement or of the contract of deposit, a deposit account, certificate of deposit or other creditor's account

shall be deemed to be only conditionally assumed by the purchasing institution if:

1. The amount of the preexisting accounts of the depositor at the purchasing institution, together with the accounts of such depositor which are assumed from the selling institution, would exceed the FDIC insurance limits of the purchasing institution; or

2. The claims of a depositor or other creditor against a selling institution and the loans of the depositor or other creditor from the selling institution are not simultaneously assumed by the purchasing institution so as to preserve a right of set-off. Any depositor or creditor of the selling institution whose business is conditionally sold has the right, after such sale:

- a. upon payment of any indebtedness owing by the depositor or creditor to the selling institution, to withdraw the deposit of the depositor or creditor in full from the selling institution on demand, or
- b. to exercise the right of set-off of such depositor or creditor.

3. Notwithstanding the preceding language of paragraphs 1 and 2 of this subsection, after a person deals with the purchasing institution with knowledge of the purchase, such person's deposit or account shall no longer be deemed to be only conditionally assumed.

F. 1. The agreement of sale may provide for the transfer to the purchasing institution of all fiduciary positions held by the selling institution. The purchasing institution shall enjoy all such positions and all rights, property, franchises, and interests, including any and all fiduciary positions to and for which the selling institution may have been appointed, nominated, or designated by any will, agreement, conveyance, or otherwise, whether or not such position is in effect at the time of the substitution, in the same manner and to the same extent as all such positions were held and enjoyed by the selling institution.

2. The selling and purchasing institutions shall jointly file a petition with the district court of the county in which the main office of the selling institution is situated requesting that the purchasing institution be substituted, except as may be expressly excluded in such petition, in every fiduciary position of the selling institution. Such petition need not designate the fiduciary positions in which the requested substitution is to be made.

3. Upon the filing of such petition, the court shall enter an order setting the petition for hearing and shall direct that notice of the hearing be given in the manner provided in this subsection or in the manner required by the law of the state where the selling institution is located if it is an out-of-state institution.

4. A copy of the order provided for in paragraph 3 of this subsection shall be published once a week for two (2) successive weeks in a newspaper of general circulation to be designated by the

court and published in the county in which the petition was filed. If there is no newspaper published in such county, publication shall be made in a newspaper of general circulation in the State of Oklahoma designated by the court. Proof of publication shall be made in the same manner as proof of publication of summons is made.

5. The filing of such petition and the making and entering of such order and the giving of notice of such order as required by this subsection gives the court full jurisdiction of the trusts and all parties interested therein. The court having jurisdiction in such matter shall require the selling institution to mail, by registered mail postage prepaid, a copy of such order to each living trustor of all private trusts in which such institution is trustee or to the then directly participating beneficiaries of all private trusts in which there is no living trustor. Such notice shall be mailed to the last-known address of each such trustor or participating beneficiary as shown by or as may be ascertained by reasonably diligent efforts from the records of such institution. Proof of mailing shall be in such form as the court shall require.

6. The district court shall enter a single order substituting the purchasing institution in every fiduciary position to and for which the selling institution may have been appointed, nominated, or designated by any will, agreement, conveyance, or otherwise, whether or not such position is in effect at the time of the substitution, except as may be otherwise specified in such order, upon its finding as follows:

- a. notice of hearing the petition has been given as required by this subsection,
- b. the purchasing institution is duly authorized to exercise trust and fiduciary powers in Oklahoma,
- c. the selling and purchasing institutions are not directly or indirectly owned or controlled by the same holding company or multibank holding company, or, if the selling and purchasing institutions are directly or indirectly owned or controlled by the same holding company or multibank holding company, then the purchasing institution shall assume all trust liabilities of the selling institution, and
- d. such sale or transfer was not made in order to avoid any liability incurred by the selling institution.

7. Upon entry of such order, the purchasing institution shall, without further act, be substituted in every such fiduciary position, and such substitution may be evidenced by filing a certified copy of the order with the clerk of any district court in this state.

8. Notwithstanding the foregoing provisions of this subsection, the provisions of the instrument creating each fiduciary position

subject to the agreement of sale shall control such succession, if such instrument so provides.

G. Except as provided for in subsection E of this section, no right against or obligation of the selling institution in respect of the assets or business sold shall be released or impaired by the sale until one (1) year from the last date of publication of the notice pursuant to subsection D or F of this section, but after the expiration of such year no action can be brought against the selling institution on account of any deposit, obligation, trust or asset transferred to or liability assumed by the purchasing institution.

H. This section shall be applicable to any bank, trust company, or savings association, regardless of whether its main office or charter is located within this state or elsewhere.

Added by Laws 1965, c. 161, § 1109. Amended by Laws 1968, c. 93, § 12, emerg. eff. April 1, 1968; Laws 1986, c. 316, § 9, emerg. eff. June 24, 1986; Laws 1988, c. 319, § 2, eff. Nov. 1, 1988; Laws 1990, c. 173, § 14, emerg. eff. May 3, 1990; Laws 1992, c. 295, § 5, eff. July 1, 1992; Laws 1995, c. 36, § 20, eff. July 1, 1995; Laws 1997, c. 111, § 90, eff. July 1, 1997; Laws 1998, c. 104, § 39, eff. Nov. 1, 1998; Laws 2000, c. 205, § 24, emerg. eff. May 17, 2000.

§6-1109.1. Sale of assets other than in the ordinary course of business.

In any circumstance other than in the ordinary course of business, a bank may sell any asset with the prior approval of the Commissioner. The sale of all, or substantially all, of the assets of a bank or of a department thereof shall be governed by Section 1109 of Title 6 of the Oklahoma Statutes.

Added by Laws 1997, c. 111, § 91, eff. July 1, 1997.

§6-1110. Book value of assets.

Without approval by the Commissioner no asset shall be carried on the books of the resulting bank or purchasing bank at a valuation higher than that on the books of a merging, converting bank or selling bank at the time of its last examination by a state or national bank examiner before the effective date of the merger, conversion or sale.

Added by Laws 1965, c. 161, § 1110.

§6-1111. Merger with parent bank holding company, nonbank subsidiary of parent bank holding company or subsidiary.

A. Upon approval by the Banking Board, and subject to satisfying each of the criteria contained in subsection B of this section and complying with the procedures required by subsection C of this section, a state bank may merge with:

1. Its parent bank holding company;

2. One or more nonbank subsidiaries of its parent bank holding company; or

3. One or more subsidiaries of the state bank.

B. The form and effect of any merger pursuant to this section must be consistent with the following criteria:

1. The state bank must be the resulting entity which is the survivor of the merger;

2. The merger shall not result in any additional branch office of the state bank, unless such additional branch is approved pursuant to the bank's de novo branching authority under Section 501.1 of this title;

3. Any activity carried on by any nonbank company which is a party to the merger shall be terminated at the effective time of the merger unless that activity is permissible for the resulting state bank;

4. Any asset or investment which is held by a constituent nonbank company and which is not permitted to be held by a resulting state bank shall be divested at or before the effective time of the merger, unless the state bank obtains prior approval for a longer divestiture period from the Commissioner in the manner provided in Section 1108 of this title and from appropriate federal banking agencies in accordance with any applicable federal banking laws or regulations;

5. The merger shall not create an unsafe weakening of the resulting state bank's condition. However, the Board shall have discretion to approve a merger which will have the effect of materially strengthening a weakened bank, even if the resulting state bank's condition or capital will remain less than satisfactory; and

6. The applicant bank shall present an acceptable plan for minimizing or eliminating the potential adverse impact of any significant debt or other direct or contingent liabilities of any nonbank company that will be merged into the resulting state bank.

C. A merger pursuant to this section shall be governed by all of the provisions and procedures of Sections 1102 through 1106 of this title. For this purpose such sections shall be interpreted so far as reasonably applicable as if any nonbank company which is a party to the merger were instead a constituent state bank being merged into the resulting state bank.

Added by Laws 1993, c. 183, § 19, eff. July 1, 1993. Amended by Laws 1997, c. 111, § 92, eff. July 1, 1997; Laws 2003, c. 180, § 5, eff. Nov. 1, 2003.

§6-1201. Voluntary liquidation and dissolution.

A. Voluntary liquidation - Approval of stockholders and Banking Board. With the approval of the Board, a state bank may liquidate and dissolve. The Board shall grant such approval if it appears

that the proposal to liquidate and dissolve has been approved by a majority vote of the outstanding voting stock at a meeting called for that purpose, or if all shareholders entitled to vote thereon shall consent in writing, and that after giving effect to any proposed purchase of the assets of the bank and assumption of its liabilities as provided for in Section 1109 of this title the state bank will be solvent and will have sufficient liquid assets to pay off any remaining depositors and creditors immediately.

B. Cessation of business - Notice of liquidation - Safe deposit boxes - Distribution.

1. Upon approval by the Board, the bank shall forthwith cease to do business, shall have only the powers necessary to effect an orderly liquidation and shall proceed to pay its remaining depositors and creditors and to wind up its affairs.

2. Within thirty (30) days of the approval, the state bank shall send a notice of liquidation by mail to each depositor, creditor, person interested in funds held as a fiduciary, lessee of a safe deposit box and bailor of property at the address of such person as shown on the books of the bank; provided, however, in the case of all depositors, creditors, loan customers or lessees of safe deposit boxes whose deposits, accounts or other contractual arrangements with the state bank have been purchased or assumed as provided for in Section 1109 of this title, a notice of purchase and assumption shall be sent by the purchasing and assuming bank in lieu of a notice of liquidation by the liquidating state bank. The notice prepared by the state bank shall also be posted conspicuously on the premises of the bank and shall be given such publication as the Commissioner may require. The purchasing and assuming bank or the liquidating bank, as applicable, shall send with each notice a statement of the amount shown on the books to be the claim or liability of the depositor, creditor or other customer. Each such notice shall demand that claims of depositors and creditors, or corrected statements of amounts owed by the customer, if the amount claimed or owed differs from that stated in the notice, be filed with the notifying bank before a specified date not earlier than sixty (60) days thereafter in accordance with the procedure prescribed in the notice. The notice prepared by the liquidating bank shall also demand that property held by the bank as bailee or in a safe deposit box not taken over by a purchasing and assuming bank be withdrawn by the person entitled thereto.

3. As soon after approval as may be practicable the state bank shall resign all fiduciary positions and take such action as may be necessary to settle its fiduciary accounts, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of this Code.

4. Any safe deposit boxes which have not been taken over by a purchasing and assuming bank, and the contents of which have not

been removed within thirty (30) days after demand, shall be opened. Sealed packages containing the contents of such box, with a certificate of inventory of contents, together with any other unclaimed property held by the bank as bailee and certified inventories thereof, shall be transferred to the Commissioner, who shall administer them in accordance with the provisions of the Uniform Unclaimed Property Act (1981).

5. The approval of an application for liquidation shall not impair the right of a depositor or creditor whose account has not been unconditionally assumed by a purchasing and assuming bank to be paid in full by the liquidating bank, and all lawful claims of remaining creditors and depositors of the liquidating bank shall promptly be paid. The unearned portion of the rental of a safe deposit box not taken over by a purchasing and assuming bank shall be returned to the lessee.

6. Any assets remaining after the discharge of or adequate provision for all obligations shall be distributed to the stockholders in accordance with their respective interests. No such distribution shall be made before all claims of depositors and creditors have been:

- a. assumed as provided for in Section 1109 of this title,
- b. provided for by the establishment of a reserve fund in an amount approved by the Commissioner,
- c. paid by the liquidating bank, or
- d. in the case of any disputed claim, provided for by transmittal to the Commissioner of a sum adequate to meet any liability that may be judicially determined.

C. Unclaimed funds. Any unclaimed distribution to a stockholder or depositor shall be held until ninety (90) days after the final distribution and then transmitted to the Commissioner who shall administer them in accordance with the provisions of the Uniform Unclaimed Property Act (1981).

D. Possession and liquidation by Commissioner. If the Commissioner finds that assets will be insufficient for the full discharge of all obligations or that completion of the liquidation has been unduly delayed, the Commissioner may take possession and complete the liquidation in the manner provided in this Code for involuntary liquidations.

E. Cancellation. The Commissioner may require reports of the progress of liquidation. Whenever the Commissioner is satisfied that the liquidation has been properly completed, the Commissioner shall enter an order of dissolution and recommend to the Secretary of State the bank's certificate of incorporation be canceled, upon receipt of which the Secretary of State shall cancel such certificate.

Added by Laws 1965, c. 161, § 1201. Amended by Laws 1968, c. 93, § 13, emerg. eff. April 1, 1968; Laws 1986, c. 316, § 10, emerg. eff.



June 24, 1986; Laws 1991, c. 331, § 45, eff. Sept. 1, 1991; Laws 1997, c. 111, § 93, eff. July 1, 1997.

§6-1202. Involuntary liquidation by Commissioner - Reorganization.

A. Possession of Commissioner - Hearing. Except as otherwise provided in this Code, only the State Banking Commissioner may take possession of a bank, if, after a hearing before the Banking Board, the Board shall find:

1. That it is insolvent;
2. The bank's capital is impaired, and has not been corrected as provided in Section 220 of this title, or is otherwise in an unsound condition;
3. The bank's business is being conducted in an unlawful or unsound manner;
4. The bank is unable to continue normal operations; or
5. That examination of the bank has been obstructed or impeded.

B. Notice of possession - Powers and duties of Commissioner - Tolling of limitations.

1. The Commissioner shall take possession by posting upon the premises a notice reciting that the Commissioner is assuming possession pursuant to this Code and the time, not earlier than the posting of the notice, when the Commissioner's possession shall be deemed to commence. A copy of the notice shall be filed in the district court in the county in which the institution is located. Provided, if the Federal Deposit Insurance Corporation is appointed as liquidator pursuant to the provisions of Section 1205 of this title, such notice shall not be filed. When notice of possession is not required to be filed in the district court, references in Article XII of this title to additional filings, notices, orders, or approvals, except approvals by the Board of the Commissioner's actions, shall not apply to the Commissioner's possession or to the liquidation by the Federal Deposit Insurance Corporation. The Commissioner shall notify the Federal Reserve Bank of the district of taking possession of any state bank which is a member of the Federal Reserve System, and shall notify the Federal Deposit Insurance Corporation of taking possession of any state bank which is a member of the Federal Deposit Insurance Corporation.

2. When the Commissioner has taken possession of a state bank, the Commissioner shall be vested with the full and exclusive power of management and control, including the power to continue or to discontinue the business, to stop or to limit the payment of its obligations, to employ any necessary assistants, including legal counsel, to execute any instrument in the name of the bank as Commissioner of Banking in charge of liquidation, to commence, defend and conduct in its name any action or proceeding to which it may be a party, to enforce the liabilities of the stockholders, officers and directors, to terminate the Commissioner's possession

by restoring the assets of the bank to its board of directors and to reorganize or liquidate the bank in accordance with the Code. As soon as practicable after taking possession the Commissioner shall make an inventory of the assets and file a copy thereof with the court in which the notice of possession was filed.

3. When the Commissioner is in possession and while the Commissioner's possession continues there shall be a postponement until six (6) months after such taking, of the date upon which any period of limitation fixed by statute or agreement would otherwise expire on a claim or right of action of the bank, or upon which a review must be taken or a pleading or other document must be filed by the bank in any pending action or proceeding.

4. The Commissioner shall, within two (2) days after taking possession, call and give five (5) days' notice by mail to stockholders of the bank at their last-known address of a special meeting for the purpose of allowing the stockholders to designate the board of directors as the representative of the stockholders or to allow the election of a new board of directors if the stockholders should so determine. Such board of directors are authorized to represent the stockholders in the liquidation procedures herein, to observe, assist and protect the interest of the stockholders.

- a. The board of directors of the bank are authorized to bring all necessary legal actions for and on behalf of the stockholders and to pay attorney's fee in a reasonable amount, if such action benefits the liquidating account of the insolvent bank.
- b. The board of directors, as authorized by the stockholders, shall represent the stockholders in the district court in which the notice of possession has been filed by the Commissioner, as to all matters affecting the bank.

5. The corporate entity of the bank shall continue to exist and may function for all purposes, except as to the assets of and activities as a banking institution under a charter, and may function to assist the Commissioner or to protect the stockholders' interest in the assets of the liquidating account.

C. Omission of hearing - Application to vacate possession - Liquidation - Notice thereof - Objection - Bond of Commissioner - Reorganization - Immediate liquidation of state banks.

1. If in the opinion of the Commissioner an emergency exists which may result in serious losses to the depositors, the Commissioner may take possession of a state bank without a prior hearing. Unless liquidation of the bank has been tendered to the Federal Deposit Insurance Corporation, within ten (10) days after the Commissioner has taken possession any interested person may file an application with the Board for an order vacating such possession.

The Board shall grant the application if it finds that the action of the Commissioner was unwarranted or without sufficient cause.

2. If the Commissioner shall determine to liquidate the bank, the Commissioner shall give such notice of the Commissioner's determination to the directors, stockholders, depositors and creditors as the Board may prescribe. Such notice shall be by restricted delivery to the directors and stockholders at their last-known address as shown on the records of the bank and notice to the depositors and creditors shall be published in a legal newspaper published in the city or town where such bank is located, or if there be no legal newspaper published in such city or town then in a legal newspaper having the greatest paid circulation within such city or town. Any objection to such determination by a person directly affected shall be filed with the Board within ten (10) days after such notice is mailed or published. Unless within ten (10) days thereafter the Board issues an order staying the liquidation or unless the Board directs the Commissioner to tender to the Federal Deposit Insurance Corporation the appointment as liquidator under this section, the Commissioner shall proceed to liquidate the institution, upon first providing a bond executed by some surety company authorized to do business in this state, running to the people of the State of Oklahoma, which meets with the approval of the Board, for the faithful discharge of the duties of the Commissioner, in connection with such liquidation and the accounting for all monies coming into the hands of the Commissioner. The cost of such bond shall be paid from the assets of the bank. Suit may be maintained on such bond by any person injured by a breach of conditions thereof.

3. After the Commissioner shall have taken possession of any bank which is subject to the provisions of this act, the stockholders thereof may repair its credit, restore or substitute its reserves, and otherwise place it in condition so that it is qualified to do a general banking business as before it was taken possession of by the Commissioner; but such bank shall not be permitted to reopen its business until the Commissioner, after a careful investigation of its affairs, is of the opinion that its stockholders have complied with the laws, that the bank's credit and funds are in all respects repaired, and its reserve restored or sufficiently substituted, and that it should be permitted again to reopen for business; whereupon the Commissioner is authorized to issue written permission for reopening of the bank in the same manner as permission to do business is granted after the incorporation thereof, and thereupon the bank may be reopened to do a general banking business.

4. If the Commissioner determines to reorganize the bank or if the Board, after staying its liquidation, orders such reorganization, the Commissioner, after according a hearing to all

interested persons, shall enter an order proposing a reorganization plan. A copy of the plan shall be sent to each depositor and creditor who will not receive payment of the claim of the depositor or creditor in full under the plan, together with notice that, unless within fifteen (15) days the plan is disapproved in writing by persons holding one-third (1/3) or more of the aggregate amount of such claims, the Commissioner will proceed to effect the reorganization. A department, agency, or political subdivision of this state holding a claim which will not be paid in full is authorized to participate as any other creditor.

5. Notwithstanding any other provision of this chapter, the Commissioner, upon taking possession of a state bank, may immediately proceed to liquidate the bank, without giving prior notice to the directors, stockholders, depositors and creditors, if it is determined by order of the court in which notice of possession has been filed that:

- a. the actions of the Commissioner have the approval of the Board, and
- b. the immediate liquidation of the bank is necessary to protect the interests of its depositors and is otherwise in the public interest.

In the proceeding with the immediate liquidation of the bank as aforesaid, the Commissioner, in order to facilitate the assumption of the deposit liabilities of the closed bank by another bank, may borrow moneys from the Federal Deposit Insurance Corporation and pledge some or all of the assets of the closed bank as security for such borrowing or the Commissioner may sell some or all of the assets of the closed bank to the Federal Deposit Insurance Corporation. When notice of possession has not been filed in the district court, the provisions of this paragraph are satisfied by an order of the Board approving the actions of the Commissioner and an order of the Board directing the appointment of the Federal Deposit Insurance Corporation as liquidator.

6. When the Commissioner has taken possession of a state bank for the purpose of liquidation, neither the ten-day periods provided by paragraphs 1 and 2 of this subsection nor the pendency of any proceeding for review of the Commissioner's action shall operate to defer, delay, impede or prevent the payment by the Federal Deposit Insurance Corporation of the insured deposits in the bank.

The Commissioner shall make available to the Federal Deposit Insurance Corporation such facilities in or of the bank and such books, records and other relevant data of the bank as may be necessary or appropriate to enable the Federal Deposit Insurance Corporation to pay the insured deposits as aforesaid, and the Federal Deposit Insurance Corporation, its directors, officers, agents and employees, and the Commissioner, the agents and employees of the Commissioner, shall be free from any liability to the bank,

its directors, stockholders and creditors, for any action taken in connection herewith.

D. Execution upon bank assets prohibited - Vacation of liens and transfer of assets.

1. No judgment, lien or attachment shall be executed upon any asset of the bank while it is in the possession of the Commissioner. Upon the election of the Commissioner in connection with a liquidation or reorganization:

- a. any lien or attachment, other than an attorney's or mechanic's lien, obtained upon any asset of the bank during the Commissioner's possession or within four (4) months prior to commencement thereof shall be vacated and voided except liens created by the Commissioner while in possession, and
- b. any transfer of an asset of the bank made after or in contemplation of its insolvency with intent to effect a preference shall be voided.

2. The provisions of this subsection shall not be construed to authorize the Commissioner to vacate or void any lien or attachment obtained by a Federal Reserve Bank upon any asset of the bank or to void any transfer of an asset of the bank to such Federal Reserve Bank.

E. Power to borrow money and pledge bank's assets. With the approval of the Board, the Commissioner may borrow money in the name of the bank and may pledge its assets as security for the loan.

F. Commissioner's expenses - Payable out of bank's assets. All necessary and reasonable expenses of the Commissioner's possession of a bank and of its reorganization or liquidation shall be defrayed from the assets thereof, including but not limited to any necessary fees or other expenses incurred through the office of the county clerk. Compensation to liquidating agents and employees must not be in excess of amounts which such individuals would be entitled to in their regular employment or for like services rendered within the area of the insolvent bank, and in no event shall a liquidating agent be paid a monthly salary or wage from the assets of the bank in excess of the amount of the monthly salary of the highest-paid official of the insolvent bank. The attorney's fee allowed to an attorney representing the liquidating agent shall not exceed the amount for like services in regular employment of an attorney in the area of the bank.

Added by Laws 1965, c. 161, § 1202. Amended by Laws 1968, c. 93, § 14, emerg. eff. April 1, 1968; Laws 1970, c. 2, § 1, emerg. eff. Feb. 2, 1970; Laws 1977, c. 208, § 13, emerg. eff. June 14, 1977; Laws 1987, c. 135, § 10, emerg. eff. June 3, 1987; Laws 1989, c. 293, § 5, emerg. eff. May 24, 1989; Laws 1993, c. 183, § 20, eff. July 1, 1993; Laws 1997, c. 111, § 94, eff. July 1, 1997; Laws 1997,

c. 374, § 1, eff. July 1, 1997; Laws 2010, c. 62, § 8, emerg. eff. April 9, 2010.

§6-1203. Reorganization.

A. Standards of plan of reorganization. A plan of reorganization shall not be prescribed under this Code unless:

(1) the plan is feasible and fair to all classes of depositors, creditors and stockholders.

(2) the aggregate face amount of the interest accorded to any class of depositors, creditors or stockholders under the plan does not exceed the value of the assets upon liquidation less the full amount of the claims of all prior classes, subject, however, to any fair adjustment for new capital that any class will pay in under the plan.

(3) the plan provides for the issuance of capital stock and, if necessary, debentures in an amount that will provide an adequate ratio to deposits.

(4) any exchange of new common stock for obligations or stock of the bank will be effected in inverse order to the priorities in liquidation of the classes that will retain an interest in the bank and upon terms that fairly adjust any change in the relative interests of the respective classes that will be produced by the exchange.

(5) the plan assures the removal of any director, officer or employee responsible for any unsound or unlawful action or the existence of an unsound condition.

(6) any merger or consolidation provided by the plan conforms to the requirements of this Code.

B. Modification or elimination of plan of reorganization - Notice to Board. Whenever in the course of reorganization supervening conditions render the plan unfair or its execution impractical, the Commissioner may modify the plan or liquidate the institution. Any such action shall be taken by order of the Board upon appropriate notice.

Added by Laws 1965, c. 161, § 1203.

§6-1204. Liquidation by Commissioner - Procedure.

A. Sale of assets - Compromise and payment of claims. In liquidating a state bank the Commissioner may exercise any power thereof but he shall not, without the approval of the court in which notice of possession has been filed:

(1) Sell any asset of the bank having a value in excess of Five Hundred Dollars (\$500.00) or such larger sum as may be determined by the court not exceeding One Hundred Thousand Dollars (\$100,000.00);

(2) Compromise or release any claim if the amount of the claim exceeds Five Hundred Dollars (\$500.00), exclusive of interest or

such larger sum as may be determined by the court not exceeding One Hundred Thousand Dollars (\$100,000.00); and

(3) Make any payment on any claim, other than a claim upon an obligation incurred by the Commissioner, before preparing and filing a schedule of his determinations in accordance with this title.

B. Lease of lands for oil and gas - Royalty - Manner of making lease - Dispensing with notice. The Commissioner is hereby authorized and empowered to lease for oil and/or gas purposes any land vested in the Commissioner as assets of insolvent state banks.

In making or executing any such lease the Commissioner shall retain and reserve a royalty of not less than one-eighth of the oil and/or gas produced from said land. Said lease shall be made in the same manner as now provided for the sale of other assets of state banks in the possession of the Commissioner.

C. Termination of bank's executory contracts. Within six (6) months of the commencement of liquidation, the Commissioner may by his election terminate any executory contract, including but not limited to contracts for services or advertising, to which the state bank is a party or any obligation of the bank as a lessee. A lessor who receives at least sixty (60) days' notice of the Commissioner's election to terminate the lease shall have no claim for rent other than rent accrued to the date of termination nor for damages for such termination, except on building or bank premises the lessor may receive damages not to exceed one (1) year's rent as provided in such lease.

D. Termination of banks' fiduciary positions. As soon after the commencement of liquidation as is practicable, the Commissioner shall take the necessary steps to terminate all fiduciary positions held by the state bank and take such action as may be necessary to surrender all property held by the bank as a fiduciary and to settle its fiduciary accounts. Such fiduciary accounts may be transferred to another qualified corporate fiduciary in the same community by the Commissioner without assent of the parties, and notice of such transfer must be given by registered mail to the parties, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of this title.

E. Subrogation of insuring agency of United States. The right of any agency of the United States insuring deposits to be subrogated to the rights of depositors upon payment of their claims shall not be less extensive than the law of the United States requires as a condition of the authority to issue such insurance or make such payments to depositors of national banks.

F. Notice to depositors, creditors and safe deposit box lessees. Immediately on taking charge and within ten (10) days after taking possession, the Commissioner shall send notice of the liquidation to each known depositor, creditor and lessee of a safe deposit box and bailor of property held by the bank at the address

shown on the books of the institution. The notice shall also be published in a newspaper of general circulation in the county in which the institution is located once a week for three (3) successive weeks. The Commissioner shall send with each notice a statement of the amount shown on the books of the institution to be the claim of the depositor or creditor, with all setoffs and any amounts due to the bank. The notice shall demand that property held by the bank as bailee or in a safe deposit box be withdrawn by the person entitled thereto; and the claim of a depositor or creditor, if the amount claimed differs from that stated in the notice to be due, be filed with the Commissioner within sixty (60) days from the date of the first publication of the notice of the taking of possession given by the Commissioner, in accordance with the procedure prescribed in the notice. The failure of any depositor, creditor or claimant to receive a notice, or observe the published notice of the taking of possession by the Commissioner, shall not relieve such claimant of the obligation to file a claim, if the amount thereof differs from the amount found by the Commissioner. If no claim is filed by the claimant in the time specified, then the determination of the Commissioner shall be final and shall constitute the claim of that claimant.

G. Disposition of contents of unclaimed safe deposit boxes. Safe deposit boxes, the contents of which have not been removed before the date specified, shall be opened by the Commissioner. Sealed packages containing the contents of such box, with a certificate of inventory of contents, together with any unclaimed property held by the bank as bailee and certified inventories thereof, shall be held by the Commissioner and administered in accordance with the provisions of the Uniform Unclaimed Property Act, Section 651 et seq. of Title 60 of the Oklahoma Statutes.

H. Determination of claims - Time therefor - Notification. The Commissioner shall:

(1) As soon as practical and within one hundred twenty (120) days from date of first publication of the notice of taking possession, determine the amount, if any, owing to each known creditor or depositor and the priority class of his claim under this title, and file such determination in the court in which notice of possession was filed;

(2) As soon as practical and within sixty (60) days from the date of filing, reject any claim if he doubts the validity thereof; and

(3) Notify each person whose claim has not been allowed in full, by mailing to his last-known address, as shown on the records of the bank, a notice of the time when and the place where the schedule of determinations will be available for inspection and the date when the Commissioner will file his schedule in court.



I. Disposition of contested claims. Within twenty (20) days after the filing of the Commissioner's schedule, any creditor, depositor or stockholder may file an objection to any determination made which adversely affects such objector. Any objections so filed shall be heard and determined by the court. The objection shall be, by the clerk of such district court, entered upon the docket of said court under the same number as other proceedings in connection with the liquidation of the insolvent bank. The Commissioner and interested claimants as the court determines shall be notified of such objection upon a ten-day notice and the matter shall be tried de novo. No person having a claim against an insolvent bank shall maintain action thereon except as herein provided.

J. Partial distribution of allowed claims. After filing his schedule the Commissioner shall, after establishing proper reserves for the payment of costs, expenses of liquidation and disputed claims, pay to any agency of the United States insuring deposits in the insolvent bank such sum as may be then available but not exceeding the amount paid out by such agency as such an insurer of deposits and accounts. The Commissioner may, from time to time, also make partial distribution to the holders of claims which are undisputed or have been allowed by the court, in the order of their priority as herein provided. The court supervising the liquidation shall direct, as soon as practicable after the establishment of an adequate and proper reserve for payment of disputed claims, costs and expenses of liquidation, that the Commissioner make a substantial partial pro rata distribution as will not interfere with orderly liquidation, to the holders of undisputed claims and those allowed by the court in the order of their priority, to the extent that there remains only the determination and settlement of disputed claims and the procedures of the final accounting and final distribution to be made by the Commissioner as herein provided.

K. Priority of claims - Payment - Cancellation - Claims when barred.

(1) The following claims shall have priority in the order herein specified:

- (a) obligations incurred by the Commissioner, fees and assessments due to the Department, and all expenses of liquidation, all of which may be covered by a proper reserve of funds,
- (b) the depositors having an approved claim against the general liquidating account of the bank,
- (c) the general creditors having an approved claim against the general liquidating account of the bank,
- (d) the claims otherwise proper which were not filed within the time prescribed herein, and
- (e) the stockholders of the bank;

For purposes of determining priority of claims, federal funds sold to the failed institution shall be considered deposits of the selling bank in the failed institution.

(2) No claim shall be entitled to interest thereon if it be paid within six (6) months after the first publication of notice of the taking of possession by the Commissioners; if paid after such period, then the unpaid balance of the claim shall be credited with interest at the rate of six percent (6%) per annum from the expiration of the said six (6) months until paid or finally canceled by exhaustion of all assets;

(3) All distributions declared in accordance herewith, which shall not be claimed within one (1) year, shall be canceled upon the order of the district court having jurisdiction of the liquidation of such insolvent bank, and the proceeds thereof returned to the general liquidating account of such insolvent bank. Provided, that notice of the application of the Commissioner to the district court for permission to cancel such unclaimed distributions shall be given by publication for two (2) successive weeks in a newspaper of general circulation in the county where the insolvent bank is located. The notice shall describe the unclaimed distributions sought to be canceled, giving the name and location of the insolvent bank, the name of the payee and the amount and shall recite the Commissioner has filed an application in the designated district court for cancellation of such distributions and shall refer to the application for further particulars; and

(4) Any assets remaining after all partial distributions, after all claims have been paid, or ample provisions for reserves are made for payment thereof by the court, shall be distributed to the stockholders in accordance with their respective interests.

L. Disposition of unclaimed funds other than distributions. Unclaimed funds, other than unclaimed distributions, remaining after completion of the liquidation shall be retained by the Commissioner who shall administer them in accordance with the Uniform Unclaimed Property Act, Section 651 et seq. of Title 60 of the Oklahoma Statutes.

M. Annual reports - Final account - Release of Commissioner - Cancellation of charter.

(1) During the liquidation procedure the Commissioner and his agents and employees shall make a verified annual account, giving in detail a statement of all receipts and disbursements made from the assets in their possession. A copy of the annual report shall be filed with the court of the county and a hearing held thereon. Interested parties and the Board of Directors of the insolvent bank shall be given such notice as the court directs of the hearing and shall make such objections as they shall desire to the account; however, the failure to object at an annual hearing shall not prejudice the right of any claimant or interested party to object to

items of expense and proceedings in the liquidation upon the final account;

(2) When the assets have been distributed in accordance with this title, except unclaimed funds and content of safe deposit boxes held by the Commissioner, the Commissioner shall file a final account with the court. Notice of hearing upon the final account shall be given of not less than ten (10) days nor more than thirty (30) days, by registered or certified mail, to all interested persons and to the board of directors of the insolvent bank and the notice shall be published for two (2) successive weeks in some newspaper of general circulation published in the county, showing the nature of the hearing, the date and time of the hearing and that such account is for final settlement of liquidating account of such insolvent bank;

(3) The final account shall reflect all the acts of the Commissioner as supported by annual reports and such necessary items to support the account, including distribution of such remaining cash to the stockholders in accordance with their interests and all other assets to the board of directors of the bank as liquidating agents for the stockholders under the Oklahoma General Corporation Act;

(4) The court shall hear all matters touching upon the final account, allow, reduce or reject any item of expense, and determine all matters before it. Any person aggrieved by the judgment of the court may appeal as in any other civil action; and

(5) Upon approval of the final account as settled by the court, the Commissioner shall be relieved of liability in connection with the liquidation and shall cancel the charter upon the record of the Department.

Added by Laws 1965, c. 161, § 1204. Amended by Laws 1968, c. 93, § 15, emerg. eff. April 1, 1968; Laws 1983, c. 131, § 1, eff. Nov. 1, 1983; Laws 1986, c. 292, § 145, eff. Nov. 1, 1986; Laws 1989, c. 293, § 6, emerg. eff. May 24, 1989; Laws 1991, c. 331, § 46, eff. Sept. 1, 1991; Laws 1992, c. 295, § 6, eff. July 1, 1992; Laws 1993, c. 183, § 21, eff. July 1, 1993.

§6-1205. Federal Deposit Insurance Corporation as liquidator.

A. Liquidation by F.D.I.C. The Federal Deposit Insurance Corporation is hereby authorized and empowered to be and act without bond as liquidating agent of any banking institution closed by the State Banking Commissioner, the deposits in which are to any extent insured by the Corporation.

B. Commissioner may tender to F.D.I.C. as liquidator. The Commissioner may in the event of such closing upon order of the Board tender to the Corporation the appointment as liquidator of such banking institution.

C. Appointment of F.D.I.C. as liquidator - Acceptance. Upon being notified in writing of the acceptance of such an appointment, the Commissioner shall forthwith file in the office of the clerk and recorder in the county in which the bank is situated a certificate evidencing the appointment of the Federal Deposit Insurance Corporation. Upon the filing of such certificate the possession of all the assets, business and property of such bank of every kind and nature wheresoever situated shall be deemed transferred from such bank and the Commissioner to the Federal Deposit Insurance Corporation including any securities pledged by the bank to the Commissioner pursuant to Section 1004 of this title. Without the execution of any instruments of conveyance, assignment, transfer or endorsement, the title to all such assets and property shall be vested in the Federal Deposit Insurance Corporation and the Commissioner shall be forever thereafter relieved from any and all responsibility and liability in respect to the possession and liquidation of such bank.

D. Powers of F.D.I.C. as liquidator. If the Corporation accepts the appointment, it shall have and possess all the powers and privileges provided by the laws of this state with respect to the liquidation of a bank and with respect to its depositors and other creditors and shall proceed in liquidation under this title as if it were the Commissioner and shall act in the Commissioner's stead and be substituted therefor in all actions brought pursuant to Section 1018 of this title.

E. Priority of Claims for F.D.I.C. If the Corporation serves as the liquidating agent of any national bank the principal office of which is located in Oklahoma, it shall be bound by the priority of claims established in subsection K of Section 1204 of this title.

F. Individual liability of directors. Among its other powers, the Federal Deposit Insurance Corporation, in the performance of its powers and duties as such liquidator, shall have the right and power, upon the order of a court of record of competent jurisdiction, to enforce the individual liability of the directors of any such banking institution.

Added by Laws 1965, c. 161, § 1205. Amended by Laws 1983, c. 131, § 2, eff. Nov. 1, 1983; Laws 1988, c. 166, § 10, emerg. eff. May 24, 1988; Laws 1997, c. 111, § 95, eff. July 1, 1997; Laws 2010, c. 62, § 9, emerg. eff. April 9, 2010.

§6-1206. Conservator.

A. Whenever the State Banking Commissioner shall deem it necessary in order to conserve the assets of any bank or trust company for the benefit of the depositors and other creditors thereof, the Commissioner may appoint a conservator for the bank and require such bond and security as the Commissioner deems proper. The conservatorship shall be a proceeding before the Commissioner

and not the district court. The Commissioner may designate an employee of the Oklahoma State Banking Department to serve as an interim conservator until either the conservator is secured or further order of the Commissioner directs otherwise. The conservator, under the direction of the Commissioner, shall take possession of the books, records, and assets of every description of the bank or trust company, and take such action as may be necessary to conserve the assets of the bank or trust company pending further disposition of its business as provided by law. The conservator shall have all the rights, powers, and privileges now possessed by or hereafter given the Commissioner when the Commissioner takes possession of insolvent banks and receivers pursuant to Section 1551 et seq. of Title 12 of the Oklahoma Statutes and shall be subject to the obligations and penalties, not inconsistent with the provisions of this Code, to which receivers are now or may hereafter become subject. During the time that the conservator remains in possession of the bank or trust company, the rights of all parties with respect thereto shall, subject to the other provisions of this Code, be the same as if a receiver had been appointed therefor. All expenses of the conservatorship, including related expenses of the Department and the salary of the interim conservator, if any, shall be paid out of the assets of the bank or trust company and shall be a lien thereon which shall be prior to any other lien. The conservator shall receive as salary an amount no greater than that paid to employees of this state for similar services. Any such expenses paid by the bank or trust company to the Department shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title.

B. The Commissioner shall cause to be made such examinations of the affairs of the bank or trust company in conservatorship as shall be necessary to inform the Commissioner as to the financial condition of the bank or trust company, and the examiner shall make a report thereon to the Commissioner at the earliest date possible.

C. If the Commissioner becomes satisfied that it may safely be done and that it would be in the public interest, the Commissioner may, in the discretion of the Commissioner, terminate the conservatorship and permit the bank or trust company to resume the transaction of its business subject to such terms, conditions, restrictions and limitations as the Commissioner may prescribe.

D. For the purposes of this section, the rights, powers, privileges, obligations and responsibilities of the interim conservator shall be the same as those of the conservator.  
Added by Laws 1986, c. 316, § 11, emerg. eff. June 24, 1986.  
Amended by Laws 1993, c. 183, § 22, eff. July 1, 1993; Laws 1997, c. 111, § 96, eff. July 1, 1997; Laws 2000, c. 205, § 25, emerg. eff. May 17, 2000.

§6-1207. Transfer or conveyance of title to mineral interests or leases.

The Commissioner shall have authority to transfer or convey title to any mineral interests or mineral leases the Department or the Commissioner acquired prior to the effective date of this act, from a state-chartered bank or trust company not insured by the Federal Deposit Insurance Corporation for which the Department or Commissioner served as receiver or liquidator. The Commissioner shall only transfer or convey title to the mineral interests or mineral leases to the Department of Central Services by quitclaim deed in accordance with applicable state law.

Added by Laws 1995, c. 36, § 21, eff. July 1, 1995. Amended by Laws 1997, c. 111, § 97, eff. July 1, 1997.

§6-1301. Definitions.

As used in this article:

1. "Depositor" means a person delivering property or documents to a state bank, national banking association, savings and loan association, credit union or trust company for safekeeping;

2. "Deputy" means a person designated by the lessee to act as lessee's agent in connection with the safe deposit box;

3. "Lessee" means a person contracting with a lessor for the use of a safe deposit box;

4. "Lessor" means any state bank, national banking association, savings and loan association, credit union or trust company engaged in the business of renting safe deposit facilities; and

5. "Safe deposit box" means a safe deposit box, vault, or other safe deposit receptacle maintained by a lessor.

Added by Laws 1965, c. 161, § 1301. Amended by Laws 1968, c. 93, § 16, emerg. eff. April 1, 1968; Laws 1988, c. 65, § 35, emerg. eff. March 25, 1988; Laws 1997, c. 111, § 98, eff. July 1, 1997.

§6-1301.1. Appointment of deputy.

A lessee on a safe deposit box may appoint a deputy, with or without the consent of or notice to any other joint lessees on the box. A deputy shall have the power to enter the box, remove contents therefrom or add contents, and the appointment of the deputy shall not be affected by the subsequent incapacity or incompetency of the lessee, nor the lapse of time. Revocation of the appointment of a deputy must be made in writing to the lessor. The authority of the deputy shall cease upon the appointing lessee's death. However, if the lessor, without knowledge of the death of the lessee, deals with the deputy of the lessee, the transaction binds the lessee's estate and the lessee.

Added by Laws 1997, c. 111, § 99, eff. July 1, 1997.

§6-1301.2. Authorization for access to safe deposit box upon death of lessee.

A. A lessee of a safe deposit box may grant authorization for one or more persons to have access to that safe deposit box upon the death of the lessee, and the financial institution in which the safe deposit box is located shall grant such access, subject to the provision of this section.

B. The authorization shall be in writing in the following form: "I hereby authorize access to safe deposit box (number or other identification) at (name of financial institution) upon my death to (name of person)." The form shall be signed and dated by the lessee, and the signature of the lessee shall be notarized. The authorization may be revoked in writing in the following form: "I hereby revoke the authorization for access to safe deposit box (number or other identification) at (name of financial institution) upon my death to (name of person)." The revocation form shall be signed and dated by the lessee, and the signature of the lessee shall be notarized. The authorization also shall be revoked as a matter of law if the lessee is divorced from the person to whom the authorization was granted, and no subsequent written authorization to the former spouse is executed. A copy of any written authorization and any written revocation shall be provided to the financial institution at which the safe deposit box is located. In the event there is more than one lessee for a safe deposit box, all the lessees must authorize access in the manner provided by this subsection.

C. Following the death of the lessee, a person who has been authorized access may submit an affidavit to the financial institution in which the safe deposit box is located. The affidavit shall state:

1. That the last surviving lessee of the safe deposit box has died;
2. That the person providing the affidavit is the same person named in the authorization, a copy of which shall be attached to the affidavit;
3. That the authorization has not been revoked; and
4. That the affiant believes that no estate proceeding will be commenced with respect to the estate of the lessee.

D. Upon receipt of an affidavit as provided in subsection C of this section, the financial institution shall release all contents of the safe deposit box to the affiant. The affiant shall take possession of all contents of the safe deposit box and shall have the power to terminate the lease on the safe deposit box and close it.

E. Any person who knowingly signs and submits a false affidavit as provided by subsection C of this section shall be guilty of a

misdemeanor and shall be liable in damages to any person harmed thereby.

F. Any financial institution that provides access to and releases the contents of a safe deposit box under provisions of this section shall be discharged from all criminal or civil liability for doing so.

Added by Laws 2006, c. 151, § 2, eff. Nov. 1, 2006. Amended by Laws 2017, c. 53, § 1, eff. Nov. 1, 2017.

§6-1302. Authority to lease safe deposit boxes.

Subject to such regulations as the Board may prescribe a lessor herein may maintain and lease safe deposit boxes and may accept property for safekeeping if, except in the case of night depositories, it issues a receipt therefor.

Added by Laws 1965, c. 161, § 1302.

§6-1303. Access by fiduciaries.

A. Where access to a safe deposit box is requested by one or more persons acting as fiduciaries, the lessor may, except as otherwise expressly provided in the lease or the writings pursuant to which such fiduciaries are acting, allow access thereto and removal of the contents of the safe deposit box upon obtaining proper receipt from:

1. Any one or more of the persons acting as executors or administrators;

2. Any one or more of the persons otherwise acting as fiduciaries when authorized in writing signed by all other persons so acting; or

3. Any agent authorized in writing signed by all of the persons acting as fiduciaries.

B. No lessor shall be liable for damages for allowing or refusing access or removal of the contents of the safety deposit box under the provisions of subsection A of this section.

C. For purposes of this article, the term "fiduciaries" shall be deemed to include, in addition to those entities and individuals set forth in Section 102 of this title, a duly appointed and authorized attorney in fact under a power of attorney.

Added by Laws 1965, c. 161, § 1303. Amended by Laws 1997, c. 111, § 100, eff. July 1, 1997.

§6-1304. Effect of lessee's death or incompetence.

Where a lessor, without knowledge of the death or of an adjudication of legal incompetence of the lessee, deals with his agent pursuant to a written power of attorney signed by such lessee, the transaction binds the lessee's estate and the lessee.

Added by Laws 1965, c. 161, § 1304.



§6-1305. Lease to minor.

A lessor may lease a safe deposit box to or accept property for safekeeping from a minor, and, in connection therewith, deal with him to the same effect as if dealing with a person of full legal capacity, unless and until his guardian files with the lessor a certified copy of the order of a district court appointing him and directs otherwise.

Added by Laws 1965, c. 161, § 1305.

§6-1306. Lease to corporation, general or limited partnership, or limited liability company.

A. If the lessee is a corporation and the president, treasurer or secretary certifies that certain designated persons are authorized to enter the box, the lessor may permit such designated persons to enter without liability therefor.

B. If the lessee is a general partnership or a limited partnership and a general partner confirms in writing that certain designated persons are authorized to enter the box, the lessor may permit such designated persons to enter without liability therefor.

C. 1. If the lessee is a limited liability company and is managed by its members, and if a majority of the members confirms in writing that certain designated persons are authorized to enter the box, the lessor may permit such designated persons to enter without liability therefor.

2. If the lessee is a limited liability company and is managed by a manager, and if the manager confirms in writing that certain designated persons are authorized to enter the box, the lessor may permit such designated persons to enter without liability therefor.

Added by Laws 1965, c. 161, § 1306. Amended by Laws 1997, c. 111, § 101, eff. July 1, 1997.

§6-1307. Assumed names.

No person, firm or corporation shall rent a safe deposit box under an assumed name, except under a trade name regularly used by the lessee in the conduct of a valid business and such fact is disclosed to the lessor. If any person, firm or corporation violates the provisions of this section, such lessee shall have no claim against the lessor for any loss or damage that he may sustain unless he or it shall allege and prove willful misconduct on the part of the lessor.

Added by Laws 1965, c. 161, § 1307.

§6-1308. Search procedure on death - Removal of certain contents.

A. A lessor shall permit the person named in a court order, or if no order has been served upon the lessor, the spouse, a parent, an adult descendant, or a person named as an executor in a copy of a purported will produced by the person, to open and examine the

contents of a safe deposit box leased by a decedent, or any documents delivered by a decedent for safekeeping, in the presence of an officer of the lessor. In addition, the lessor, if so requested by such person, shall deliver:

1. Any writing purported to be a will of the decedent to the court having jurisdiction of the decedent's estate according to his or her residence declared in such writing or may, at the option of the bank, be delivered to the person, so long as the bank retains a copy;

2. Any writing purported to be a deed to a burial plot or to give burial instructions to the person making the request for a search;

3. Any document purporting to be an insurance policy on the life of the decedent to the beneficiary named therein; and

4. Any document purporting to be a trust agreement or Declaration of Trust wherein the decedent was the grantor, so long as the bank retains a copy.

B. No other contents shall be removed pursuant to this subsection until an executor or administrator qualifies and makes claim to the contents, except where the safe deposit box was held by the decedent and his or her surviving spouse or any other person as joint tenants, in which case any part of the contents thereof may be removed by such surviving spouse or other surviving joint tenant.

C. All contents of a safe deposit box shall be presumed to belong to the lessee(s) of the safe deposit box, and the lessor may rely on that assumption unless and until it receives a court order to the contrary.

D. The lessor shall be under no duty to conduct an inventory of the contents of the safe deposit box.

Added by Laws 1965, c. 161, § 1308. Amended by Laws 1984, c. 231, § 1, eff. Nov. 1, 1984; Laws 1993, c. 183, § 23, eff. July 1, 1993; Laws 1996, c. 298, § 1, eff. Nov. 1, 1996; Laws 1997, c. 111, § 102, eff. July 1, 1997; Laws 2017, c. 53, § 2, eff. Nov. 1, 2017.

§6-1309. Adverse claims to contents of safe deposit box.

A. An adverse claim to the contents of a safe deposit box, or to property held in safekeeping, is not sufficient to require the lessor to deny access to its lessee unless:

(1) the lessor is directed to do so by a court order issued in an action in which the lessee is served with process and named as a party by a name which identifies him with the name in which the safe deposit box is leased or the property held; or

(2) the safe deposit box is leased or the property is held in the name of a lessee with the addition of words indicating that the contents or property are held in a fiduciary capacity, and the adverse claim is supported by an affidavit stating facts disclosing that it is made by or on behalf of a beneficiary and that there is a

reason to believe that the fiduciary may misappropriate the trust property.

B. A claim is also adverse where one of several lessees claims, contrary to the terms of the lease, an exclusive right of access, or where one or more persons claim a right of access as agents or officers of a lessee to the exclusion of others as agents or officers, or where it is claimed that a lessee is the same person as one using another name.

Added by Laws 1965, c. 161, § 1309.

§6-1310. Lien of lessor, special remedies and proceedings for nonpayment of rent.

The lessor shall have a lien upon the contents of the lessee's box for past due rentals and any expense incurred in opening of the box and replacement of locks thereon where the same is done without fault of the lessor. If the lessee fails to pay the rental due and such default continues for sixty (60) days, the lessor may give the lessee thirty (30) days' notice by certified mail addressed to the lessee at the address shown on the lessor's records or the last-known address of the lessee, stating the amount due and that on or after the day designated in the notice it may open the box, remove the contents thereof and hold the same for the account of the lessee. The opening of the box shall be witnessed by not less than two persons, one of which shall be an officer of the lessor, who shall make an inventory under oath of the contents thereof, and thereupon the contents shall be placed in a package and held by the lessor as a bailee for hire. If the lessee makes no demand for the contents within one (1) year after the same have been removed from the box, the lessor may advertise and sell the same, the sale to be made at the time and place designated in the notice which shall be published in one issue of a newspaper having a general circulation in the city or town wherein the business of the lessor is situated, the publication to be not less than ten (10) days prior to the date fixed for the sale. A copy of the notice shall be mailed to the lessee at the last-known address of the lessee by certified mail. The notice shall show the name of the lessee but it shall not be necessary to describe the articles to be sold, except those that have an intrinsic value, if there shall be posted, not less than ten (10) days prior to the sale, in or about the lessor, in a conspicuous place, a copy of the notice of sale and a copy of the inventory made upon opening of the box. The contents of any number of boxes may be sold under one notice of sale and the cost thereof apportioned ratably to the several lessees involved. At the time and place designated in the notice the contents taken from each respective box shall be sold separately to the highest bidder for cash and the proceeds of each sale shall be applied to the rentals and expenses due the lessor and the residue from any sale held by

the lessor for the account of the lessee. At any such sale the lessor may be the purchaser. If any lessee or his or her heirs, administrator or executor, shall not make demand upon the lessor within five (5) years after the date of the sale, for such surplus, then the surplus shall be presumed abandoned and administered in accordance with the Uniform Unclaimed Property Act. The lessor may, at its option, turn the property over to the State Treasurer prior to the expiration of the five-year abandonment period.

Added by Laws 1965, c. 161, § 1310. Amended by Laws 1991, c. 331, § 47, eff. Sept. 1, 1991; Laws 1993, c. 183, § 24, eff. July 1, 1993; Laws 1997, c. 111, § 103, eff. July 1, 1997; Laws 1999, c. 10, § 34, eff. July 1, 1999.

§6-1311. Limitation of liability - Requirements or policies.

Any lessor renting safe deposit boxes may by contract limit its liability and may make requirements or policies for the conduct of the business. Such requirements or policies shall be reduced to writing and delivered to the lessee. Any limitations as to liability shall be in printing or writing of the same size and type as the other provisions of the contract.

Added by Laws 1965, c. 161, § 1311. Amended by Laws 1997, c. 111, § 104, eff. July 1, 1997.

§6-1312. Garnishment - Proceedings in aid of execution.

In any action wherein garnishment summons is served on the lessor or a party to an action seeks to subject a box or contents thereof to the garnishment or order of court, the lessor, upon being served with such garnishment or court order, shall seal the box and deny access thereto to all persons except as ordered by the court. A court of record may, in a proceeding wherein the lessee is a party, in aid of execution or for the purpose of enforcing its orders, direct the sheriff or marshal to enter a box, remove the contents therefrom and hold, deliver or sell such contents as permitted by law. Damages suffered by the lessor by reason of forcible entry as provided herein shall be assessed as costs and paid to the lessor by the garnishment creditor. If no court order directing entry into the box is served upon the lessor within thirty (30) days after a garnishment summons is received by the lessor, the box shall be unsealed and the lessor shall no longer be required to deny access to parties entitled thereto.

Added by Laws 1965, c. 161, § 1312. Amended by Laws 1995, c. 36, § 22, eff. July 1, 1995; Laws 1997, c. 111, § 105, eff. July 1, 1997.

§6-1313. Estate taxes or rights of state or tax commission not affected.

The provisions of this Code shall not amend or supersede any statutes relating to estate taxes or any rights of the State of

Oklahoma and the Oklahoma Tax Commission relative to the control of safe deposit boxes and their contents.

Added by Laws 1965, c. 161, § 1313.

§6-1401. Transaction of banking business not authorized by law - Unauthorized use of words bank, trust, etc. - Injunction and appointment of receiver - Acceptance of filings by Secretary of State.

A. It shall be unlawful for any person, firm, association or corporation to receive money upon deposit or transact a banking business except as authorized by the laws of this state or of the United States, or to use or advertise, in connection with any business other than the banking business, conducted under the banking laws of this state or the savings and loan business conducted under the savings and loan laws of this state, the words: Banc, Bank, Banker, Bankers, Banque, Investment Banker, or any derivative thereof, however spelled, or any other word or term which in the discretion of the Commissioner is determined to deceive the public into belief that such person, firm, association or corporation is engaged in the banking business or savings and loan business. Any person, firm, association or corporation violating any of the provisions of this section, either individually or as an interested party, in any firm, association or corporation, shall be subject to the jurisdiction of the Commissioner, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not less than Six Hundred Dollars (\$600.00), nor more than Two Thousand Dollars (\$2,000.00) per violation, or by imprisonment in the county jail not less than thirty (30) days or more than one (1) year, or by both such fine and imprisonment, and it is hereby made the duty of the Attorney General to enforce the provisions of this section.

B. Unlawful use of trust or trust company. It shall be unlawful for any person, firm, association or corporation except state banks having trust powers, national banking associations located in this state and having trust powers and trust companies incorporated under the laws of this state and having trust powers to use or advertise the word "Trust" or "Trust Company" or any derivative thereof, however spelled, in the conduct of their business in a manner which in the discretion of the Commissioner is determined to deceive the public into belief that such person, firm, association or corporation has been authorized to transact business as a regulated financial institution and no firm, association or corporation hereafter organized under any other act shall use the word "Trust" or "Trust Company" as a part of its name. Nothing in this subsection shall prohibit the continued use of such words by any banking corporation which is using such words as of the effective date of this act. Any person, firm, association or

corporation violating any of the provisions of this section, either individually or as an interested party, in any firm, association or corporation, shall be subject to the jurisdiction of the Commissioner.

C. Injunction - Appointment of receiver. In order to further prevent the violation of this section, any court of competent jurisdiction in this state is hereby authorized and empowered to grant an injunction and, if requested by the Commissioner, to appoint a receiver to take charge of the business and assets of any person, firm, association or corporation reasonably believed by the Commissioner to be violating the provisions of this section, and to make all necessary and proper orders to wind up such business and prevent a violation of Section 1401 of this title.

D. Secretary of State - Filing requirements. The Secretary of State is prohibited from accepting any document for filing which includes the words Banc, Bank, Banker, Bankers, Banque, Investment Banker, Trust, Trust Company, or any derivative thereof, however spelled, unless the Commissioner has given written consent thereto. Added by Laws 1965, c. 161, § 1401. Amended by Laws 1982, c. 223, § 13; Laws 1990, c. 173, § 15, emerg. eff. May 3, 1990; Laws 1997, c. 111, § 106, eff. July 1, 1997.

§6-1401.1. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-1402. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-1403. Unlawful use of words "safe deposit".

It is unlawful for any person to use the words "safe deposit", "safety deposit" or other words deceptively similar thereto, in connection with the rental of storage space, or in the title or name under which business was done, unless the person is:

1. A person subject to the jurisdiction of the Banking Department of this state;

2. A manufacturer or dealer in safe deposit facilities or equipment; or

3. An association, the membership of which is composed of officers or institutions subject to the jurisdiction of the Banking Department of this or other states.

Added by Laws 1965, c. 161, § 1403. Amended by Laws 1997, c. 111, § 107, eff. July 1, 1997.

§6-1404. Repealed by Laws 1997, c. 111, § 113, eff. July 1, 1997.

§6-1405. Unlawful gratuity or compensation - Transactions of persons connected with bank.

A. It shall be unlawful for an affiliate of a bank or trust company or for an officer, director or employee of a bank or trust company or affiliate of a bank or trust company:

1. To solicit, accept or agree to accept, directly or indirectly, from any person other than the institution any gratuity, compensation or other personal benefit for any action taken by the institution or for endeavoring to procure any such action; or

2. To have any interest, directly or indirectly, in the proceeds of a loan or of a purchase or sale made by the bank, unless such loan is otherwise permissible, and the purchase or sale is expressly authorized by this Code or by rule of the Board and, unless otherwise directed in writing by the Commissioner, is specifically approved by vote of a majority of the board of directors of the bank or trust company. Provided, no interested director or trustee shall take part in such vote.

B. In this section the term "affiliate" shall include:

1. Any person who holds a majority of the stock of a bank or has been determined by the Board to hold a controlling interest therein, any other corporation in which such person owns a majority of the stock and any partnership in which the person has an interest;

2. Any corporation in which the institution or an officer, director or employee thereof holds a majority of the stock and any partnership in which such person has an interest; or

3. Any corporation of which a majority of the directors are officers, directors or employees of the institution or of which officers, directors, trustees or employees constitute a majority of the directors of the institution.

Added by Laws 1965, c. 161, § 1405. Amended by Laws 1975, c. 109, § 16, emerg. eff. May 7, 1975; Laws 1979, c. 173, § 8; Laws 1984, c. 133, § 8, eff. Oct. 1, 1984; Laws 1997, c. 111, § 108, eff. July 1, 1997; Laws 2005, c. 48, § 17, eff. Nov. 1, 2005.

§6-1406. Receipt of deposit after notification of insolvency.

It shall be unlawful for a bank to receive any deposit after the bank has been notified by its primary regulator that it is insolvent or for an officer, director or employee who knows or, in the proper performance of his duty, should know of the notification of such insolvency to receive or authorize the receipt of such deposit, if such deposit, when aggregated together with other funds held by the depositor in the same right and capacity, would exceed the limit of federal deposit insurance coverage.

Added by Laws 1965, c. 161, § 1406. Amended by Laws 1992, c. 295, § 7, eff. July 1, 1992.

§6-1407. Unlawful service as officer or director.

It is unlawful for any person to serve as an officer or director of a bank who:

(1) has been convicted of an offense constituting in the jurisdiction in which the conviction was rendered a violation of the banking laws, a felony involving dishonesty or a breach of trust.

(2) is indebted to the bank for more than thirty (30) days upon a judgment that has become final.

Added by Laws 1965, c. 161, § 1407.

§6-1408. Unlawful service as Commissioner, Deputy Commissioner, Administrative Assistant, Assistant Commissioner.

It shall be a criminal offense for any person to serve as Commissioner, Deputy Commissioner, Administrative Assistant or Assistant Commissioner, of the Department who has been convicted of an offense constituting, in the jurisdiction in which the conviction was had, a violation of the banking laws, a felony involving dishonesty or a breach of trust.

Added by Laws 1965, c. 161, § 1408. Amended by Laws 1970, c. 321, § 9; Laws 1997, c. 111, § 109, eff. July 1, 1997.

§6-1409. Unlawful concealment of transactions.

It shall be unlawful for an officer, director, employee, attorney, or agent of a bank or trust company to conceal or endeavor to conceal any transaction of the bank or trust company from any officer, director or employee of the bank or trust company or any official or employee of the department to whom it should be properly disclosed.

Added by Laws 1965, c. 161, § 1409.

§6-1410. Improper maintenance of accounts - False or deceptive entries and statements.

It shall be unlawful for an officer, director, employee or agent of a bank or trust company:

(1) to maintain or authorize the maintenance of any account of the bank or trust company in a manner which, to his knowledge, does not conform to the requirements prescribed by this Code or by the Commissioner or the Board.

(2) with intent to deceive, to make any false or misleading statement or entry or omit any statement or entry that should be made in any book, account, report or statement of the institution.

(3) to obstruct or endeavor to obstruct a lawful examination of the institution by an officer or employee of the Department.

Added by Laws 1965, c. 161, § 1410.

§6-1411. Unlawful payment of penalties and judgments against others, including directors and officers.



It shall be unlawful for a bank or trust company to pay a fine or penalty imposed by law upon any other person or any judgment against such person or to reimburse directly or indirectly any person by whom such fine, penalty or judgment has been paid, except in settlement of its own liability or in connection with the acquisition of property against which such judgment is a lien, or as provided in Section 68 of Enrolled House Bill No. 2173 of the 1st Session of the 46th Oklahoma Legislature.  
Added by Laws 1965, c. 161, § 1411. Amended by Laws 1997, c. 111, § 110, eff. July 1, 1997; Laws 1997, c. 374, § 4, eff. July 1, 1997.

§6-1412. Embezzlement or misapplication of funds.

It shall be a criminal offense for any officer, director, shareholder or employee of any bank or trust company to directly or indirectly embezzle, abstract, or misapply, or cause to be embezzled, abstracted or misapplied, any of the funds or securities or other property of or under the control of the bank or trust company with intent to deceive, injure, cheat, wrong, or defraud any bank, trust company or person.  
Added by Laws 1965, c. 161, § 1412. Amended by Laws 1997, c. 111, § 111, eff. July 1, 1997.

§6-1413. Libel and slander.

It shall be unlawful for any person to publish, utter, or circulate any false, malicious, unprivileged statement or representation for the purpose of injuring any banking institution or credit union chartered, existing and doing business within the State of Oklahoma, under and by virtue of the laws of this state, or under and by virtue of the laws of the United States of America.  
Added by Laws 1965, c. 161, § 1413. Amended by Laws 2005, c. 209, § 1, eff. Nov. 1, 2005.

§6-1414. Criminal sanctions, violations of rules and orders - Nonapplicability where criminal sanctions imposed in other sections of Code.

A. Any person responsible for an act or omission expressly declared to be unlawful or a criminal offense by this Code shall be guilty:

(1) Of a misdemeanor punishable by imprisonment for a term not exceeding one (1) year or a fine not exceeding Fifty Thousand Dollars (\$50,000.00), or both.

(2) If the act or omission was intended to defraud, of a felony punishable by imprisonment not exceeding five (5) years or a fine not exceeding One Hundred Thousand Dollars (\$100,000.00), or both.

B. An officer, director, employee, agent or attorney of a bank or trust company shall be responsible for an act or omission of the institution declared to be a criminal offense against this Code

whenever, knowing that such act or omission is unlawful, he participates in authorizing, executing, ratifying or concealing such act, or in authorizing or ratifying such omission or, having a duty to take the required action, omits to do so.

A director shall be deemed to participate in any action of which he has knowledge taken or omitted to be taken by the board of which he is a member unless he dissents therefrom in writing and promptly notifies the Commissioner of his dissent.

C. It shall be a criminal offense against this Code to violate any lawful order of the Board or Commissioner, served upon it, or to knowingly violate any lawful rule, regulation or order of the Board or Commissioner.

The Commissioner may refer evidence concerning violations of this Code or of any rule or order thereunder to the Attorney General of the State of Oklahoma or to the district attorney for the county where a violation occurred in order that an information or indictment for such violations may be filed. The Attorney General or district attorney may designate and appoint a lawyer of the Department as special assistant, if available, for the purpose of assisting in or conducting criminal prosecutions arising because of the proceedings provided for in this section.

D. Unless otherwise provided in this Code, it shall be no defense to a criminal prosecution hereunder that the defendant did not know the facts establishing the criminal character of the act or omission charged if he could and should have known such facts in the proper performance of his duty.

E. This section shall not apply to specific offenses for which criminal sanctions have been imposed in other sections of this Code. Added by Laws 1965, c. 161, § 1414. Amended by Laws 1985, c. 168, § 7, emerg. eff. June 18, 1985; Laws 1997, c. 133, § 125, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 56, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 125 from July 1, 1998, to July 1, 1999.

#### §6-1415. Injunction.

A. Whenever a violation of this Code by a bank or an officer, director or employee thereof is threatened or impending and will cause substantial injury to the institution or to the depositors, creditors, or stockholders thereof, the district court of the county in which the bank is located shall, upon the suit of the Commissioner, issue an injunction restraining such violation.

B. Whenever any corporation, not authorized to carry on a trust business under this Code, shall falsely act as a trust company, or shall use an artificial or corporate name implying or inferring it is a trust company, the district court of the county in which lawful service is obtained shall, upon suit of the Commissioner, issue an injunction restraining such act.

C. All orders of the Commissioner and the Board shall be enforced by the district court of the district of domicile of the person or persons to whom the order is directed.  
Added by Laws 1965, c. 161, § 1415. Amended by Laws 1984, c. 133, § 9, eff. Oct. 1, 1984.

§6-1416. Prohibitions relating to control of banks - Remedies.

A. No bank holding company shall control a bank unless the bank is one such as is defined in Section 2(c) of the federal Bank Holding Company Act of 1956, as amended.

B. No company that is not a bank holding company shall control a bank.

C. In addition to other remedies provided for by law, the Commissioner may enforce the provisions of this section by:

1. Injunction; or
2. Cease and desist order; or
3. Fine.

Added by Laws 1985, c. 168, § 8, emerg. eff. June 18, 1985. Amended by Laws 1996, c. 92, § 10, eff. June 1, 1996.

§6-1417. Advertisement of confusingly similar names or shortened names - Use of former name of acquired institution or office - Commissioner's remedies - Injunctions - Nonconforming previous use or advertisement.

A. It is unlawful for any bank or out-of-state bank having a confusingly similar name to advertise its name in Oklahoma, including without limitation by means of outdoor signage, newspaper, radio, television, billboards, bulk mailings, and other solicitations to persons who are not customers of the bank, unless the advertising also conspicuously identifies the city or town where that bank has its main office. This subsection shall not apply to a bank's advertising through local media.

B. It is unlawful for any bank having a full legal name which is not a confusingly similar name to use a shortened name for purposes of advertising within Oklahoma, including without limitation on outdoor signage, newspaper, radio, television, billboards, bulk mailings, and other solicitations to persons who are not customers of the bank, if that shortened name would be a confusingly similar name and if such advertising does not also conspicuously identify the city or town where that bank has its main office. This subsection shall not apply to a bank's advertising through local media.

C. It shall be unlawful for any bank which acquires another bank or other financial institution for one or more of its offices or branches, by merger, purchase and assumption or otherwise, to continue to use the former name of the acquired institution or office, or similar name, for more than six (6) months after the date

of acquisition, either on outdoor signage or in other advertising, unless such name is the legal name of the resulting bank. Nothing contained in this subsection shall prohibit an acquiring bank from using a variation of the former name as a branch title if such variation is at all times used only in combination with the name of the acquiring bank, including the town or city where that bank has its main office, and the word "branch" on any outdoor signage or in other advertising.

D. It shall be unlawful for any person which is not a bank to use or advertise a confusingly similar name within the State of Oklahoma.

E. The Commissioner may issue an order in accordance with Section 204 of this title to any Oklahoma chartered bank or bank registered pursuant to Section 104 of this title, ordering such bank to cease violating the provisions of this section. This remedy shall be in addition to and not exclusive of the remedy provided in subsection F of this section.

F. Whenever any bank or other person shall use or advertise a name in violation of this section, the district court from which lawful service is obtained shall, upon suit by the Commissioner or any injured person, issue an injunction restraining such use or advertisement. Provided, that the Commissioner shall be deemed to be a necessary party to any suit brought pursuant to this section and any suit brought by the Commissioner pursuant to this section shall be properly brought as to both jurisdiction and venue, when brought in a county where the office of the Commissioner is located.

G. Advertisements which were in conformance with this section prior to April 29, 1991, but are not now in conformance with subsections A and B of this section will not be considered to be in violation of the law. This subsection shall not be interpreted to allow any bank to begin the advertisement of a confusingly similar name which it had not previously used or advertised prior to April 29, 1991, but shall only serve to protect the advertisement of such names as are in lawful use as of April 29, 1991.

Added by Laws 1988, c. 166, § 11, emerg. eff. May 24, 1988. Amended by Laws 1991, c. 128, § 10, emerg. eff. April 29, 1991; Laws 1992, c. 295, § 8, eff. July 1, 1992; Laws 1994, c. 157, § 9, emerg. eff. May 6, 1994; Laws 1996, c. 92, § 11, eff. June 1, 1996; Laws 1997, c. 111, § 112, eff. July 1, 1997.

§6-1418. Use of lender's name, trade name or trademark - Use of loan number, loan amount or other information - Reference to lender - Injunction - Exemptions.

A. As used in this section, "lender" means a bank, savings and loan association, savings bank, credit union, finance company, mortgage bank, mortgage broker and any affiliate.

B. No person shall include the name, trade name or trademark of a lender or a name, trade name or trademark similar to that of a lender in a solicitation for products or services without the consent of the lender unless the solicitation clearly and conspicuously states in bold-faced type on the front page of the correspondence that the person is not sponsored by or affiliated with a lender and that the solicitation is not authorized by the lender, which shall be identified by name. The statement shall include the name, address and telephone number of the person making the solicitation and that any loan information referenced was not provided by the lender.

C. No person may include a loan number, loan amount or other specific loan information that is not publicly available in a solicitation for the purchase of products and services.

D. No person may include a loan number, loan amount or other specific loan information that is publicly available in a solicitation for the purchase of products and services if use of such information is prohibited by this title.

E. No person may include a loan number, loan amount or other specific loan information that is publicly available in a solicitation for the purchase of products and services and allowed by this title, unless the solicitation clearly and conspicuously states in bold-faced type on the front page of the correspondence that the person is not sponsored by or affiliated with the lender and that the solicitation is not authorized by the lender, which shall be identified by name. The statement shall include the name, address and telephone number of the person making the solicitation and that any loan information referenced was not provided by the lender.

F. No person shall make reference to an existing lender without the written consent of the lender or make reference to a loan number, loan amount or other specific loan information on the outside of an envelope, visible through the envelope window, or on a postcard in connection with any written communication that includes or contains a solicitation for products or services offered by the other lender.

G. A lender or owner of a name, trade name or trademark may seek an injunction against a person who violates this section to stop the unlawful use of the name, trade name, trademark or loan information. The person seeking the injunction shall not have to prove actual damages as a result of the violation. Irreparable harm and interim harm to the lender or owner shall be presumed. The lender or owner seeking the injunction may seek to recover actual damages and any profits the defendant has accrued as a result of the violation. The prevailing party in any action brought pursuant to this section is entitled to recover costs associated with the action and reasonable attorney fees from the other party.

H. The following are exempt from the provisions of this section:

1. Any communications by a lender or its affiliates with a current customer of the lender or with a person who was a customer of the lender during the immediately preceding eighteen (18) months; and

2. Any advertisement or solicitation by a lender for products or services that compares the products or services offered by another lender provided that the person making the comparison clearly and conspicuously identifies itself in the advertisement or solicitation.

Added by Laws 2006, c. 122, § 1, eff. July 1, 2006.

§6-1501. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§6-1502. Repealed by Laws 1989, c. 154, § 2, operative July 1, 1989.

§6-1503. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§6-1511. Short title.

Sections 1 through 5 of this act shall be known and may be cited as the "Oklahoma Financial Transaction Reporting Act".

Added by Laws 2006, c. 57, § 1, emerg. eff. April 17, 2006.

§6-1512. Definitions

As used in this act:

1. "Board" means the Banking Board;

2. "Commissioner" means the State Banking Commissioner;

3. "Currency" or "funds" means the coin and paper money of the United States or of any other country that is designated as legal tender and that circulates and is customarily used and accepted as a medium of exchange in the country of issuance. Currency includes U.S. silver certificates, U.S. notes, and Federal Reserve notes. Currency also includes official foreign bank notes that are customarily used and accepted as a medium of exchange in a foreign country;

4. "Department" means the Oklahoma State Banking Department;

5. "Licensee" means a person granted a license by the Commissioner to engage in business as a money transmitter;

6. "Money services business" includes each agent, agency, branch, or office within the State of Oklahoma of any person doing business, whether or not on a regular basis or as an organized business concern, as a money transmitter or in one or more of the capacities otherwise identified and defined by the Board. The term

"money services business" shall not include a "bank" as that term is defined in Title 31, Code of Federal Regulations, Chapter X, nor shall it include a person registered with and regulated or examined by the Securities and Exchange Commission or the Commodity Futures Trading Commission;

7. "Money transmitter" means any person who engages in the business of accepting currency or funds denominated in currency, and transmits the currency or funds or the value of the currency or funds, by any means through a financial agency or institution, a Federal Reserve Bank or other facility of one or more Federal Reserve Banks, the Board of Governors of the Federal Reserve System or both, or an electronic funds transfer network;

8. "Money transmitter equipment" means any type of terminal, machine, computer software, access to any network, or any other type of tangible or intangible apparatus or system, or any combination thereof, that may be used by a money transmitter to initiate a transmittal of currency;

9. "Person" includes an individual, corporation, partnership, limited partnership, limited liability company, trust or estate, joint stock company, association, syndicate, joint venture, or other unincorporated organization or group, Indian tribe, and all entities cognizable as legal personalities; and

10. "Supplier" means any person that utilizes, designates or otherwise authorizes another person, whether or not designated as an agent, to perform services of a money transmitter, or who provides money transmitter equipment to a person in connection therewith. Added by Laws 2006, c. 57, § 2, emerg. eff. April 17, 2006. Amended by Laws 2013, c. 62, § 6, emerg. eff. April 18, 2013; Laws 2016, c. 127, § 3, emerg. eff. Apr. 20, 2016.

§6-1513. Registration application - License - List of persons given money transmitter equipment - Fees - Violation and punishment

A. No person shall engage in the money services business in this state without first securing a license to do so from the Commissioner. Any person acting as agent or authorized delegate for any licensee under the Oklahoma Financial Transaction Reporting Act shall prominently display a copy of the principal's license certificate at each place of business of the agent or authorized delegate where money transmitter services are offered. It shall be the responsibility of the licensee to provide a copy of the license certificate to each agent or authorized delegate for display and to obtain the return of such copy if an agent or authorized delegate is no longer authorized to conduct business on behalf of a licensee.

B. Upon the effective date of this act, a supplier shall provide to the Commissioner, on a form prescribed by the Commissioner, a list of each person to whom money transmitter equipment has been provided. A licensee shall provide the

Commissioner a list of each person acting in Oklahoma as agent or authorized delegate on behalf of the licensee. The list shall be updated each calendar quarter and shall be provided to the Commissioner within thirty (30) days after the close of the calendar quarter. The updated list shall reflect any additional persons to whom money transmitter equipment has been provided since the last reporting period. The list need only identify those persons for whom the supplier has an address in this state or who the supplier reasonably believes to be operating in this state.

C. Each application filed for issuance or renewal of a money transmitter license must be accompanied by a fee in an amount prescribed by the board. Notwithstanding any other deadlines or terms prescribed by the board, a money transmitter license certificate may be issued without a termination date; provided, however, the license certificate must be renewed no later than December 31 each calendar year.

D. Any person who violates the provisions of this section shall, upon conviction, be guilty of a misdemeanor punishable by a fine of not less than One Thousand Dollars (\$1,000.00), or by imprisonment in the county jail for not more than one (1) year, or by both such fine and imprisonment. Each day that any violation of this section occurs or continues shall constitute a separate offense and shall be punishable as a separate violation.

E. Any licensee providing money transmission services to Oklahoma residents primarily through electronic means must maintain security in the amount prescribed by rule of the board but not less than Two Hundred Thousand Dollars (\$200,000.00).

F. All fees collected under this section shall be deposited in the Department revolving fund pursuant to Section 211.1 of this title.

Added by Laws 2006, c. 57, § 3, emerg. eff. April 17, 2006. Amended by Laws 2008, c. 275, § 6, eff. July 1, 2008; Laws 2013, c. 62, § 7, emerg. eff. April 18, 2013; Laws 2016, c. 127, § 4, emerg. eff. Apr. 20, 2016.

#### §6-1514. Information-sharing agreements - Records.

The Commissioner may cooperate, coordinate, and enter into information-sharing agreements with any other local, state, federal, or foreign governmental agency regarding any or all information provided by suppliers and by persons submitting registration applications, whether or not a license is issued. In the absence of an information-sharing agreement, all Department records resulting from the provisions of this act shall be confidential and shall not be subject to public inspection. The names of licensees and their agents and authorized delegates shall not be confidential.

Added by Laws 2006, c. 57, § 4, emerg. eff. April 17, 2006. Amended by Laws 2013, c. 62, § 8, emerg. eff. April 18, 2013.



§6-1515. Rules - Interpretive statements and opinions.

A. The Board may promulgate rules to further implement the provisions of this act including, but not limited to, rules relating to the application of and exemption from the provisions of this act, additional and different types of persons that must register and be licensed, fees that must be paid, and investigative and examination authority over licensees by the Department or designee of the Department, which may include state law enforcement agencies.

B. The Commissioner may issue interpretive statements and opinions regarding the provisions of this act upon a motion by the Commissioner or upon the written request of others. An interpretive statement or opinion issued under this section shall not have the force of law and shall not be deemed a rule.

Added by Laws 2006, c. 57, § 5, emerg. eff. April 17, 2006.

§6-1600. International Bank Act - Short title.

Sections 10 through 26 of this act shall be known and may be cited as the "International Bank Act".

Added by Laws 1992, c. 295, § 10, eff. July 1, 1992.

§6-1601. Definitions.

Definitions. As used in the International Bank Act:

1. "Board" when used with an initial capital letter means the Banking Board of this state;

2. "Foreign country" means a country or sovereign government other than the United States and includes any colony, dependency, state or possession of such country or sovereign government other than the United States;

3. "International administrative office" means an office of an international banking corporation, which office exists for the purposes described in Section 17 of this act;

4. "International bank agency" means the international banking corporation with respect to all business or activities conducted in this state or through an office located in this state;

5. "International banking corporation" means a banking corporation organized and licensed under the laws of a foreign country, a territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands or, if organized and licensed under the laws of the United States of America, a banking corporation:

- a. which is not a bank or bank holding company as defined in the federal Bank Holding Company Act, as amended, Sections 1841 through 1850 of Title 12 of the United States Code, and
- b. which maintained, on July 1, 1981, as its only United States banking office, one state agency licensed by a

state other than this state. The term "international banking corporation" includes, without limitation, a foreign commercial bank, foreign merchant bank or other foreign institution that is chartered by or that engages in banking activities usually in connection with the business of banking within the country or pursuant to the laws of the country where such foreign institution is organized or operating;

6. "Representative office" means a business location of a representative of an international banking corporation established for the purpose of acting in a liaison capacity with existing and potential customers of such international banking corporation and to generate new loans and other activities for such international banking corporation which is operating outside the state.  
Added by Laws 1992, c. 295, § 11, eff. July 1, 1992.

§6-1602. Applicability of state banking laws.

Applicability of state banking laws.

A. International bank agencies shall be subject to all the provisions of the Oklahoma Banking Code, the rules of the Oklahoma Banking Board, and the Oklahoma General Corporation Act as though such international bank agencies were state banks, except where it may appear, from the context, by rule duly promulgated by the Oklahoma Banking Board, by interpretation of the Commissioner, or otherwise, that such provisions are clearly applicable only to banks or trust companies organized under the laws of this state or the United States. Without limiting the foregoing general provisions, it is the intent of the Legislature that the Oklahoma Banking Board promulgate rules to be applicable to such banks or agencies. International bank agencies shall not have the powers, rights or privileges conferred on domestic banks by the provisions of Section 501.1 of Title 6 of the Oklahoma Statutes, relating to branches and facilities; Section 415 of Title 6 of the Oklahoma Statutes, relating to outside attached or detached facilities; and Section 71 of Title 62 of the Oklahoma Statutes, relating to depositories for public funds.

B. International bank agencies, with regard to assets located within this state, shall be subject specifically to the liquidation and receivership provisions of the Oklahoma Banking Code.

C. An international bank agency shall have no greater right under, or by virtue of, this section than is granted to banks organized under the laws of this state. Legal and financial terms used herein shall be deemed to refer to equivalent terms used by the country in which the international banking corporation is organized. However, all contracts or agreements which are negotiated in this state with Oklahoma residents shall be construed under Oklahoma law.

D. Nothing contained in the International Bank Act shall be construed as granting any authority, directly or indirectly, for any bank or bank holding company, the operations of which are conducted principally outside this state, to operate a branch in this state or to acquire, directly or indirectly, any voting shares of, any interest in, or all or substantially all of the assets of any bank in this state.

Added by Laws 1992, c. 295, § 12, eff. July 1, 1992.

§6-1603. Applicability of Oklahoma General Corporation Act.

Applicability of the Oklahoma General Corporation Act.

Notwithstanding the definition of the term foreign corporation in Section 1130 of Title 18 of the Oklahoma Statutes, all of the provisions of the Oklahoma General Corporation Act not in conflict with the Oklahoma Banking Code which relate to the foreign corporations shall apply to all international bank agencies and representative offices doing business in this state.

Added by Laws 1992, c. 295, § 13, eff. July 1, 1992.

§6-1604. Requirements for carrying on banking business.

Requirements for carrying on banking business.

A. No international banking corporation may transact a banking business, or maintain in this state any office for carrying on such business, or any part thereof, unless such corporation has:

1. Been authorized by its charter to carry on such business and has complied with the laws of the country under which it is chartered;

2. Furnished to the Board such proof as to the nature and character of its business and as to its financial condition as the Board may require;

3. Filed with the Board a certified copy of that information required to be supplied to the Secretary of State by those provisions of the Oklahoma General Corporation Act which are applicable to foreign corporations;

4. Paid to the Board a nonrefundable application fee in an amount set by the Board; and

5. Received a license duly issued to it by the Commissioner.

B. The Commissioner may not issue a license to an international banking corporation unless:

1. It is chartered in a jurisdiction in which any bank having its principal place of business in this state may establish similar facilities or exercise similar powers; or

2. Under the Federal International Banking Act of 1978, the Comptroller of the Currency of the United States could issue a license to the corporation to operate a federal agency without considering whether the international banking corporation is chartered in a jurisdiction in which any bank having its principal

place of business in this state may establish similar facilities or exercise similar powers.

Added by Laws 1992, c. 295, § 14, eff. July 1, 1992.

§6-1605. Application for license - Approval or disapproval.

Application for license; approval or disapproval.

A. Every international banking corporation, before being licensed by the Commissioner to act in a liaison capacity or to transact a banking business in this state, or before maintaining in this state any office to carry on such business or any part thereof, shall subscribe and acknowledge, and submit to the Board a separate application which shall state:

1. The name of such international banking corporation;

2. The location by street and post office address and county where its business is to be transacted in this state and the name of the person who shall be in charge of the business and affairs of such agency or representative office;

3. The location where its initial registered office will be located in this state;

4. The amount of its capital actually paid in and the amount subscribed for and unpaid; and

5. The total amount of the capital accounts of such international banking corporation, which must be at least Twenty-five Million Dollars (\$25,000,000.00) for the establishment of an international bank agency and Ten Million Dollars (\$10,000,000.00) for the establishment of a representative office; and a complete and detailed statement of its financial condition as of a date within one hundred eighty (180) days prior to the date of such application, except that the Board in its discretion may, when necessary or expedient, accept such statement of financial condition as of a date the Board determines to be acceptable. The Board in its discretion may, when necessary or expedient, require an opinion audit or the equivalent.

B. The Board may disallow any illegally obtained currency, monetary instruments, funds, or other financial resources from the capitalization requirements of this section.

C. Notwithstanding the provisions of paragraph 5 of subsection A of this section, the Board may approve such application if:

1. The international corporation has been in the business of banking for at least ten (10) years and has been empowered under the laws of the country in which it is organized and licensed to receive deposits without restriction from the general public and to engage in such other activities as are usual in connection with the business of banking in the country where such foreign institution is organized and licensed;

2. The international banking corporation is ranked by the banking or supervisory authority of the country in which it is

organized and licensed as one of the five largest banks in that country in terms of domestic deposits, as of the date of the statement of its financial condition as required by paragraph 5 of subsection A of this section; and

3. The Board received a certificate issued by the banking or supervisory authority of the country in which the international banking corporation is organized and licensed stating that the international banking corporation is duly organized and licensed and lawfully existing in good standing, and is empowered to conduct a general banking business.

Provided, the Board may specify such other conditions as it may deem appropriate, considering the public interest, the need to maintain a sound and competitive banking system, and the preservation of an environment conducive to the conduct of an international banking business in the state.

D. At the time such application is submitted to the Board, such corporation shall also submit a duly authenticated copy of its articles and an authenticated copy of its bylaws, or an equivalent thereof satisfactory to the Board. Such corporation shall also submit a certificate issued by the banking or supervisory authority of the country in which the international banking corporation is organized and licensed stating that the international banking corporation is duly organized and licensed and lawfully existing in good standing and has not been convicted of, or pleaded guilty or nolo contendere to, a violation of any currency transaction reporting or money laundering law which may exist in the country.

E. Application shall be made on a form prescribed by the Board and shall contain such information as the Board may require.

F. The Board may, in its discretion, approve or disapprove the application, but shall not approve such application unless, in its opinion, the applicant meets each and every requirement of the International Bank Act and of all other applicable provisions of the Oklahoma Banking Code. In the processing of applications, the time limitations under the Administrative Procedures Act shall not apply as to approval or disapproval of the application.

Added by Laws 1992, c. 295, § 15, eff. July 1, 1992.

#### §6-1606. Licenses - Permissible activities.

Licenses; permissible activities.

A. An international banking corporation licensed to operate an international bank agency, representative office, or administrative office may engage in the business authorized by the International Bank Act at the office specified in such license for such period as is provided in subsection B or subsection C of this section. No international bank agency, representative office, or administrative office may have more than one place of doing business; provided, nothing in this section or elsewhere in the Oklahoma Statutes shall

be construed to prevent an international banking corporation from operating more than one international bank agency or representative office, each at a different place of business, provided each such agency or representative office is separately licensed. No license to operate an international bank agency, representative office, or administrative office is transferable or assignable. Every such license shall be, at all times, conspicuously displayed in the place of business specified therein.

B. Except as provided in subsection C of this section, a license to operate an international bank agency, representative office, or administrative office shall be valid for a period of one (1) year, unless such license is suspended or revoked. Such license may be renewed annually upon application to the Board, upon forms available for that purpose, within thirty (30) days prior to the expiration of the license. Such license may be renewed by the Board, in its discretion, upon its determination, with or without examination, that the international banking corporation is in a safe and sound condition and has complied with all requirements of law with respect to the international bank agency, representative office, or administrative office; that such renewal of the license will not be detrimental to the public interest; and that the renewal has been duly authorized by proper corporate action. Each application for renewal of an international bank agency license shall be accompanied by an annual renewal fee in an amount set by rule of the Board.

C. Notwithstanding the provisions of subsection B of this section, the Board may, in its discretion, issue a license for an indefinite period if it finds that the international banking corporation has satisfied the requirements for renewal of its license and has held a license for the previous three (3) years. A license issued for an indefinite period shall be valid without renewal unless suspended or revoked. An international banking corporation that is granted a license for an indefinite period shall file with the Board such annual financial statements as the Board may require and shall pay an annual fee equal in an amount to be set by rule of the Board. Such annual fee shall be paid in January of each year.

D. An international banking corporation which proposes to terminate the operations of its international bank agency, representative office, or administrative office shall comply with such procedures as the Board may prescribe by rule to ensure an orderly cessation of business in a manner which is not harmful to the public interest and shall surrender its license to the Board.

E. An international banking agency, representative office, or administrative office license may be suspended or revoked by the Board, with or without examination, upon a determination that the international banking corporation does not meet all requirements for

original licensing or any of the criteria established by subsection B of this section for renewal of a license.

F. In the event any such license shall be suspended or revoked by the Board, or the renewal thereof shall be refused by the Board, all rights and privileges of the international banking corporation to transact the business thus licensed shall forthwith cease, and such license shall be surrendered to the Board within twenty-four (24) hours after the Board has mailed or personally delivered written notice of such decision. The notice may be personally delivered to any officer, director, employee, or agent of the corporation who is physically present in this state.

G. An international banking corporation licensed under the terms of the International Bank Act is authorized to transact only such limited business in this state as is clearly related to, and is usual in, international or foreign business and financing international commerce. No such international banking corporation may exercise fiduciary powers. An international banking corporation may furnish such investment advisory services as it may be authorized to render under rules adopted by the Board with respect to nonresident entities or persons whose principal places of business or domicile are outside the United States. No such international banking corporation may receive deposits in this state except:

1. Deposits from nonresident entities or persons whose principal places of business or domicile are outside the United States;

2. Interbank deposits, interbank borrowing, or similar obligations; and

3. International banking facility deposits as defined by rule of the Board.

An international banking corporation may maintain in this state, for the account of others, credit balances necessarily incidental to, or arising out of, the exercise of its lawful powers. Such credit balances may be disbursed by check or other draft; however, the Board shall by rule provide appropriate limitations upon such disbursement to ensure that credit balances are not functionally equivalent to demand deposits.

H. Notwithstanding any provision of the International Bank Act or the Oklahoma Banking Code to the contrary, an international banking corporation licensed under the International Bank Act as an international bank agency may, if authorized by rules of the Board, make any loan or investment or exercise any power which it could make or exercise if it were operating in this state as a federal agency under the federal International Banking Act of 1978. The Board shall, when promulgating such rules, consider the public interest and convenience and the need to maintain a sound and competitive state banking system. Unless otherwise provided by

statute, an international bank agency may not exercise any powers that a federal agency is not authorized to exercise.

I. Notwithstanding the provisions of subsections G and H of this section, any banking corporation organized and existing under the laws of any other state and licensed pursuant to the provisions of this chapter shall engage only in those activities permissible for an Edge Act corporation organized under Section 25(a) of the Federal Reserve Act, as amended, 12 U.S.C., Sections 611 through 632.

J. It is the intent of the International Bank Act that an international bank agency may not be a "state branch" or a "federal branch", as those terms are defined in the federal International Banking Act of 1978, and neither a foreign bank as defined in such federal act nor an international banking corporation may establish or operate any such branch in this state.

Added by Laws 1992, c. 295, § 16, eff. July 1, 1992.

§6-1607. International administrative offices.

International administrative offices.

A. Any international banking corporation having capital accounts in excess of Twenty-five Million Dollars (\$25,000,000.00) may establish one office in this state for the purposes of:

1. Administering its personnel and operations outside the United States;
2. Engaging in data processing and recordkeeping with respect to its international transactions; and
3. Negotiating, approving, or servicing international loans or extensions of credit.

B. An office established pursuant to the provisions of this section may not engage in any activity except those activities set forth in subsection A of this section.

C. An office established in accordance with the provisions of this section does not require a certificate of authority to do business pursuant to Sections 301 through 313 of Title 6 of the Oklahoma Statutes, nor shall it be deemed a branch pursuant to Section 501.1 of Title 6 of the Oklahoma Statutes.

D. An international banking corporation establishing an office in accordance with the provisions of this section is subject to the provisions of subsection A of Section 14 of this act and subsections A through D of Section 16 of this act, except that the nonrefundable application fee to be set by rule of the Board shall be no less than Two Thousand Five Hundred Dollars (\$2,500.00) and the annual renewal fee shall be no less than Two Hundred Fifty Dollars (\$250.00).

E. The Board shall conduct regular examinations of any office established in accordance with the provisions of this section. Such examinations shall be conducted primarily for the purpose of determining compliance with the provisions of this section and the



Board's rules concerning any international banking corporation having an international administrative office in this state. Added by Laws 1992, c. 295, § 17, eff. July 1, 1992.

§6-1608. Asset maintenance or capital equivalency.

Asset maintenance or capital equivalency.

A. Each international bank agency shall hold, in this state, assets which bear such relationships as the Board shall by rule prescribe to the aggregate liabilities of the international bank agency payable in this state or resulting from the operations of the international bank agency. The amount of such assets shall be equal to not less than one hundred five percent (105%) of the amount of such liabilities. However, the Board by rule may reduce the required amount of assets to not less than one hundred percent (100%) of the amount of such liabilities. When promulgating any such rule, the Board shall take into account the objective of maintaining a sound banking system in this state. The assets shall be maintained as cash on hand; as cash on demand deposit with other banks, including the total amount of any reserves deposited with other banks, including the total amount of any reserves deposited at a federal reserve bank; as cash items in process of collection; as earning assets such as federal funds sold, bonds, notes, debentures, drafts, bills of exchange, acceptances, loan participation certificates, or other evidences of indebtedness payable in the United States or in the United States funds or, with the prior approval of the Board, in funds freely convertible into United States funds; in such other form as the Board may specify by rule; or as any combination of the foregoing. The term "assets" as used in this subsection excludes accrued income and amounts due from other offices or branches of, and wholly owned (except for a nominal number of directors' shares) subsidiaries of, the international banking corporation in question. The term "liabilities" as used in this subsection excludes accrued expenses and amounts due and other liabilities to branches, offices, agencies, and wholly owned (except for a nominal number of directors' shares) subsidiaries of the international banking corporation in question, and such other liabilities as the Board may specify by rule. In lieu of holding such assets, the Board may by rule permit an international bank agency to:

1. Maintain on deposit with a bank in this state, in such amounts as the Board specifies, dollar deposits or investment securities of the type that may be held by a state bank for its own account pursuant to Section 806 of Title 6 of the Oklahoma Statutes. The aggregate amount of dollar deposits and investment securities for an international bank agency shall, at a minimum, equal the greater of:

- (a) One Million Five Hundred Thousand Dollars (\$1,500,000.00), or
- (b) Five percent (5%) of the total liabilities of the international bank agency, excluding accrued expenses and amounts due and other liabilities to branches, offices, agencies, and wholly owned (except for a nominal number of directors' shares) subsidiaries of the international banking corporation of which the agency is part. The Board shall prescribe by rule the deposit, safekeeping, pledge, withdrawal, recordkeeping, and other arrangements for funds and securities maintained under the provisions of this paragraph. The deposits and securities used to satisfy the capital equivalency requirements of this paragraph shall be held, to the extent feasible, in a state or national bank located in this state or in a federal reserve bank; or

2. Maintain other appropriate reserves, taking into consideration the nature of the business being conducted by the Oklahoma international bank agencies of the international banking corporation.

The securities or reserves required by the provisions of this section shall be held, to the extent feasible, in a state or national bank located in this state.

B. For the purposes of this section, the Board shall value marketable securities at book value; shall have the right to determine the value of any nonmarketable bond, note, debenture, draft, bill of exchange, or other evidence of indebtedness or of any other obligation held by or owned to the international banking corporation in this state; and, in determining the amount of assets for the purpose of computing the above ratio of assets to liabilities, shall have the power to exclude any particular assets.

C. If by reason of the existence or the potential occurrence of unusual or extraordinary circumstances, the Board deems it necessary or desirable for the maintenance of a sound financial condition, the protection of creditors and the public interest, and the maintenance of public confidence in the business of the international bank agency of the international banking corporation, the Board may reduce the credit balances with unaffiliated banking institutions outside this state and may require such international banking corporation to deposit, in accordance with such rules as the Board shall from time to time promulgate, the assets required to be held in this state pursuant to this section with such bank or trust company existing under the laws of this state as such international banking corporation may designate and the Board may approve.

D. For the purposes of this section, international banking facility deposits and borrowings shall be excluded from the total liabilities and assets of an international banking corporation. Except as otherwise provided by rule, international banking facility extensions of credit are eligible assets for the purposes of asset maintenance pursuant to subsection A of this section.

E. Each international bank agency shall file such reports with the Board as the Board shall by rule require to determine compliance with the provisions of this section.

Added by Laws 1992, c. 295, § 18, eff. July 1, 1992.

#### §6-1609. Certification of capital accounts.

Certification of capital accounts.

Before opening an office in this state, and annually thereafter so long as a bank office is maintained in this state, an international banking corporation licensed pursuant to the International Bank Act shall certify to the Board the amount of its capital accounts, expressed in the currency of the country of its incorporation. The dollar equivalent of these amounts, as determined by the Board, shall be deemed to be the amount of its capital accounts.

Added by Laws 1992, c. 295, § 19, eff. July 1, 1992.

#### §6-1610. Lending limits.

Lending limits.

A. The Board shall by rule prescribe the limits of drafts or bills of exchange which an international bank agency may accept relative to the capital accounts of the international banking corporation. These limits shall take into account all transactions which are included and excluded in computing the lending limit for acceptances of a federal agency licensed under the federal International Banking Act of 1978, as amended.

B. The provisions of Section 802 of Title 6 of the Oklahoma Statutes, except to the extent it is inconsistent with Section 15 of this act or the provisions of this section, shall apply to the loans and investments made by any international bank agencies of the international banking corporation. As used in such sections with respect to an international banking corporation and its international bank agencies, the term "capital accounts" shall be deemed to refer to the capital and surplus of the international banking corporation, and, except when used with reference to capital accounts, the term "bank" shall be deemed to refer to the international bank agencies of the international banking corporation which are licensed in this state.

C. Any limitation in this section based on the capital accounts of an international banking corporation shall be deemed to refer, with respect to an international bank agency in this state, to the

dollar equivalent of the capital accounts of the international banking corporation, as determined by the Board. If the international banking corporation has more than one international bank agency in this state, the business transacted by all such agencies shall be aggregated in determining compliance with a limitation or restriction in this section.

D. With the prior written approval of the Commissioner, the capital notes and capital debentures of an international banking corporation may be treated as capital in computing the limitations referred to in this section.

Added by Laws 1992, c. 295, § 20, eff. July 1, 1992.

#### §6-1611. Reports and records.

Reports and records.

A. Every international banking corporation doing business in this state shall, at such times and in such form as the Board shall prescribe, make written reports in the English language to the Board, under the oath of one of its officers, managers, or agents transacting business in this state, showing the amount of its assets and liabilities and containing such other matters as the Board shall prescribe. If any such international banking corporation shall fail to make any such report, as directed by the Board, or if any such report shall contain any false statement knowingly made, the same shall be grounds for revocation of the license of the international banking corporation.

B. Each international banking corporation which operates an international bank agency licensed under the International Bank Act shall cause to be kept, at its place of business in this state, correct and complete books and records of account of its business operations transacted by such agency in the manner as required by law for state banks. Such agencies shall also keep current copies of the charter and bylaws of the international banking corporation, relative to the operations of the agency, and minutes of the proceedings of its directors or committees relative to the agency business. Such records shall be kept in the same manner as required by law for state banks and shall be made available to the Board, upon request, at any time during regular business hours of the agency. Any failure to keep such records as aforesaid or any refusal to produce such records upon request by the Board shall be grounds for suspension or revocation of any license issued under the International Bank Act.

Added by Laws 1992, c. 295, § 21, eff. July 1, 1992.

#### §6-1612. Conversion from a federal agency to a state chartered agency and the reverse.

Conversion from a federal agency to a state chartered agency and the reverse.

A. An international banking corporation desiring to convert its existing federal agency or representative office into a state chartered agency or representative office shall submit to the Board an application, on a form the Board shall provide, accompanied by nonrefundable application fees as may be set by the Board. An examination and investigation may be conducted to the extent determined necessary by the Board. The cost of any such examination shall be paid by the applicant.

B. Nothing in the laws of this state shall restrict the right of a state chartered agency or representative office which has paid its fee to convert to a federal agency or representative office upon compliance with the laws of the United States. Upon completion of any such conversion, the state charter shall automatically terminate and shall be surrendered to the Board.

C. An international banking corporation desiring to convert its existing state chartered representative office to a state chartered agency or its existing state chartered agency to a state chartered representative office shall submit to the Board an application on a form the Board shall provide. An application to convert to an agency shall be accompanied by all of the information and documents that the state requires applicants for an agency to submit and by a nonrefundable application fee in an amount to be set by rule of the Board. A nonrefundable application fee in an amount to be set by rule of the Board shall accompany an application to convert to a representative office.

D. An international banking corporation desiring to convert from a federal agency or representative office into a state chartered agency or representative office, or from its existing state chartered representative office to an agency, shall be required to meet the minimum criteria of the particular type of state chartered institution into which it is converting as well as any other criteria or conditions required by rule or order of the Board.

Added by Laws 1992, c. 295, § 22, eff. July 1, 1992.

#### §6-1613. Dissolution.

##### Dissolution.

A. In the event an international banking corporation which is licensed to maintain an international bank agency in this state is dissolved, or its authority or existence is otherwise terminated, canceled, or suspended in the jurisdiction of its incorporation, oral notice by telephone of such event shall be given to the Commissioner, deputy commissioner or Board legal counsel, within twelve (12) hours of such event.

B. A certificate of the official who is responsible for records of banking corporations of the jurisdiction of incorporation of such international banking corporation, attesting to the occurrence of

any such event, or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such international banking corporation, the termination of its existence, or the cancellation of its authority, shall be delivered within two (2) days by the corporation or its officers and directors last appearing in the records of the Board to the Board. The filing of the certificate, order, or decree shall have the same effect as the revocation of the license of such international banking corporation as provided in Section 16 of this act.

C. Refusal or neglect of any said officer or director to comply with this section shall render him liable for an administrative violation and subject to a fine of not more than One Thousand Dollars (\$1,000.00) for each day of such refusal or neglect. Added by Laws 1992, c. 295, § 23, eff. July 1, 1992.

§6-1614. Representative offices - Limitations - Licenses - Fees.

Representative offices; limitations; licenses; fees.

No representative office shall conduct any banking business in this state. Each representative office shall be licensed by the Board, shall provide the Board with such information as the Board, by rule, deems necessary, and shall pay an initial nonrefundable application fee and an annual renewal fee, both of which shall be set by the Board.

Added by Laws 1992, c. 295, § 24, eff. July 1, 1992.

§6-1615. Rules - Exemption from economic impact statement requirements.

Rules; exemption from economic impact statement requirements.

In addition to any other rulemaking authority it has under the Oklahoma Banking Code, the Board is authorized to promulgate reasonable rules which it deems advisable for the administration of international banking corporations under the International Bank Act in the interest of protecting depositors, creditors, borrowers, or the public interest and in the interest of maintaining a sound banking system in this state. Because of the difficulty in obtaining economic data with regard to such banks, no economic impact statement shall be required in connection with said rules.

Added by Laws 1992, c. 295, § 25, eff. July 1, 1992.

§6-1616. Foreign travel expenses.

Foreign travel expenses.

A. Fees, assessments and reimbursements of actual expenses by the department and department representatives shall be set by rule of the Board which shall, in all cases, be no less than that for state banks.

B. If foreign travel is deemed necessary by the department to effectuate the purposes of the International Bank Act,

representatives of the department shall be reimbursed for actual, reasonable, and necessary expenses incurred in such foreign travel. Added by Laws 1992, c. 295, § 26, eff. July 1, 1992.

§6-1621. Task Force for the Study of State Banking Services.

A. There is hereby created the Task Force for the Study of State Banking Services.

B. The task force shall consist of thirteen (13) members as follows:

1. One member to be appointed by the Governor from a statewide membership organization representing realtors;

2. One member to be appointed by the Speaker of the Oklahoma House of Representatives from a statewide organization representing the insurance industry;

3. One member to be appointed by the President Pro Tempore of the Oklahoma State Senate from a statewide membership organization representing the banking industry;

4. Five members to be appointed by the Speaker of the Oklahoma House of Representatives who shall be legislators serving on the Banking and Finance Committee of the House of Representatives including the Chair and Vice Chair of the Banking and Finance Committee of the House of Representatives; and

5. Five members to be appointed by the President Pro Tempore of the Oklahoma State Senate who shall be legislators serving on the standing committee of the Oklahoma State Senate with primary jurisdiction concerning banking legislation including the chair and vice-chair of such standing committee.

C. The task force shall conduct an organizational meeting not later than ninety (90) days after the sine die adjournment of the 2nd Regular Session of the 50th Oklahoma Legislature.

D. The cochairs of the task force shall be the Chair of the Banking and Finance Committee of the House of Representatives and the chair of the standing committee of the Senate described in paragraph 5 of subsection B of this section. A simple majority of the members of the task force shall constitute a quorum for purposes of any action taken by the task force.

E. The task force shall be authorized to meet as often as required in order to perform the duties imposed upon the task force by law.

F. The task force shall conduct a study of the federal and state laws, including administrative rules or regulations, governing the authorized business activity of banks, whether the banks are members of the federal or state banking system. The task force shall specifically determine the extent to which any proposed changes in the powers of banks under the jurisdiction of the State Banking Commissioner would or would not have adverse economic effects upon other financial, real estate or insurance service

providers in the State of Oklahoma. The task force may produce a final report containing a summary of its findings and recommendations with respect to such issues. The final report, if approved by the task force, shall be submitted to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the Oklahoma State Senate not later than December 31, 2006.

G. Travel reimbursement shall be the responsibility of the appointing authority. Legislators who are appointed to the task force shall be reimbursed for travel expenses pursuant to Section 456 of Title 74 of the Oklahoma Statutes.

H. Staff assistance for the task force shall be provided by the Oklahoma House of Representatives and the Oklahoma State Senate. To the extent practical, the State Banking Department, the State Insurance Department and other entities of state government having information that would be helpful to the task force shall provide such assistance and information to the task force as may be required.

I. The task force shall be subject to the provisions of the Oklahoma Open Meeting Act and the Oklahoma Open Records Act.

J. The task force shall cease to have any authority to take any official action after January 31, 2007, and shall be dissolved by operation of law on February 1, 2007.

Added by Laws 2006, c. 122, § 2, eff. July 1, 2006.

#### §6-1701. Short title - Intent.

A. This act shall be known and may be cited as the "Multistate Trust Institutions Act".

B. It is the express intent of this act to permit banks and other depository institutions, foreign banks and trust companies to engage in the trust business on a multistate and international basis to the extent consistent with the safety and soundness of the trust institutions engaged in a trust business in this state and the protection of consumers, clients and other customers of such trust institutions.

Added by Laws 1998, c. 104, § 1, eff. Nov. 1, 1998.

#### §6-1702. Definitions.

As used in this act:

1. "Account" means the client relationship established with a trust company involving the transfer of funds or property to the trust company, including a relationship in which the trust company acts as trustee, executor, administrator, guardian, custodian, conservator, bailee, receiver, registrar, or agent, but excluding a relationship in which the trust company acts solely in an advisory capacity;

2. "Act as a fiduciary" or "acting as a fiduciary" means to:



- a. accept or execute trusts, including to:
  - (1) act as trustee under a written agreement,
  - (2) receive money or other property in its capacity as trustee for investment in real or personal property,
  - (3) act as trustee and perform the fiduciary duties committed or transferred to it by order of a court of competent jurisdiction,
  - (4) act as trustee of the estate of a deceased person, or
  - (5) act as trustee for a minor or incapacitated person,
- b. administer in any other fiduciary capacity real or tangible personal property, or
- c. act pursuant to order of a court of competent jurisdiction as executor or administrator of the estate of a deceased person or as a guardian or conservator for a minor or incapacitated person;

3. "Administer" with respect to real or tangible personal property means, as an agent or in another representative capacity, to possess, purchase, sell, lease or insure, safekeep or otherwise manage the property;

4. "Affiliate" means a company that directly or indirectly controls, is controlled by, or is under common control with a trust institution or other company;

5. "Bank" has the meaning set forth in 12 U.S.C., Section 1813(h). "Bank" shall not include any "foreign bank" as defined in 12 U.S.C., Section 3101(7), except for any such foreign bank organized under the laws of a territory of the United States, Puerto Rico, Guam, American Samoa or the Virgin Islands, the deposits of which are insured by the Federal Deposit Insurance Corporation;

6. "Bank supervisory agency" means:

- a. any agency of another state with primary responsibility for chartering and supervising a trust institution, and
- b. the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the office of Thrift Supervision and any successor to these agencies;

7. "Branch" with respect to a depository institution has the meaning set forth in paragraph 7 of Section 102 of Title 6 of the Oklahoma Statutes;

8. "Charter" means a charter, license or other authority issued by the Commissioner or a bank supervisory agency authorizing a trust institution to act as a fiduciary in its home state;

9. "Client" means a person to whom a trust institution owes a duty or obligation under a trust or other account administered by the trust institution or as an advisor or agent, regardless of whether the trust institution owes a fiduciary duty to the person. The term includes the noncontingent beneficiaries of an account;

10. "Commissioner" means the State Banking Commissioner;

11. "Company" includes a bank, trust company, corporation, limited liability company, partnership, association, business trust, or another trust;

12. "Department" means the Oklahoma Department of Banking;

13. "Depository institution" means any company chartered to act as a fiduciary and included for any purpose within any of the definitions of "insured depository institution" as set forth in 12 U.S.C., Sections 1813(c)(2) and (3);

14. "Fiduciary record" means a matter written, transcribed, recorded, received or otherwise in the possession or control of a trust company, whether in physical or electromagnetic form, that is necessary to preserve information concerning an act or event relevant to an account or a client of a trust company;

15. "Foreign bank" means a foreign bank, as defined in Section 1(b)(7) of the International Banking Act of 1978, chartered to act as a fiduciary in a state other than this state;

16. "Home state" means:

- a. with respect to a federally chartered trust institution and a foreign bank, the state in which such institution maintains its principal office, and
- b. with respect to any other trust institution, the state which chartered such institution;

17. "Home state regulator" means the bank supervisory agency with primary responsibility for chartering and supervising an out-of-state trust institution;

18. "Host state" means a state other than the home state of a trust institution, or a foreign country in which the trust institution maintains or seeks to acquire or establish an office;

19. "License" means the authority granted by the Commissioner pursuant to this act to establish, acquire or maintain a trust office;

20. "New trust office" means a trust office located in a host state which:

- a. is originally established by the trust institution as a trust office, and
- b. does not become a trust office of the trust institution as a result of:
  - (1) the acquisition of another trust institution or trust office of another trust institution, or
  - (2) a merger, consolidation, or conversion involving any such trust institution or trust office;

21. "Office", with respect to a trust institution, means the principal office, a trust office or a representative trust office, but not a branch;

22. "Out-of-state bank" means a bank chartered to act as a fiduciary in any state or states other than this state;

23. "Out-of-state trust company" means either a trust company that is not a state trust company or a savings association whose principal office is not located in this state;

24. "Out-of-state trust institution" means a trust institution that is not a state trust institution;

25. "Person" means an individual, a company or any other legal entity;

26. "Principal office", with respect to:

- a. a state trust company, means a location registered with the Commissioner as the state trust company's home office at which:
  - (1) the state trust company does business,
  - (2) the state trust company keeps its corporate books and a set of its material records, including material fiduciary records, and
  - (3) at least one executive officer of the state trust company maintains an office, or
- b. a trust institution other than a state trust company, means its principal place of business in the United States;

27. "Registration" means the process by which a trust institution has been authorized by the Commissioner to acquire, establish or maintain a representative trust office in this state;

28. "Representative trust office" means an office at which a trust institution has been authorized by the Commissioner to engage in a trust business other than acting as a fiduciary;

29. "Savings association" means a depository institution that is neither a bank nor a foreign bank;

30. "State" means any state of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands;

31. "State bank" means:

- a. a bank chartered to act as a fiduciary by this state, or
- b. a foreign bank, as defined in Section 1(b)(7) of the International Banking Act of 1978, chartered to act as a fiduciary in this state;

32. "State trust company" means a corporation or a limited liability trust company organized or reorganized under this act, including a trust company organized under the laws of this state before the effective date of this act;

33. "State trust institution" means a trust institution having its principal office in this state;

34. "Trust business" means the holding out by a person to the public by advertising, solicitation or other means that the person is available to perform any service of a fiduciary in this or another state, including but not limited to:

- a. acting as a fiduciary, or
- b. to the extent not acting as a fiduciary, any of the following:
  - (1) receiving for safekeeping personal property of every description,
  - (2) acting as assignee, bailee, conservator, custodian, escrow agent, registrar, receiver or transfer agent, or
  - (3) acting as financial advisor, investment advisor or manager, agent or attorney-in-fact in any agreed upon capacity;

35. "Trust company" means a state trust company or any other company chartered to act as a fiduciary that is neither a depository institution nor a foreign bank;

36. "Trust institution" means a depository institution, foreign bank, state bank or trust company;

37. "Trust office" means an office, other than the principal office, at which a trust institution is licensed by the Commissioner to act as a fiduciary; and

38. "Unauthorized trust activity" means:

- a. a company, other than one identified in subsection A of Section 5 of this act, acting as a fiduciary within this state,
- b. a company engaging in a trust business in this state at any office of such company that is not its principal office, if it is a state trust institution, or that is not a trust office or a representative trust office of such company, or
- c. an out-of-state trust institution engaging in a trust business in this state at any time an order issued by the Commissioner pursuant to paragraph 2 of Section 24 of this act is in effect.

These definitions shall be liberally construed to accomplish the purposes of the Multistate Trust Institutions Act. The Department by rule may adopt other definitions to accomplish the purposes of this act.

Added by Laws 1998, c. 104, § 2, eff. Nov. 1, 1998.

§6-1703. Rules.

The Commissioner may promulgate such rules as the Commissioner determines to be necessary or appropriate in order to implement the provisions of this act.

Added by Laws 1998, c. 104, § 3, eff. Nov. 1, 1998.

§6-1704. Severability.

If any provision of this act or the application of such provision is found by any court of competent jurisdiction in the United States to be invalid as to any trust institution or other person or circumstance, or to be superseded by federal law, the remaining provisions of this act shall not be affected and shall continue to apply to any trust institution or other person or circumstance.

Added by Laws 1998, c. 104, § 4, eff. Nov. 1, 1998.

§6-1705. Companies authorized to act as fiduciary.

A. No company shall act as a fiduciary in this state except:

1. A state trust company;
2. A state bank;
3. A savings association organized under the laws of this state and authorized to act as a fiduciary pursuant to state law;
4. A national bank having its principal office in this state and authorized by the Comptroller of the Currency to act as a fiduciary pursuant to 12 U.S.C., Section 92a;
5. A federally chartered savings association having its principal office in this state and authorized by its federal chartering authority to act as a fiduciary;
6. An out-of-state bank with a branch in this state established or maintained pursuant to the laws of this state or a trust office licensed by the Commissioner pursuant to this act;
7. An out-of-state trust company with a trust office licensed by the Commissioner pursuant to this act; or
8. A foreign bank with a trust office licensed by the Commissioner pursuant to this act.

B. No company shall engage in an unauthorized trust activity.

Added by Laws 1998, c. 104, § 5, eff. Nov. 1, 1998.

§6-1706. Certain activities not requiring charter.

Notwithstanding any other provision of the Multistate Trust Institutions Act, a company does not engage in the trust business or in any other business in a manner requiring a charter, license or registration under this act or in an unauthorized trust activity by:

1. Acting in a manner authorized by law and in the scope of authority as an agent of a trust institution with respect to an activity which is not an unauthorized trust activity;

2. Rendering a service customarily performed as an attorney or law firm in a manner approved and authorized by the Supreme Court of this state;

3. Acting as trustee under a deed of trust delivered only as security for the payment of money or for the performance of another act;

4. Engaging in the sale of title insurance regulated by the State Insurance Commission;

5. Receiving and distributing rents and proceeds of a sale as a licensed real estate broker on behalf of a principal in a manner authorized by state law;

6. Engaging in a securities transaction or providing an investment advisory service as a licensed and registered broker-dealer, investment advisor or registered representative thereof, provided the activity is regulated by the State Securities Commission or the Securities and Exchange Commission;

7. Engaging in the sale and administration of an insurance product by an insurance company or agent licensed by the Insurance Department to the extent that the activity is regulated by the Insurance Department;

8. Engaging in the lawful sale of prepaid funeral benefits under a permit issued by the Oklahoma Funeral Board under state law, or engaging in the lawful business of a perpetual care cemetery corporation under state law;

9. Acting as trustee under a voting trust as provided by law;

10. Acting as trustee by a public, private, or independent institution of higher education or a university system, as those terms are defined by law, including its affiliated foundations or corporations, with respect to endowment funds or other funds owned, controlled, provided to or otherwise made available to such institution with respect to its educational or research purposes;

11. Engaging in other activities expressly excluded from the application of this act by rule of the Department;

12. Rendering services customarily performed by a certified public accountant in a manner authorized by the Oklahoma Accountancy Board;

13. Exercising powers pursuant to the Oklahoma Charitable Fiduciary Act, and the company is a corporation which is recognized pursuant to Section 501(c)(3) of the Internal Revenue Code as being organized and operated exclusively for educational, religious, charitable, or other eleemosynary purposes;

14. Provided the company is a trust institution and is not barred by order of the Commissioner from engaging in a trust business in this state pursuant to paragraph 2 of Section 1724 of this title:

- a. marketing or soliciting in this state through the mails, telephone, any electronic means or in person

with respect to acting or proposing to act as a fiduciary outside of this state,

- b. delivering money or other intangible assets and receiving the same from a client or other person in this state, or
- c. accepting or executing outside of this state a trust of any client or otherwise acting as a fiduciary outside of this state for any client; and

15. Acting as trustee of a trust company formed pursuant to the laws of the state, and the sole purpose of which is to hold and transfer title of aircraft registration or to be registered with the Federal Aviation Administration; provided the company shall maintain a performance bond of Fifty Thousand Dollars (\$50,000.00) or more. Added by Laws 1998, c. 104, § 6, eff. Nov. 1, 1998. Amended by Laws 1999, c. 27, § 9, eff. July 1, 1999; Laws 2013, c. 398, § 1, eff. Nov. 1, 2013.

§6-1707. State trust institutions - Business locations.

A. A state trust institution may act as a fiduciary or otherwise engage in a trust business in this or any other state or foreign country, subject to complying with applicable laws of such state or foreign country, at an office established and maintained pursuant to this act, at a branch or at any location other than an office or branch.

B. A state trust institution may also conduct any activities at any office outside this state that are permissible for a trust institution chartered by the host state where the office is located, except to the extent such activities are expressly prohibited by the laws of this state or by any regulation or order of the Commissioner applicable to the state trust institution. However, the Commissioner may waive any such prohibition if the Commissioner determines, by order or regulation, that the involvement of out-of-state offices of state trust institutions in particular activities would not threaten the safety or soundness of such state trust institutions.

Added by Laws 1998, c. 104, § 7, eff. Nov. 1, 1998.

§6-1708. Out-of-state trust institutions - Business locations.

An out-of-state trust institution which establishes or maintains one or more offices in this state under this act may conduct any activity at each such office which would be authorized under the laws of this state for a state trust institution to conduct at such an office.

Added by Laws 1998, c. 104, § 8, eff. Nov. 1, 1998.

§6-1709. Registration of name.

A state trust company or out-of-state trust institution may register any name with the Commissioner in connection with establishing a principal office, trust office or representative trust office in this state pursuant to this act. However, the Commissioner may determine that a name proposed to be registered is potentially misleading to the public and require the registrant to select a name which is not potentially misleading.  
Added by Laws 1998, c. 104, § 9, eff. Nov. 1, 1998.

§6-1710. Authority to operate trust business.

A state trust company or a state bank may:

1. Perform any act as a fiduciary;
2. Engage in any trust business; and
3. Exercise any incidental power that is necessary to enable it to fully exercise, according to commonly accepted fiduciary customs and usages, a power conferred in this act.

Added by Laws 1998, c. 104, § 10, eff. Nov. 1, 1998.

§6-1711. Engaging in trust business at branch locations permitted - Certain business at representative trust offices prohibited - Limitations on business at out-of-state offices.

A. A state trust institution may act as a fiduciary and engage in a trust business at each trust office as permitted by this act and at a branch.

B. A state trust institution may not act as a fiduciary but may otherwise engage in a trust business at a representative trust office as permitted by this act.

C. Notwithstanding the provisions of subsections A and B of this section, a state bank or a state trust company may not engage at an out-of-state office in any trust business not permitted for such an office by the host state where the office is located to trust institutions chartered by such state.

Added by Laws 1998, c. 104, § 11, eff. Nov. 1, 1998.

§6-1712. Principal office.

A. Each state trust company shall have and continuously maintain a principal office in this state.

B. Each executive officer at the principal office shall be an agent of the state trust company for service of process.

C. A state trust company may change its principal office to any location within this state by filing a written notice with the Commissioner setting forth the name of the state trust company, the street address of its principal office before the change, the street address to which the principal office is to be changed, and a copy of the resolution adopted by the board authorizing the change.

D. The change of principal office shall take effect on the thirty-first day after the date the Commissioner receives the notice



pursuant to subsection C of this section. However, the Commissioner may establish an earlier or later date or may, prior to such day, notify the state trust company that it must establish to the satisfaction of the Commissioner that the relocation is consistent with the original determination for the establishment of a state trust company at that location, in which event the change of principal office shall take effect when approved by the Commissioner.

Added by Laws 1998, c. 104, § 12, eff. Nov. 1, 1998.

§6-1713. Establishment of additional offices in this state.

A. A state trust institution may establish or acquire and maintain trust offices or representative trust offices anywhere in this state. A state trust institution desiring to establish or acquire and maintain such an office shall file a written notice with the Commissioner setting forth the name of the state trust institution, the location of the proposed additional office and whether the additional office will be a trust office or a representative trust office. The state trust institution shall also furnish a copy of the resolution adopted by the board authorizing the additional office and pay a fee equal to that for bank branch offices if the office is to be a trust office or the fee equal to that for bank loan production offices if the office is to be a representative trust office.

B. The notificant may commence business at the additional office on the thirty-first day after the date the Commissioner receives the notice, unless the Commissioner specifies an earlier or later date.

C. The thirty-day period of review may be extended by the Commissioner on a determination that the written notice raises issues that require additional information or additional time for an analysis. If the period of review is extended, the state trust institution may establish the additional office only upon prior written approval by the Commissioner.

D. The Commissioner may deny approval of the additional office if the Commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office would be contrary to the public interest.

Added by Laws 1998, c. 104, § 13, eff. Nov. 1, 1998. Amended by Laws 2003, c. 180, § 6, eff. Nov. 1, 2003.

§6-1714. Establishment of additional offices outside of this state.

A. A state bank, a state trust company, or a savings association chartered under the laws of this state may establish and maintain a new trust office or a representative trust office or acquire and maintain an office in a state other than this state.

Such a trust institution desiring to establish or acquire and maintain an office in another state under this section shall file a notice on a form prescribed by the Commissioner. The notice shall set forth the name of the trust institution, the location of the proposed office, whether the office will be a trust office or a representative trust office, and whether the laws of the jurisdiction where the office will be located permit the office to be maintained by the trust institution. The trust institution shall also furnish a copy of the resolution adopted by the board authorizing the out-of-state office, and pay a fee equal to that for bank branch offices if the office is to be a trust office or the fee equal to that for bank loan production offices if the office is to be a representative trust office.

B. The notificant may commence business at the additional office on the thirty-first day after the date the Commissioner receives the notice, unless the Commissioner specifies an earlier or later date.

C. The thirty-day period of review may be extended by the Commissioner on a determination that the written notice raises issues that require additional information or additional time for an analysis. If the period of review is extended, the trust institution may establish the additional office only on prior written approval by the Commissioner.

D. The Commissioner may deny approval of the additional office if the Commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office would be contrary to the public interest. In acting on the notice, the Commissioner shall consider the views of the appropriate bank supervisory agencies.

Added by Laws 1998, c. 104, § 14, eff. Nov. 1, 1998. Amended by Laws 2003, c. 180, § 7, eff. Nov. 1, 2003.

§6-1715. Out-of-state trust institutions permitted to engage in trust business.

An out-of-state trust institution may act as a fiduciary in this state or engage in a trust business at an office in this state only if it maintains:

1. A trust office in this state as permitted by this section through Section 20 of this act; or
2. A branch in this state.

Added by Laws 1998, c. 104, § 15, eff. Nov. 1, 1998.

§6-1716. Establishment of new trust offices by out-of-state institutions permitted.

An out-of-state trust institution which does not operate a trust office in this state and which meets the requirements of Sections 15

through 20 of this act may establish and maintain a new trust office in this state.

Added by Laws 1998, c. 104, § 16, eff. Nov. 1, 1998.

§6-1717. Acquisition of trust offices by out-of-state trust institutions permitted.

An out-of-state trust institution which does not operate a trust office in this state and which meets the requirements of Sections 15 through 20 of this act may acquire and maintain a trust office in this state.

Added by Laws 1998, c. 104, § 17, eff. Nov. 1, 1998.

§6-1718. Notice of intent to establish or acquire trust office by out-of-state trust institution.

An out-of-state trust institution desiring to establish and maintain a new trust office or acquire and maintain a trust office in this state pursuant to Sections 1715 through 1720 of this title shall provide, or cause its home state regulator to provide, written notice of the proposed transaction to the Commissioner on or after the date on which the out-of-state trust institution applies to the home state regulator for approval to establish and maintain or acquire the trust office. The filing of such notice shall be preceded or accompanied by a copy of the resolution adopted by the board authorizing the additional office and a fee equal to that for bank branch offices.

Added by Laws 1998, c. 104, § 18, eff. Nov. 1, 1998. Amended by Laws 2003, c. 180, § 8, eff. Nov. 1, 2003.

§6-1719. Approval of establishment or acquisition of office by out-of-state institution.

A. No trust office of an out-of-state trust institution may be acquired or established in this state pursuant to Sections 15 through 20 of this act unless:

1. The out-of-state trust institution shall have confirmed in writing to the Commissioner that for as long as it maintains a trust office in this state, it will comply with all applicable laws of this state;

2. The notificant shall have provided satisfactory evidence to the Commissioner of compliance with:

- a. any applicable requirements of state foreign corporation qualification laws, and
- b. the applicable requirements of its home state regulator for acquiring or establishing and maintaining such office; and

3. The Commissioner, acting within sixty (60) days after receiving notice under Section 18 of this act, shall have certified to the home state regulator that the requirements of Sections 15

through 20 of this act have been met and the notice has been approved or, if applicable, that any conditions imposed by the Commissioner pursuant to subsection B of this section have been satisfied.

B. The out-of-state trust institution may commence business at the trust office on the sixty-first day after the date the Commissioner receives the notice unless the Commissioner specifies an earlier or later date. However, with respect to an out-of-state trust institution that is not a depository institution and for which the Commissioner shall have conditioned such approval on the satisfaction by the notificant of any requirement applicable to a state trust company, such institution shall have satisfied such conditions and provided to the Commissioner satisfactory evidence thereof.

C. The sixty-day period of review may be extended by the Commissioner on a determination that the written notice raises issues that require additional information or additional time for analysis. If the period of review is extended, the out-of-state trust institution may establish the office only on prior written approval by the Commissioner.

D. The Commissioner may deny approval of the office if the Commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office is contrary to the public interest. In acting on the notice, the Commissioner shall consider the views of the appropriate bank supervisory agencies.

Added by Laws 1998, c. 104, § 19, eff. Nov. 1, 1998.

#### §6-1720. Establishment of additional offices by out-of-state institutions.

An out-of-state trust institution that maintains a trust office in this state pursuant to Sections 15 through 20 of this act may establish or acquire additional trust offices or representative trust offices in this state to the same extent that a state trust institution may establish or acquire additional offices in this state pursuant to the procedures for establishing or acquiring such offices set forth in Section 13 of this act.

Added by Laws 1998, c. 104, § 20, eff. Nov. 1, 1998.

#### §6-1721. Out-of-state institutions prohibited from acting as fiduciaries - Engaging in trust business at representative trust office permitted.

A. An out-of-state trust institution may not act as a fiduciary, but may otherwise engage in a trust business, at a representative trust office as permitted by this section and Section 22 of this act.

B. Subject to the requirements contained in this section and Section 22 of this act, an out-of-state trust institution may establish and maintain representative trust offices anywhere in this state.

Added by Laws 1998, c. 104, § 21, eff. Nov. 1, 1998.

§6-1722. Establishment or acquisition of representative trust offices.

A. An out-of-state trust institution may establish or acquire and maintain a representative trust office in this state. An out-of-state trust institution desiring to establish or acquire and maintain a representative trust office shall file a notice on a form prescribed by the Commissioner which shall set forth the name of the out-of-state trust institution, the location of the proposed office, and satisfactory evidence that the notificant is a trust institution. The out-of-state trust institution shall also furnish a copy of the resolution adopted by the board authorizing the representative trust office, and pay a fee equal to that for bank loan production offices.

B. The notificant may commence business at the representative office on the thirty-first day after the date the Commissioner receives the notice, unless the Commissioner specifies an earlier or later date.

C. The thirty-day period of review may be extended by the Commissioner on a determination that the written notice raises issues that require additional information or additional time for an analysis. If the period of review is extended, the out-of-state trust institution may establish the representative trust office only on prior written approval by the Commissioner.

D. The Commissioner may deny approval of the representative office if the Commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office would be contrary to the public interests. In acting on the notice, the Commissioner shall consider the views of the appropriate bank supervisory agencies.

Added by Laws 1998, c. 104, § 22, eff. Nov. 1, 1998. Amended by Laws 2003, c. 180, § 9, eff. Nov. 1, 2003.

§6-1723. Examination of out-of-state trust institutions.

A. To the extent consistent with subsection C of this section, the Commissioner may make such examinations of any office established and maintained in this state pursuant to Sections 10 through 25 of this act by an out-of-state trust institution as the Commissioner may deem necessary to determine whether the office is being operated in compliance with the laws of this state and in accordance with safe and sound banking practices. The provisions of

Section 209 of Title 6 of the Oklahoma Statutes shall apply to such examinations.

B. The Commissioner may require periodic reports regarding any out-of-state trust institution that has maintained an office in this state pursuant to Sections 10 through 25 of this act. The required reports shall be provided by such trust institution or by the home state regulator. Any reporting requirements prescribed by the Commissioner under this subsection shall be:

1. Consistent with the reporting requirements applicable to state trust companies; and

2. Appropriate for the purpose of enabling the Commissioner to carry out the responsibilities of the Commission pursuant to Sections 10 through 25 of this act.

C. The Commissioner may enter into cooperative, coordinating and information-sharing agreements with any other bank supervisory agencies or any organization affiliated with or representing one or more bank supervisory agencies with respect to the periodic examination or other supervision of any office in this state of an out-of-state trust institution, or any office of a state trust institution in any host state. The Commissioner may accept such a report of examination and report of investigation in lieu of the Commissioner conducting an examination or investigation.

D. The Commissioner may enter into contracts with any bank supervisory agency that has concurrent jurisdiction over a state trust institution or an out-of-state trust institution maintaining an office in this state to engage the services of such agency's examiners at a reasonable rate of compensation, or to provide the services of the Commissioner's examiners to such agency at a reasonable rate of compensation. Any such contract shall be deemed a sole source contract under state law.

E. The Commissioner may enter joint examinations or joint enforcement actions with other bank supervisory agencies having concurrent jurisdiction over any office established and maintained in this state by an out-of-state trust institution or any office established and maintained by a state trust institution in any host state. The Commissioner may at any time take such actions independently if the Commissioner deems such actions to be necessary or appropriate to carry out the responsibilities of the Commissioner pursuant to this section or to ensure compliance with the laws of this state. However, in the case of an out-of-state trust institution, the Commissioner shall recognize the exclusive authority of the home state regulator over corporate governance matters and the primary responsibility of the home state regulator to safety and soundness matters.

F. Each out-of-state trust institution that maintains one or more offices in this state may be assessed and, if assessed, shall pay supervisory and examination fees in accordance with the laws of

this state and rules of the Commissioner. Such fees may be shared with other bank supervisory agencies or any organization affiliated with or representing one or more bank supervisory agencies in accordance with agreements between such parties and the Commissioner.

Added by Laws 1998, c. 104, § 23, eff. Nov. 1, 1998.

§6-1724. Enforcement actions.

Consistent with the Administrative Procedures Act, after notice and opportunity for a hearing:

1. The Commissioner may determine:
  - a. that an office maintained by an out-of-state trust institution in this state is being operated in violation of any provision of the laws of this state or in an unsafe and unsound manner, or
  - b. that a company is engaged in an unauthorized trust activity.

In either event, the Commissioner shall have the authority to take all such enforcement actions as the Commissioner would be empowered to take if the office or the company were a state trust company including, but not limited to, issuing an order temporarily or permanently prohibiting the company from engaging in a trust business in this state;

2. The Commissioner may determine by order that an out-of-state trust institution engaging in or proposing to engage in a trust business in this state does not meet the requirements for establishing a representative trust office in this state pursuant to Section 22 of this act, which order shall be effective on the date of issuance or such other date as the Commissioner shall determine; and

3. In cases involving extraordinary circumstances requiring immediate action, the Commissioner may take any action permitted by paragraph 1 or 2 of this section without notice or opportunity for hearing, but shall promptly afford a subsequent hearing upon an application to rescind the action taken. The Commissioner shall promptly give notice to the home state regulator of each enforcement action taken against an out-of-state trust institution and, to the extent practicable, shall consult and cooperate with the home state regulator in pursuing and resolving said enforcement action.

Added by Laws 1998, c. 104, § 24, eff. Nov. 1, 1998.

§6-1725. Notice of change of control, substantial transfer of trust assets or closure.

Each out-of-state trust institution that maintains an office in this state pursuant to Sections 10 through 25 of this act, or the home state regulator of such trust institution, shall give at least thirty days' prior written notice or, in the case of an emergency

transaction, such shorter notice as is consistent with applicable state or federal law, to the Commissioner of:

1. Any merger, consolidation, or other transaction that would cause a change of control with respect to such out-of-state trust institution or any bank holding company that controls such trust institution, with the result that an application would be required to be filed pursuant to the federal Change in Bank Control Act of 1978, as amended, 12 U.S.C., Section 1817(j), or the federal Bank Holding Company Act of 1956, as amended, 12 U.S.C., Section 1841 et seq., or any successor statutes thereto;

2. Any transfer of all or substantially all of the trust accounts or trust assets of the out-of-state trust institution to another person; or

3. The closing or disposition of any office in this state.

Added by Laws 1998, c. 104, § 25, eff. Nov. 1, 1998.

§6-1730. Short title - Purpose.

- A. Sections 26 through 35 of this act shall be known and may be cited as the "State Trust Institution Charter Modernization Act".

- B. The express purposes of this act are to:

1. Provide for the chartering of trust companies and to permit trust companies to act as fiduciaries and otherwise engage in the trust business in this state, provided they are adequately capitalized, competently managed by persons of integrity, and supervised by the Commissioner, all in order to ensure that such trust companies are operated in compliance with law, in a safe and sound manner and in a manner which protects their clients and customers and other consumers in this state;

2. Improve service and reduce costs for trust institution clients and customers and other consumers in this state by modernizing state laws to permit the delegation by trust institutions of fiduciary functions but not fiduciary responsibility, authorize clients to designate any trust institution to act for them and to choose an appropriate state's law to govern fiduciary instruments and investments, and protect consumers from excessive fees or undisclosed conflicts of interest of trust institutions and their affiliates; and

3. Permit adequately capitalized and professionally managed trust companies serving only family members and their affiliated entities to operate as private trust companies which may not provide services to the general public.

Added by Laws 1998, c. 104, § 26, eff. Nov. 1, 1998.

§6-1731. Definitions.

The definitions contained in Section 2 of the Multistate Trust Institutions Act shall apply to this act unless the context otherwise requires.



Added by Laws 1998, c. 104, § 27, eff. Nov. 1, 1998.

§6-1732. Designation of trust institution as fiduciary.

Any person residing in this state may designate any trust institution to act as a fiduciary on behalf of such person.

Added by Laws 1998, c. 104, § 28, eff. Nov. 1, 1998.

§6-1733. Written agreements or instruments - Designation of law governing.

Any trust institution that maintains a trust office or representative trust office in this state and its affected clients may designate this state, a state where affected clients reside, or the state where such trust institution has its principal office, as the state whose laws shall govern any written agreement between such trust institution and its client or any instrument under which the trust institution acts for a client.

Added by Laws 1998, c. 104, § 29, eff. Nov. 1, 1998.

§6-1734. Fiduciary investment standards - Designation of law governing.

Any trust institution that maintains a trust office or representative trust office in this state and its affected clients may designate this state, a state where affected clients reside, or the state where such trust institution has its principal office, as the state whose laws shall govern with respect to the fiduciary investment standards applicable to any written agreement between such trust institution or its client and any other instrument under which the trust institution acts for a client.

Added by Laws 1998, c. 104, § 30, eff. Nov. 1, 1998.

§6-1735. Delegation of fiduciary functions.

A. Any person acting as a trustee or as any other fiduciary under the laws of this state may delegate any investment, management or administrative function if such person exercises reasonable care, judgment and caution in:

1. Selecting the delegate, taking into account the delegate's financial standing and reputation;

2. Establishing the scope and other terms of any delegation;  
and

3. Reviewing periodically the delegate's actions in order to monitor overall performance and compliance with the scope and other terms of the delegation.

B. Notwithstanding any delegation permitted by subsection A of this section, any person acting as a trustee or in any other fiduciary capacity under the laws of this state shall retain responsibility for the due performance of any delegated fiduciary function.

Added by Laws 1998, c. 104, § 31, eff. Nov. 1, 1998.

§6-1736. Hiring and compensation of affiliates.

A. Any person acting as a trustee or in any other fiduciary capacity pursuant to Section 31 of this act may hire and compensate, as a delegate, an affiliate of such person if:

1. Authorized by a trust or fiduciary instrument;
2. Authorized by court order;
3. Authorized in writing by each affected client; or
4. The standards set forth in Section 31 of this act are satisfied.

B. Fees paid to an affiliate shall be competitive with fees charged by nonaffiliates that provide substantially similar services.

Added by Laws 1998, c. 104, § 32, eff. Nov. 1, 1998.

§6-1737. Compensation arrangements between clients and fiduciaries.

The compensation arrangement between a client and any person acting as a trustee or as any other fiduciary pursuant to this act shall be at arm's length and any compensation pursuant to such arrangement shall be a reasonable amount with respect to the services rendered.

Added by Laws 1998, c. 104, § 33, eff. Nov. 1, 1998.

§6-1738. Disclosure of conflicts of interest.

A. Any company, proposing to act as a trustee or in any other fiduciary capacity pursuant to a written agreement to be entered into with a prospective client after the effective date of this act, which company has any potential or actual conflict of interest which may reasonably be expected to have an impact on the independence or judgment of such trustee or fiduciary, shall deliver a disclosure statement to the prospective client:

1. Not less than forty-eight (48) hours prior to entering into any written or oral trust or fiduciary agreement with such client or prospective client; or
2. At the time of entering into any such agreement if the client has a right to terminate the agreement without penalty within three (3) or more business days after entering into the agreement.

B. The disclosure statement shall contain appropriate information concerning the actual or potential conflict of interest. If such trustee or other fiduciary proposes to delegate any fiduciary function to an affiliate, the nature of the affiliation and whether the trustee or other fiduciary may directly benefit from the delegation shall be disclosed in the disclosure statement.

Added by Laws 1998, c. 104, § 34, eff. Nov. 1, 1998.

§6-1739. Acquisition of state trust company or trust institution.

A. Subject to the provisions of this section, a trust institution may purchase assets of a state trust company or trust-related assets of another trust institution, including the right to control accounts established with the trust institution. Except as otherwise expressly provided by this section or any other law, the purchase of all or part of the assets of the trust institution does not make the purchasing trust institution responsible for any liability or obligation of the selling trust institution that the purchasing trust institution does not expressly assume. Except as otherwise provided by this act, this section does not govern or prohibit the purchase by a state trust institution of all or part of the assets of a corporation or other entity that is not a trust institution.

B. If the acquiring institution is a state bank, a state trust company, an out-of-state trust institution which maintains neither a branch nor a trust office in this state, or a savings association chartered under the laws of this state, an application in the form required by the Commissioner shall be filed with the Commissioner for any acquisition of all or substantially all of:

1. The assets of a state trust company; or
2. The trust assets of another trust institution.

C. The Commissioner shall investigate the condition of the purchaser and seller and may require the submission of additional information as considered necessary to make an informed decision. The Commissioner shall approve the purchase if:

1. The acquiring trust institution will be solvent and have sufficient capitalization for its business and location;

2. The acquiring trust institution has complied with all applicable statutes and rules including without limitation any applicable requirements of Sections 26 through 35 of this act;

3. All fiduciary obligations and liabilities of the parties have been properly discharged or otherwise assumed by the acquiring trust institution;

4. All conditions imposed by the Commissioner have been satisfied or otherwise resolved; and

5. All fees and costs have been paid.

D. A purchase requiring an application pursuant to subsection B of this section is effective on the date of approval, unless the purchase agreement provides for, and the Commissioner consents to, a different effective date.

E. The acquiring trust institution shall succeed by operation of law to all of the rights, privileges and obligations of the selling trust institution under each account included in the assets acquired.

Added by Laws 1998, c. 104, § 35, eff. Nov. 1, 1998.

§6-1740. Application of act - Exemptions.

A. A private trust company engaging in the trust business in this state shall comply with each and every provision of this act and Sections 101 through 1417 of the Oklahoma Banking Code applicable to a trust company unless expressly exempted therefrom in writing by the Commissioner pursuant to this section, by rule adopted by the Department or under a predecessor statute.

B. A private trust company or proposed private trust company may request in writing that it be exempted from specified provisions of this act and Sections 101 through 1417 of the Oklahoma Banking Code. The Commissioner may grant the exemption in whole or in part if the Commissioner finds that the private trust company does not and will not transact business with the general public. For purposes of this section:

1. "Transact business with the general public" means any sales, solicitations, arrangements, agreements, or transactions to provide trust or other business services, whether for a fee, commission or any other type of remuneration, with any client that is not a family member or a sole proprietorship, partnership, joint venture, association, trust, estate, business trust or other company that is not one hundred percent (100%) owned by one or more family members; and

2. "Family member" means any individual who is related within the fourth degree of affinity or consanguinity to an individual or individuals who control a private trust company or which is controlled by one or more trusts or charitable organizations established by such individual or individuals.

C. All individuals who control a private trust company or establish trusts or charitable organizations controlling such private trust company must be related within the second degree of affinity or consanguinity.

D. At the expense of the private trust company, the Commissioner may examine or investigate the private trust company in connection with an application for exemption. Unless the application presents novel or unusual questions, the Commissioner shall approve the application for exemption or set the application for hearing not later than the sixty-first day after the date the Commissioner considers the application complete and accepted for filing. The Commissioner may require the submission of additional information as considered necessary to an informed decision.

E. Any exemption granted under this section may be made subject to conditions or limitations imposed by the Commissioner consistent with this act.

F. The Department may adopt rules defining other circumstances that do not constitute transaction of business with the public, specifying the provisions of this act and Sections 101 through 1417 of the Oklahoma Banking Code that are subject to an exemption

request, and establishing procedures and requirements for obtaining, maintaining or revoking exempt status.

Added by Laws 1998, c. 104, § 36, eff. Nov. 1, 1998. Amended by Laws 2005, c. 48, § 18, eff. Nov. 1, 2005.

§6-1741. Application for exemption - Maintenance of exempt status - Change of control - Revocation of exempt status - Enforcement proceedings.

A. 1. A private trust company requesting an exemption from the provisions of this act, pursuant to Section 1740 of this title, shall file an application with the Commissioner containing the following:

- a. a nonrefundable application fee as set by the Department. If the exemption request is made at the same time as the charter application is filed, no additional fee shall be required in connection with the exemption request. If an exemption request is made after the private trust company charter has been issued, the fee for an exemption request shall be equal to that imposed by the Department in connection with branch bank applications,
- b. a detailed statement under oath showing the private trust company's assets and liabilities as of the end of the month previous to the filing of the application,
- c. a statement under oath of the reason for requesting the exemption,
- d. a statement under oath that the private trust company is not currently transacting business with the public and that the company will not conduct business with the public without the prior written permission of the Commissioner,
- e. the current street mailing address and telephone number of the physical location in this state at which the private trust company will maintain its books and records, together with a statement under oath that the address given is true and correct and is not a U.S. Postal Service post office box or a private mail box, postal box or mail drop, and
- f. listing of the specific provisions of the act and Sections 101 through 1417 of the Oklahoma Banking Code for which the request for exemption is made.

2. The Commissioner shall not approve a private trust company exemption unless the application is completed as required in paragraph 1 of this subsection.

B. To maintain status as an exempt private trust company under this act, the private trust company:

1. Shall not transact business with the public;

2. Shall file an annual certification that it is maintaining the conditions and limitations of its exempt status. This annual certification shall be filed on a form provided by the Commissioner and be accompanied by a fee equal to that imposed by the Department for registration statements filed under Section 104 of this title. The annual certification shall be filed on or before June 30 of each year. No annual certification shall be valid unless it bears an acknowledgment stamped by the Department. The Department shall have thirty (30) days from the date of receipt to return a copy of the acknowledged annual certification to the private trust company. The burden shall be on the exempt private trust company to notify the Department of any failure to return an acknowledged copy of any annual certification within the thirty-day period. The Commissioner may examine or investigate the private trust company periodically as necessary to verify the certification;

3. Shall comply with the principal office provisions of Section 1712 of this title and with the address and telephone requirements of subparagraph e of paragraph 1 of subsection A of this section; and

4. Shall pay the corporate franchise tax, as certified by the Oklahoma Tax Commission.

C. Control of an exempt private trust company may not be transferred or sold with exempt status. In any change of control, the acquiring control person must comply with the provisions of this act, and the exempt status of the private trust company shall automatically terminate upon the effective date of the transfer. A separate application for exempt status shall be filed if the acquiring person wishes to obtain or continue an exemption pursuant to this section.

D. The Commissioner shall have authority to revoke the exempt status of a private trust company in the following circumstances:

1. The exempt private trust company makes a false statement under oath on any document required to be filed by the act or by any rule promulgated by the Department;

2. The exempt private trust company fails to submit to an examination of its books and records by the Commissioner;

3. The exempt private trust company withholds requested information from the Commissioner; or

4. The exempt private trust company violates any provision of this section applicable to exempt private trust companies.

E. If the Commissioner determines from examination or other credible evidence that an exempt private trust company has violated any of the requirements of this section, the Commissioner may, by personal delivery or registered or certified mail, return receipt requested, notify the exempt private trust company in writing that the private trust company's exempt status has been revoked. The

notification shall state grounds for the revocation with reasonable certainty. The notice shall state its effective date, which may not be before the fifth day after the date the notification is mailed or delivered. The revocation takes effect for the private trust company if the private trust company does not request a hearing in writing before the effective date. After taking effect, the revocation is final and nonappealable as to that private trust company, and the private trust company shall be subject to all of the requirements and provisions of the act and the Oklahoma Banking Code applicable to nonexempt state trust companies.

F. A private trust company shall have five (5) calendar days after the revocation is effective to comply with the provisions of this act from which it was formerly exempt. If, however, the Commissioner determines, at the time of revocation, that the private trust company has been engaging in or attempting to engage in acts intended or designed to deceive or defraud the public, the Commissioner may shorten or eliminate, in the Commissioner's sole discretion, the five-calendar-day compliance period.

G. If the private trust company does not comply with all of the provisions of this act, including such capitalization requirements as have been determined by the Commissioner as necessary to assure the safety and soundness of the private trust company, within the prescribed time period, the Commissioner may:

1. Institute any action or remedy prescribed by this act and the Oklahoma Banking Code, or any applicable rule or regulation; or
  2. Refer the private trust company to the Attorney General for institution of a quo warranto proceeding to revoke the charter.
- Added by Laws 1998, c. 104, § 37, eff. Nov. 1, 1998. Amended by Laws 2005, c. 48, § 19, eff. Nov. 1, 2005.

§6-1755. Conversion to public trust company.

A. A private trust company may terminate its status as a private trust company and commence transacting business with the general public. A private trust company desiring to commence transacting business with the general public shall file a notice on a form prescribed by the Commissioner, which shall set forth the name of the private trust company and an acknowledgement that any exemption granted or otherwise applicable to the private trust company pursuant to Section 36 of this act shall cease to apply on the effective date of such notice. The private trust company shall also furnish a copy of the resolution adopted by the board authorizing the private trust company to commence transacting business with the general public and pay the filing fee, if any, prescribed by the Commissioner.

B. The notificant may commence transacting business with the general public on the thirty-first day after the date the

Commissioner receives the notice, unless the Commissioner specifies an earlier or later date.

C. The thirty-day period of review may be extended by the Commissioner on determination that the written notice raises issues that require additional information or additional time for analysis. If the period for review is extended, the notificant may commence transacting business with the public only on prior written approval by the Commissioner.

D. The Commissioner may deny approval of the notice of the private trust company to commence transacting business with the general public if the Commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness, that the proposed transacting of business with the general public would be contrary to the public interest or if the Commissioner determines that the notificant will not within a reasonable period be in compliance with any provision of this act from which the notificant had been previously exempted pursuant to Section 36 of this act. Added by Laws 1998, c. 104, § 38, eff. Nov. 1, 1998.

#### §6-2001. Definitions.

As used in this chapter:

1. "Credit union" means a cooperative nonprofit society incorporated for the purpose of promoting thrift among its members, and creating a source of credit for them at legitimate rates of interest for provident or productive purposes; and

2. "Paid-in and unimpaired capital and surplus" means, the balance of all paid-in share accounts and other deposits, less any loss for which no reserve has been established or which has not been charged against undivided earnings, plus the credit balance (or less the debit balance) of undivided earnings, after all losses have been provided for and net earnings or net losses have been added thereto or deducted therefrom. Reserves shall not be considered as a part of surplus.

Added by Laws 1941, p. 11, § 1. Amended by Laws 1965, c. 496, § 1, emerg. eff. July 19, 1965; Laws 1995, c. 151, § 1, emerg. eff. May 2, 1995.

#### §6-2001.1. Oklahoma State Credit Union Board - Creation.

A. There is hereby created the Oklahoma State Credit Union Board, which shall consist of five (5) members appointed by the Governor. The State Bank Commissioner shall be one of the members, and he shall preside as Chairman of the State Credit Union Board. One of the other four members shall be a member of a credit union organized under the laws of this state, and each of the other three members shall be the officer in charge of operations or a director of a credit union organized under the laws of this state; provided,



however, one of those three may be from a federal credit union. Said four members shall be selected by the Governor, with advice and consent of the Senate, from a list of not less than five (5) names for each member to be appointed submitted by the Oklahoma Credit Union League. The members appointed by the Governor shall serve for terms of four (4), three (3), two (2) and one (1) year, respectively. Upon the expiration of the terms of the four members previously appointed by the Governor pursuant to the provisions of this section, their successors shall be appointed for terms of four (4) years. If a member of the Oklahoma State Credit Union Board ceases to hold the qualifications required for the appointment of such member, then the remaining members shall immediately declare the office of such member vacant and such member shall cease to be a member of the Oklahoma State Credit Union Board. Any vacancy in the membership of the State Credit Union Board, caused by other than the expiration of a term, shall be filled only for the balance of the term of the member in whose position the vacancy occurs. Appointment made to fill a vacancy shall be made by the Governor, with advice and consent of the Senate, from a list of not less than five (5) names submitted by the Oklahoma Credit Union League. Except as otherwise provided in this section, members shall serve until their terms expire or until their successors are appointed and qualified.

B. Each member of the State Credit Union Board shall be entitled to be reimbursed for necessary travel expenses pursuant to the State Travel Reimbursement Act.

C. The State Banking Department shall provide such clerical, technical and legal assistance as the State Credit Union Board may require.

Added by Laws 1974, c. 267, § 9. Amended by Laws 1988, c. 66, § 1, emerg. eff. March 25, 1988; Laws 1992, c. 90, § 1, eff. July 1, 1992; Laws 1993, c. 183, § 25, eff. July 1, 1993.

§6-2001.2. Powers of Board - Administrator - Powers and duties - Failure to comply with Commissioner's orders or requirements.

A. In addition to any other powers conferred by law, the State Credit Union Board shall have the power to:

1. Regulate its own procedures and practice, except as may be hereafter provided by law;
2. Define any term not defined in Oklahoma Laws relating to credit unions;
3. Adopt and promulgate reasonable and uniform rules and regulations to:
  - a. govern the conduct, operation and management of credit unions,
  - b. govern the examination, evaluation of assets and the statements and reports of credit unions, and the form

- on which credit unions shall report their assets, liabilities and reserves, charge off their bad debts and otherwise keep their records and accounts, and
- c. govern the administration of the laws of this state relating to credit unions.

Such rules or regulations shall serve to foster and maintain an effective level of credit union services and the security of member accounts. The provisions of the Administrative Procedures Act of this state, as now or hereafter amended, are hereby expressly adopted and incorporated herein as though a part of this provision, and shall apply to all rules or regulations, procedures and orders of the Board. Final orders of the Board may be appealed to the Supreme Court of Oklahoma by any party directly affected and showing aggrievement by the order;

4. Restrict the withdrawal of share or deposit accounts or both from any credit union after having determined that circumstances make such restriction necessary for the proper protection of shareholders or depositors;

5. Issue cease and desist orders after having determined from competent and substantial evidence that a credit union is engaged or has engaged, or when the Board has reasonable cause to believe the credit union is about to engage, in an unsafe or unsound practice, or is violating or has violated or the Board has reasonable cause to believe is about to violate, a material provision of any law, rule, regulation or any condition imposed in writing by the Board or any written agreement made with the Board;

6. Suspend from office and prohibit from further participation in any manner in the conduct of the affairs of a credit union any director, officer or committee member who has committed any violation of a law, rule or regulation or of a cease and desist order or who has engaged or participated in any unsafe or unsound practice in connection with the credit union or who has committed or engaged in any act, omission or practice which constitutes a breach of that person's fiduciary duty as such director, officer or committee member, when the Board has determined that such action or actions have resulted or will result in substantial financial loss or other damage that seriously prejudices the interests of the members;

7. Affirm, modify, reverse, and stay the enforcement of any order or ruling of the State Banking Commissioner or Administrator appointed pursuant to the provisions of subsection B of this section relating to credit unions, their directors, officers, committee members or employees;

8. Subpoena witnesses, compel their attendance, require the production of evidence, administer oaths and examine any person under oath in connection with any subject relating to a duty imposed upon or a power vested in the Board;

9. Charge application fees for processing submissions by a credit union to the Board, Commissioner or Administrator. The Board may charge a fee for the items enumerated herein; provided, the Board's fee schedule shall not be limited solely to the following submissions:

- a. an application for a merger or acquisition,
- b. an application to amend a credit union's bylaws,
- c. an application to be heard by the Board to add a special employee group, or
- d. an application to add a special employee group by using any simplified expansion process.

The Board may adopt and promulgate, from time to time, a fee schedule for the processing of submissions by credit unions. Any payments received pursuant to the provisions of this paragraph shall be deposited to the revolving fund for the State Banking Department created in Section 211.1 of this title;

10. Charge and collect assessments from each credit union under its supervision on each One Thousand Dollars (\$1,000.00) of assets, or major fraction thereof, at rates established by the Board. The assessments shall be paid annually to the State Banking Department no later than the fifth day of February in each year. All assessments and all fees shall be deposited in the revolving fund for the State Banking Department pursuant to the provisions of Section 211.1 of this title. Effective January 1, 2007, and each year thereafter, ten percent (10%) of all assessments collected pursuant to this paragraph shall be deposited to the General Revenue Fund of the State Treasury. The State Credit Union Board may charge and collect assessments on an annual basis and may, in addition to any annual assessment, charge and collect a special assessment from each credit union, at rates established by the Board; and

11. Charge and collect from each credit union under its supervision an annual fee of One Thousand Dollars (\$1,000.00) which shall be deposited in the Oklahoma State Banking Department revolving fund created pursuant to Section 211.1 of this title.

B. The Commissioner may appoint an Administrator who, in addition to such duties and authority as are conferred by Section 2001 et seq. of this title, shall have such duties and authority as the Commissioner may assign the Administrator. The bond of the Administrator shall be the same as that set for the State Deputy Banking Commissioner. In addition to other powers conferred by Section 2001 et seq. of this title, the Commissioner shall have the power to:

1. Delegate the duties of the Office of the State Banking Commissioner under Section 2001 et seq. of this title to the Administrator;

2. Exercise general supervision of credit unions organized under the laws of this state;

3. Require credit unions to cease and desist from engaging in any act or transaction, or doing any act in furtherance thereof, which would constitute a violation of the provisions of Section 2001 et seq. of this title, or a lawful regulation issued thereunder, or to cease and desist in engaging in any unsafe or unsound credit union practice;

4. Suspend any officer, director or employee or committee member who is found, after hearing, to be dishonest, reckless, unfit to participate in the conduct of the affairs of the credit union, or to have engaged or participated in any unsafe or unsound practice in connection with the credit union, or to be practicing a continuing disregard or violation of laws, rules, regulations or orders which are likely to cause substantial loss to the credit union or likely to seriously weaken the condition of the credit union. However, any individual so suspended may within ten (10) days file a notice of protest for the suspension with the Administrator and as soon as possible thereafter, but in no event more than thirty (30) days, the Board will review the order of the Commissioner and make such findings as it deems proper, and pending that, the officer, employee, director or committee member shall not perform any of the duties of such office; and

5. Charge a fee not to exceed Fifty Dollars (\$50.00) per hour and actual expenses for each examiner for actual time consumed by the State Banking Department in making special examinations of a credit union. A "special examination" shall be any examination conducted in connection with a charter conversion, or a limited scope examination conducted at a frequency more often than once each eighteen (18) months, when deemed necessary by the Administrator and the Commissioner. Payments received pursuant to this paragraph shall be deposited in the revolving fund for the State Banking Department pursuant to Section 211.1 of this title.

C. Upon failure of a credit union to comply with the Commissioner's order or requirements, the Commissioner shall report such failure to the Board for action with respect to suspension of such credit union's certificate of authority to transact business. Added by Laws 1974, c. 267, § 10. Amended by Laws 1992, c. 90, § 2, eff. July 1, 1992; Laws 1993, c. 183, § 26, eff. July 1, 1993; Laws 1995, c. 151, § 2, emerg. eff. May 2, 1995; Laws 2000, c. 77, § 2, emerg. eff. April 14, 2000; Laws 2001, c. 59, § 1, eff. Nov. 1, 2001; Laws 2003, c. 356, § 7, emerg. eff. June 3, 2003; Laws 2006, c. 57, § 7, emerg. eff. April 17, 2006.

§6-2001.3. Meetings of Board - Quorum.

The State Credit Union Board may meet as often as necessary to carry out its duties, but it shall not fail to meet at least once in any calendar year. The Bank Commissioner may call additional meetings of the State Credit Union Board upon at least twenty-four

(24) hours' notice and shall do so upon request of two members. A majority of the State Credit Union Board shall constitute a quorum and action taken by a majority of those present at any meeting at which a quorum is present shall be the action of the State Credit Union Board.

Added by Laws 1974, c. 267, § 11. Amended by Laws 1992, c. 90, § 3, eff. July 1, 1992.

§6-2001.4. Civil liability of State Credit Union Board members.

No member of the State Credit Union Board shall be liable in any civil action for damages for any act done or omitted in good faith in performing the functions of his office.

Added by Laws 1983, c. 32, § 1, emerg. eff. April 20, 1983.

§6-2002. Necessity of certificate - Application for certificate - Organization certificate and bylaws.

(A) No credit union organized under the laws of this state or any other state shall be permitted to engage in business except on certificate issued by the Bank Commissioner upon authority of the State Credit Union Board.

(B) The request to establish a credit union under the laws of this state shall be set forth in application form and filed with the Bank Commissioner. The form of such application shall be prescribed by the State Credit Union Board and furnished by the Bank Commissioner and shall contain such information as the State Credit Union Board may require. Any seven or more residents of this state who desire to form a credit union under the laws of this state shall subscribe before some person, competent to administer oath, an organization certificate in triplicate, which shall specifically state: (1) the name of the credit union; (2) the location of the proposed credit union and the territory in which it will operate; (3) the purpose for which it is formed; (4) the term for which it is to exist, which may be perpetual or limited in term; (5) the number of its directors or trustees and the names and addresses of such of them as shall serve until the election of directors or trustees; (6) the par value of the shares, which shall not exceed One Hundred Dollars (\$100.00) each, and the authorized stock which shall not exceed the amount which it is contemplated to be provided for in its certificate of incorporation.

(C) With the application, applicants shall file a proposed certificate of incorporation with the Bank Commissioner prepared in accordance with the provisions of the Oklahoma General Corporation Act.

(D) In addition said applicants shall prepare and adopt bylaws consistent with the provisions of this act and shall certify to the same in triplicate. The bylaws of the credit union may provide for the amendment of the certificate of incorporation of the credit

union upon a vote of two-thirds (2/3) of the members of the board of directors and the approval of the State Credit Union Board.

(E) The request of a credit union organized under the laws of a state other than this state to do business in Oklahoma shall be made in accordance with the provisions of Section 6 of this act.

Added by Laws 1941, p. 11, § 2. Amended by Laws 1974, c. 267, § 1; Laws 1985, c. 125, § 1, emerg. eff. June 4, 1985; Laws 1992, c. 90, § 4, eff. July 1, 1992.

§6-2003. Investigation and report by Bank Commissioner - Certificate of approval - Certificate of incorporation.

After receipt of an application such as referred to in Section 2002 of this title, the Bank Commissioner shall cause an appropriate investigation to be made for the purpose of determining whether the application, the certificate of incorporation and the bylaws conform to the provisions of the laws of the State of Oklahoma. If the application, the certificate of incorporation and the bylaws conform to the provisions of this act, and the Bank Commissioner is satisfied that:

(1) the characteristics of the common bond of the field of membership are favorable to the economic viability of the proposed credit union and will not materially and substantially overlap the field of membership of existing credit unions in the territory in which it will operate; and

(2) the reputation, character, financial responsibility and business experience of the initial board of directors and supervisory committee provide assurance that the credit union's affairs will be properly administered, the Bank Commissioner shall, within forty-five (45) days after receipt of the application, submit a report of his investigation to the State Credit Union Board, together with his recommendation to the State Credit Union Board that the application be approved or disapproved. The State Credit Union Board shall, within sixty (60) days after the receipt of the report and recommendation of the Bank Commissioner, cause a certificate of approval to be issued or cause written notice to applicants of disapproval. Thereafter, the certificate of incorporation with the certificate of approval of the State Credit Union Board attached shall be filed in the office of the Secretary of State and a copy thereof, duly certified to by the Secretary of State, shall be filed with the State Credit Union Board. A copy of the certificate of incorporation and bylaws as approved shall be returned to the incorporators. The Secretary of State shall issue a certificate in the form provided by law for other corporations, and the existence of said credit union as a corporation shall date from the issuance of the certificate of incorporation by the Secretary of State, from which time it shall have and may exercise the powers conferred upon corporations

generally, except as limited or modified by the laws of the State of Oklahoma.

Added by Laws 1941, p. 11, § 3. Amended by Laws 1965, c. 496, § 2, emerg. eff. July 19, 1965; Laws 1974, c. 267, § 2; Laws 1992, c. 90, § 5, eff. July 1, 1992.

§6-2004. Repealed by Laws 1992, c. 90, § 19, eff. July 1, 1992.

§6-2004.1. Out-of-state credit union - Requirements to conduct business in state - Revocation of approval - Cancellation of certificate.

(A) A credit union not organized under the laws of this state or of the United States may conduct business as a credit union in this state only with the approval of the State Credit Union Board and upon receiving a certificate from the Secretary of State in compliance with Section 1130 of Title 18 of the Oklahoma Statutes, provided credit unions incorporated under the laws of this state are allowed to conduct business in another state under conditions similar to these provisions. Before granting the approval, the State Credit Union Board must find that the out-of-state credit union:

(1) Is a credit union organized under laws similar to the laws of this state;

(2) Is financially solvent;

(3) Has share and deposit account insurance with the National Credit Union Administration to the extent provided by federal law;

(4) Is examined and supervised by a regulatory agency of the state in which it is organized;

(5) Needs to conduct business in this state to adequately serve its members in this state; and

(6) Does not have a field of membership that will materially and substantially overlap the field of membership of a credit union organized under the laws of this state or permitted to conduct business in this state.

(B) No credit union organized under the laws of a state other than this state may conduct business in this state unless:

(1) Such credit union charges interest in compliance with the laws of this state when making loans in this state;

(2) Such credit union complies with the consumer protection statutes and rules applicable to credit unions incorporated or organized under the laws of this state; and

(3) Such credit union's most recent report of examination by its regulatory agency is furnished to the Administrator or such credit union agrees to submit to an examination by the Bank Commissioner or Administrator.

(C) The State Credit Union Board may revoke the approval of a credit union to conduct business in this state if it finds that:

(1) The credit union no longer meets the requirements of subsection (A) of this section;

(2) The credit union has violated the laws of this state or lawful rules or orders issued by the State Credit Union Board or the Bank Commissioner;

(3) The credit union has engaged in a pattern of unsafe or unsound credit union practices; or

(4) Continued operation by the credit union is likely to have a substantially adverse impact on the financial, economic or other interests of residents of this state.

(D) In the event of revocation as provided in subsection (C) of this section, the Secretary of State shall cancel the certificate of domestication of the credit union.

Added by Laws 1992, c. 90, § 6, eff. July 1, 1992.

§6-2005. Unlawful transaction of business - Enforcement by Attorney General - Injunction and receiver.

It shall be unlawful for any individual, firm, association, or corporation to transact a Credit Union business except as authorized by the laws of the State of Oklahoma or the United States, or to use or advertise in connection with any business, other than the credit union business conducted under the laws of this State or of the United States, the term "Credit Union," or any other term or terms calculated to deceive the public into believing that such person, firm, association, or corporation is engaged in the credit union business. Any person, firm, association, or corporation violating any of the provisions of this section, either individually or as an interested party, in any firm, association, or corporation, shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined in a sum of not less than One Hundred Dollars (\$100.00), nor more than Five Hundred Dollars (\$500.00), or by imprisonment in the County jail for not less than thirty (30) days, nor more than six (6) months, or by both such fine and imprisonment, and it is hereby made the duty of the Attorney General to enforce the provisions of this section; and in order to prevent the violation of this section, the district court in the county wherein said credit union is located is hereby authorized and empowered to grant an injunction and to appoint a receiver to take charge of the business and assets of any person, firm, association, or corporation found guilty of violating the provisions of this section, and to make all necessary and proper orders to wind up such business and prevent a violation of this section.

Added by Laws 1941, p. 12, § 5.

§6-2006. Succession - Powers.

A credit union shall have succession in its corporate name during its existence and shall have power:



1. To make contracts;
2. To sue and be sued;
3. To adopt and use a common seal and alter the same at pleasure;

4. To purchase, lease, own, hold, and dispose of any real estate, buildings, fixtures, equipment, furniture and furnishings necessary, incidental and convenient to the operation of the credit union, the aggregate book value of which shall not exceed seven percent (7%) of the total assets of the credit union, unless otherwise specifically approved by the State Credit Union Board. A credit union may lease to any tenants as the credit union deems appropriate any portion of the facilities or premises of the credit union which are not utilized in the conduct of the business of the credit union;

5. To make loans to its members for provident or productive purposes, the maturities of which shall not exceed fifteen (15) years, except as otherwise provided herein and except as otherwise approved by the State Credit Union Board, and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, credit union organizations or financial organizations in making loans to credit union members, other credit unions and credit union organizations in accordance with the following:

- a. loans to credit union members shall be made in conformity with criteria established by the board of directors of the lending credit union; provided that:
  - (1) a real estate loan secured by a first mortgage lien may have a maturity not exceeding thirty (30) years or any longer term which may be authorized by the State Credit Union Board,
  - (2) a loan to finance a manufactured home, which shall be secured by a first lien on such manufactured home, or a second mortgage loan secured by a dwelling, shall have a maturity not exceeding fifteen (15) years or any longer term which may be allowed by the State Credit Union Board,
  - (3) a loan secured by the insurance or guarantee of, or with advance commitment to purchase the loan by, a state or federal governmental agency may be made for the maturity and under the terms and conditions specified in the state or federal law under which such insurance, guarantee or commitment is provided,
  - (4) a loan or aggregate of loans to a director or to a member of the supervisory committee or the credit committee or the credit manager of the

- lending credit union which exceeds Sixty Thousand Dollars (\$60,000.00) plus the amount of any pledged shares, shall be approved by the board of directors of the lending credit union, and
- (5) loans to credit union members for which any director of the lending credit union or any member of the supervisory committee or credit committee or the credit manager of the lending credit union acts as a guarantor or endorser shall be approved by the board of directors of the lending credit union when such loan, either standing alone or when added to any outstanding loan or loans of the guarantor or endorser, exceeds Sixty Thousand Dollars (\$60,000.00) plus the amount of any pledged shares,
  - b. loans to credit union members and other eligible borrowers shall be made in accordance with and shall be paid or amortized in accordance with any rules or regulations as may be prescribed and adopted from time to time by the State Credit Union Board, after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions and such other factors as the State Credit Union Board may deem relevant,
  - c. unless approval by the board of directors of the lending credit union is otherwise expressly required herein, loans to credit union members and other eligible borrowers shall be approved by the credit committee or by a loan officer of the lending credit union in accordance with criteria established by the board of directors,
  - d. no loan or line of credit may be made to or established for a credit union member if the amount of such loan or line of credit, when aggregated with all other outstanding loans and lines of credit made to or established for such credit union member, will cause the credit union member to be indebted to the lending credit union in an amount exceeding six percent (6%) of the greater of either (i) the paid-in and unimpaired capital and surplus of the lending credit union or (ii) an amount which is six percent (6%) of the total assets of the lending credit union,
  - e. a self-replenishing line of credit may be established by a credit union for any eligible borrower to a stated maximum amount on terms and conditions which

- may differ from the terms and conditions established for other eligible borrowers,
- f. loans to other credit unions shall be approved by the board of directors of the lending credit union and shall not exceed twenty-five percent (25%) of the paid-in and unimpaired capital and surplus of the lending credit union,
  - g. loans to credit union organizations shall be approved by the board of directors of the lending credit union and shall not exceed one percent (1%) of the paid-in and unimpaired capital and surplus of the lending credit union, except as otherwise approved by the State Credit Union Board. A "credit union organization" means any organization which is established primarily to serve the needs of credit unions and whose business relates to the daily operations of the credit unions served by such credit union organization,
  - h. participation loans with other credit unions, credit union organizations or other financial organizations shall be in accordance with written policies adopted by the board of directors of the lending credit union and shall be approved by the board of directors of the lending credit union. However, a credit union which originates a loan for which participation arrangements are made in accordance with this subsection shall retain an interest of at least ten percent (10%) of the face amount of such loan,
  - i. a credit union may participate in any guaranteed loan program of the federal government or of this state under the terms and conditions specified in the laws under which such program is provided,
  - j. a credit union may finance for any person, whether or not such person is a member of the credit union, the purchase from the credit union of any real or personal property owned and held by the credit union, including any property obtained by the credit union as a result of defaults in obligations owed to the credit union, and
  - k. a credit union may make loans to its officers and directors and to members of its supervisory and credit committees. However, such loans shall not be made on terms more favorable than those extended to other members of the credit union. A credit union may permit officers, directors and members of its supervisory and credit committees to act as co-makers,

guarantors or endorsers of loans to other credit union members;

6. To receive from its members, and other credit unions, state and federal, doing business in the United States, payments on shares and deposits, and to require such notice for withdrawal of shares and deposits as the bylaws may provide;

7. To amend its bylaws in the manner provided by the bylaws, but all amendments to the bylaws must be submitted to and approved by the State Credit Union Board before they become operative;

8. To invest its funds in accordance with the following:

a. investments shall be made in conformity with criteria established by the board of directors of the credit union and in accordance with any rules or regulations as may be prescribed and adopted from time to time by the State Credit Union Board, and

b. the following investments shall be authorized for credit unions:

(1) loans to credit union members and other loans authorized for credit unions under the laws of this state,

(2) obligations of the United States of America and obligations fully guaranteed as to principal and interest by any instrumentality or agency of the United States of America,

(3) general obligations and revenue obligations of any state or any political subdivision thereof; provided the aggregate of such investments shall not exceed ten percent (10%) of the paid-in and unimpaired capital and surplus of the credit union; and provided that such investments shall be limited to obligations rated among the three highest rating categories established by one or more national rating services for governmental obligations,

(4) obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board or any corporation designated by federal law as a wholly owned government corporation, or obligations, participations or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or the Government National Mortgage Association, or in mortgages, obligations or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to the Federal

- Home Loan Mortgage Corporation Act, or in other obligations or other instruments or securities of the Student Loan Marketing Association, or obligations, participations, securities or other instruments of or issued by or fully guaranteed as to principal and interest by any other agency of the United States of America,
- (5) shares of, deposits with or loans to other federally insured credit unions in a total amount, in either case, not exceeding twenty-five percent (25%) of the paid-in and unimpaired capital and surplus of the investing credit union,
  - (6) shares of, or accounts or deposits with any state or federal banks, mutual savings banks and savings and loan associations, the accounts of which are insured by an agency of the federal government,
  - (7) shares of, deposits with or loans to any Federal Reserve Bank or any central liquidity facility established under state or federal law,
  - (8) shares of, deposits with or loans to any central credit union or corporate credit union organized under state or federal law,
  - (9) shares of, deposits with or loans to any organization, corporation or association providing services associated with the general purposes of the investing credit union or engaging in activities incidental to the operations of any credit union; provided that such investments in the aggregate may not exceed one percent (1%) of the unimpaired capital and surplus of the investing credit union,
  - (10) any obligations or securities authorized for investment by federal credit unions under the laws of the United States of America. However, such investments shall be in compliance with any restrictions or limitations pertaining thereto under the laws of the United States of America or under the regulations of the National Credit Union Administration,
  - (11) money market funds rated among the three highest rating categories established by one or more national rating services for corporate or governmental securities,
  - (12) shares of mutual funds if the investments and investment transactions of the fund are

authorized for credit unions under the laws of this state, or

- (13) such other investments or types of investments as may be authorized from time to time by the State Credit Union Board; provided that the State Credit Union Board shall not be permitted under this specific grant of authority to authorize a credit union to purchase or own real estate solely for investment purposes;

9. To make deposits in national banks and in state banks, trust companies, savings and loan associations, and credit unions organized under the laws of this state, any other state, or the United States, operating in accordance with the laws of the State of Oklahoma, or of the laws of the United States and approved by State Credit Union Board as depositories;

10. To borrow, from any source, in an aggregate amount not exceeding fifty percent (50%) of its shares, deposits and undivided earnings; such borrowed money may be borrowed either by means of bills payable or through rediscounts of its negotiable instruments, and credit unions may pledge their assets as collateral securities therefor;

11. To fine members, in accordance with the bylaws, for failure to meet their obligations promptly to their credit union;

12. To impress and enforce a lien upon the shares, deposits, dividends, and interest of any member to the extent of any loan made to the member or endorsed by the member and any interest or fines payable by the member;

13. To charge an entrance fee as provided in the bylaws;

14. To hire clerical help;

15. To become the owner and lessor of personal property upon the specific request of and for the use of a member. A credit union may only purchase the personal property to be leased after it has completed a leasing arrangement with a member. Except upon the written approval of the Commissioner, the term of the lease shall in no event exceed ten (10) years and all such leases shall provide for the payment of regularly scheduled periodic payments, the total of which shall at least equal the cost to the credit union of the personal property so leased. The total investment by a credit union for benefit of any member, combined with all other obligations of such member to the credit union, shall at no time exceed six percent (6%) of the greater of either (i) the paid-in and unimpaired capital and surplus of the credit union or (ii) an amount which is six percent (6%) of the total assets of the credit union; and

16. To exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.

Added by Laws 1941, p. 12, § 6, emerg. eff. June 4, 1941.  
Transferred from 6 O.S. 1961, § 395.6. Amended by Laws 1965, c. 496, § 4, emerg. eff. July 19, 1965; Laws 1968, c. 187, § 1, emerg. eff. April 15, 1968; Laws 1974, c. 267, § 3; Laws 1992, c. 90, § 7, eff. July 1, 1992; Laws 1995, c. 151, § 3, emerg. eff. May 2, 1995; Laws 1999, c. 141, § 2, eff. Nov. 1, 1999; Laws 2000, c. 76, § 1, emerg. eff. April 14, 2000; Laws 2001, c. 59, § 2, eff. Nov. 1, 2001; Laws 2005, c. 209, § 2, eff. Nov. 1, 2005; Laws 2007, c. 80, § 7, eff. Jan. 1, 2008.

NOTE: Laws 1974, c. 66, § 1 repealed by Laws 1974, c. 267, § 12.

§6-2007. Membership - Central credit unions.

A. Credit union membership shall consist of the incorporators, and such other persons and incorporated and unincorporated organizations and their employees, as may be elected to membership. Each member shall subscribe to at least one share of the credit union's stock and pay the entrance fee. Credit union membership shall be limited to groups having a common bond of occupation or association, which shall be limited to one of the following categories:

1. Groups that have the same common bond of occupation or association;
2. Persons or organizations within a well-defined community, neighborhood or rural district; or
3. Groups which have, as to each individual group, a common bond of occupation or association, but, as to all such groups, need not have the same common bond of occupation or association as other groups within the credit union.

B. A central credit union may be organized to which members of existing credit unions operating in accordance with the law of the State of Oklahoma, or of the United States, may belong, and to which credit unions organized and operating under the State of Oklahoma or of the United States may also belong.

Added by Laws 1941, p. 13, § 7. Amended by Laws 1974, c. 267, § 4. Amended by Laws 2000, c. 77, § 3, emerg. eff. April 14, 2000.

NOTE: Laws 1974, c. 66, § 2 repealed by Laws 1974, c. 267, § 12.

§6-2008. Examinations - Reports - Access to information - Alternative examination or report - Failure to make and transmit or publish report - Certificate and bylaw forms - Annual financial report.

A. A regular examination of credit unions organized under the laws of this state shall be made by or under the supervision of the Administrator appointed by the State Banking Commissioner. The Administrator shall investigate and examine credit unions organized under Section 2001 et seq. of this title at least every eighteen (18) months, or more often if the Administrator and the State

Banking Commissioner deem it necessary. For the purpose of making such examinations, examiners shall have full access to all books, papers, securities, records and other sources of information under the control of credit unions.

B. In lieu of making an examination of a credit union, an examination or audit report of the condition of the credit union made by the National Credit Union Administration may be accepted by the Administrator.

C. Upon receipt by the credit union or any officer thereof, the report of examination shall be submitted by the officer receiving it to the board of directors and the supervisory committee for review at the next meeting of the board and duly noted in the minutes of the board in such form and in such manner as may be prescribed and directed by the Commissioner.

D. Credit unions shall report to the Administrator at least semiannually or upon request by the Administrator on forms supplied for that purpose. Every credit union which fails to make and transmit or to publish any report required within the discretion of the Administrator shall be liable for an administrative violation and subject to a fine not to exceed Five Dollars (\$5.00) for each day, after the period respectively therein mentioned, that the credit union delays to make and transmit its report or its proof of publication. Whenever any credit union delays or refuses to pay the fine herein imposed for a failure to make and transmit or to publish a report, the Commissioner is hereby authorized to maintain an action in the name of the state against the delinquent credit union for the recovery of such fine, and all sums collected by such action shall be paid into the State Treasury to be credited to the General Revenue Fund.

E. In order to simplify the organization of credit unions, the Administrator shall cause to be prepared a form of organization certificate which shall be used by credit unions organized hereunder and a form of bylaws consistent with Section 2001 et seq. of this title, which may be used by credit union incorporators and shall be supplied upon request.

F. The Administrator shall prepare a report each year showing the financial condition of all credit unions under the supervision of the Administrator as of December 31 of the preceding year. The report shall be published in the annual report of the Commissioner, which shall be a public document and shall include such other matters as the Commissioner deems advisable.

Added by Laws 1941, p. 13, § 8. Amended by Laws 1959, p. 434, § 3; Laws 1965, c. 496, § 5; Laws 1979, c. 173, § 9; Laws 1992, c. 90, § 8, eff. July 1, 1992; Laws 1995, c. 151, § 4, emerg. eff. May 2, 1995; Laws 2000, c. 77, § 4, emerg. eff. April 14, 2000.

§6-2009. Fiscal year - Meetings - Voting.



The fiscal year of all credit unions shall end December thirty-first (31st). The annual meeting of each credit union shall be held at such time and at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy but a member other than a natural person may vote through an agent designated for that purpose. Irrespective of the number of shares held by any one member, no one member shall have more than one vote.  
Added by Laws 1941, p. 14, § 9.

§6-2010. Board of directors - Credit committee or credit manager - Supervisory committee - Officers.

A. 1. The business affairs of a credit union shall be managed by a board of not less than seven (7) members, elected by the members of the credit union, from their number, at their annual meeting, the organizational meeting being the first annual meeting, and to hold office for such terms as the bylaws may provide.

2. The bylaws of a credit union shall not prevent or restrict a member from serving as a director, unless such member has been, or is later, convicted of a crime involving dishonesty or breach of trust.

3. A record of names and addresses of the board of directors and the respective committees and officers shall be filed with the Bank Commissioner within ten (10) days after their election. No member of the board of directors shall, as such, be compensated, but the officers elected by the board of directors and the members of the credit and supervisory committees may receive such compensation for services performed as the board shall, by resolution, authorize.

4. The board of directors shall meet at least once a month, unless permitted by the Bank Commissioner to meet less often, and shall have the general direction and control of the affairs of the corporation. The minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership.

5. The board shall also:

- a. declare dividends and determine rates of interest on deposits,
- b. fill vacancies in the board and in the credit committee until successors elected at the next annual meeting have qualified,
- c. authorize investment of credit union funds other than loans to members,
- d. determine from time to time the maximum number of shares and deposits that will be accepted from a member in any calendar month not inconsistent with the bylaws, and
- e. subject to limitations of this act, determine the interest rates on loans and the maximum amount that

may be loaned with and without security to any member, and determine the rate of interest refund, if any, to be made to members.

A majority of the board may, however, agree to exclude loans made at rates of interest lower than the basic rate of the credit union and may also exclude loans where payments are in arrears from participation in such interest rebates. All other loans shall participate at the same rate of rebate.

6. The State Credit Union Board may, by approval of implementing amendments to the bylaws of a credit union, authorize the delegation of specific powers by the board of directors of the credit union to an executive committee of the board of designated officers of the credit union. However, the delegation of any power by the board of directors, as authorized, shall not relieve the board of any existing duty or obligation for the proper exercise of the delegated power.

B. 1. At their first meeting, after the annual meeting of the members, the directors shall elect from their number an executive officer, who may be designated as chairman of the board or president, a vice-chairman of the board or a vice-president, a secretary, and a treasurer, who shall be the executive officers of the corporation. The secretary and the treasurer may be the same person. The duties of the officers shall be determined by the bylaws.

2. The board of directors may employ an officer in charge of operations, whose title shall be either president and/or general manager or, in lieu thereof, the board of directors may designate the treasurer or an assistant treasurer, to act as general manager and be in active charge of the affairs of the credit union. Each active officer and employee of a credit union shall, before entering upon their duties, make and give a bond to the credit union, executed by a surety company, in an amount fixed by the State Credit Union Board, for the protection of the credit union against the fraud or dishonesty of each active officer or employee of the credit union. When the bond has been executed it shall be filed with the Bank Commissioner.

3. The board of directors may appoint a membership officer and delegate to the officer the power to approve or disapprove all membership applications. The membership officer may not be the treasurer or assistant treasurer. Once appointed, the membership officer shall submit to the board of directors a list of approved or pending applications for membership at each regular meeting of the board of directors.

C. 1. A credit committee of not less than three members shall be either elected by the members or appointed by the board of directors, from the membership of the credit union, at the annual

meeting of the members, or at the first meeting of the board of directors after the annual meeting of the members, as the bylaws may provide. Members of the credit committee shall hold office for such terms as specified in the bylaws. In lieu of a credit committee, a credit manager may be appointed by the board of directors, if the bylaws so provide. The credit manager shall be an officer of the credit union.

2. A credit committee, or if the bylaws so provide, a credit manager, shall have the general supervision of all loans to members. It shall be the duty of the credit committee, or if applicable, the credit manager, to provide for the review of all applications for loans, to ascertain whether or not such loan would benefit the applicant, and to determine whether or not the security offered, in the judgment of the credit committee or the credit manager, is sufficient and the terms proper. If the loans of the credit union are supervised by a credit committee, the credit committee shall meet as often as may be required after due notice has been given to each member thereof, but not less than once a month, and shall keep a record of all meetings.

3. The credit committee, or the credit manager, shall make a report to the members at the annual meeting.

4. To facilitate the work of the credit committee or the credit manager, the credit committee or the credit manager, whichever is applicable, may appoint one or more loan officers and assistants, as may be necessary. Loan officers shall act under the direction of the credit committee or the credit manager and may approve or disapprove loans, but only within written rules and regulations established by the credit committee or the credit manager. A record of loans approved by each loan officer shall be made available upon request to the credit committee or the credit manager.

D. 1. The supervisory committee shall be appointed by the board of directors unless otherwise provided in the bylaws. One director may be appointed or elected to the supervisory committee, but not the treasurer.

2. The supervisory committee shall make a semiannual examination of the affairs of the credit union, including an audit of its books; and shall make an annual audit and a report to be submitted at the annual meeting of the corporation. However, if the supervisory committee, with the approval of the board of directors, employs an auditor approved by the State Credit Union Board, a licensed public accountant or a certified public accountant to perform an annual audit of the affairs and books of the credit union, such annual audit by the outside auditor shall constitute full compliance with this subsection.

3. The supervisory committee shall make a report of any audit it causes to be conducted of the credit union at the annual meeting of the credit union.

4. By a unanimous vote, the supervisory committee may suspend any officer of the corporation, including the credit manager, or any member of the credit committee or of the board of directors until the next members' meeting, which meeting, however, shall be held within fourteen (14) days of the suspension and at which meeting the suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this law, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The board of directors shall fill vacancies on the supervisory committee.

5. The supervisory committee shall in such manner as it deems advisable cause the accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two (2) years.

6. The supervisory committee shall meet as often as necessary to conduct the business of the supervisory committee and at such other times as the Commissioner may prescribe. Minutes of all such meetings shall be kept.

7. No member of the supervisory committee may be excluded from attending the meetings of the board of directors of the credit union.

Added by Laws 1941, p. 14, § 10. Amended by Laws 1965, c. 496, § 6; Laws 1968, c. 187, § 2; Laws 1970, c. 41, § 1, emerg. eff. March 3, 1970; Laws 1974, c. 66, § 3; Laws 1974, c. 267, § 5; Laws 1978, c. 46, § 1, emerg. eff. March 15, 1978; Laws 1981, c. 156, § 1, emerg. eff. May 8, 1981; Laws 1988, c. 66, § 2, emerg. eff. March 25, 1988; Laws 1992, c. 90, § 9, eff. July 1, 1992; Laws 1997, c. 103, § 1, eff. Nov. 1, 1997; Laws 1999, c. 28, § 1, emerg. eff. April 5, 1999; Laws 2001, c. 59, § 3, eff. Nov. 1, 2001.

§6-2011. Repealed by Laws 2000, c. 77, § 6, emerg. eff. April 14, 2000.

§6-2012. Expulsions and withdrawals.

(A) A member may be expelled by a two-thirds (2/3) vote of the members present at the annual or a special meeting called to consider the matter, but only after an opportunity has been given to the member to be heard at said meeting. Any member may withdraw from the credit union at any time but notice of withdrawal may be required.

(B) The board of directors may expel a member pursuant to a written policy adopted by it. All members shall be given written notice of the terms of any such policy. Any person expelled by the board shall have the right to request a hearing before it to reconsider the expulsion.

(C) All amounts paid on shares and deposits on an expelled or withdrawing member shall, as funds become available and after deducting all amounts due from the member to the credit union, be paid to him. Withdrawing or expelled members shall have no further rights in the credit union but are not, by such expulsion or withdrawal, released from any remaining liability to the credit union.

Added by Laws 1941, p. 15, § 12. Amended by Laws 1965, c. 496, § 8; Laws 1992, c. 90, § 10, eff. July 1, 1992.

§6-2013. Dividends.

As the bylaws may provide and, pursuant to such regulations as may be issued by the Oklahoma State Credit Union Board, the board of directors of a credit union may declare a dividend to be paid at different rates on different types of accounts from any available balances in undivided earnings. If undivided earnings are depleted, dividends can only be paid upon prior written approval of the Commissioner.

Added by Laws 1941, p. 15, § 13. Amended by Laws 1968, c. 187, § 3; Laws 1970, c. 321, § 10; Laws 1974, c. 267, § 6; Laws 1988, c. 66, § 3, emerg. eff. March 25, 1988; Laws 1999, c. 28, § 2, emerg. eff. April 5, 1999; Laws 2001, c. 59, § 4, eff. Nov. 1, 2001.

NOTE: Laws 1974, c. 66, § 4 repealed by Laws 1974, c. 267, § 12.

§6-2014. Shares and deposits in name of minors - Shares not subject to stock transfer tax.

When any shares shall be purchased by or deposits made in the name of any minor, the same shall be held for the exclusive right and benefit of such minor, and free from the control or lien of all other persons, except creditors, and shall be paid, together with dividends or interest thereof, if any, to the person in whose name the shares or deposits were issued, and the receipt or acquittance of such shares and deposits shall be a valid and sufficient release and discharge to such credit union for such share or deposit liability or any part thereof. No such minor, owning shares in a credit union, under sixteen (16) years of age shall be entitled to vote in the meeting of the members either personally or through his parent or guardian, nor may he become a director until he shall have reached his eighteenth birthday. The shares of credit unions shall not be subject to any stock transfer tax, either when issued or when transferred from one member to another.

Added by Laws 1941, p. 15, § 14. Amended by Laws 1965, c. 496, § 9; Laws 1992, c. 90, § 11, eff. July 1, 1992.

§6-2015. Partial invalidity - Right of alteration, amendment or repeal.

(A) If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(B) The right to alter, amend, or repeal this act or any part thereof, or any charter issued pursuant to the provisions of this act, is expressly reserved.

Added by Laws 1941, p. 16, § 15.

§6-2016. Credit unions composed of public employees, retirees and family members - Space in public buildings.

Credit unions composed exclusively of state, county, city and school district employees and retirees and members of their families may be allotted space in public buildings as space is available, without charge for rent or services.

Added by Laws 1941, p. 16, § 16, emerg. eff. June 4, 1941. Amended by Laws 2005, c. 209, § 3, eff. Nov. 1, 2005.

§6-2017. Fiscal agency for state.

Each credit union organized under this act when requested by the Treasurer of the State of Oklahoma, shall act as fiscal agent of the State of Oklahoma, and shall perform such services as the Treasurer may require in connection with the collection of taxes and other obligations of the State of Oklahoma and the lending, borrowing, and repayment of money by the State of Oklahoma.

Added by Laws 1941, p. 16, § 17.

§6-2018. Voluntary dissolution.

A credit union may elect to dissolve voluntarily and liquidate its affairs. The process of voluntary dissolution shall be as follows:

(A) The board of directors shall adopt a resolution recommending the credit union be dissolved voluntarily, and directing that the question of dissolution be submitted to the members. For a credit union to enter voluntary dissolution, approval by a majority of the members in writing or by a simple majority vote of the members at a regular or special meeting of the members is required. Where authorization for dissolution is to be obtained at a meeting of the members, notice in writing shall be given to each member, by first-class mail, at least ten (10) days prior to such meeting.

(B) Within ten (10) days after the board of directors decides to submit the question of dissolution to the members, the president shall notify the Bank Commissioner and any government agency or other organization insuring member accounts thereof in writing, setting forth the reasons for the proposed dissolution. Within ten (10) days after the members act on the question of dissolution, the

president shall file with the Bank Commissioner a statement of their consent to dissolution, attested by a majority of the officers and including the names and addresses of the officers and directors, and shall notify any government agency or other organization insuring member accounts in writing as to the action of the members on the proposal. As soon as the board of directors decides to submit the question of dissolution to the members, payments on shares or deposits, withdrawal of shares or deposits, making any transfer of shares or deposits to loans and interest, making investments of any kind and granting loans may be suspended, only with the approval of the Bank Commissioner, pending action by members on the proposal to dissolve. On approval by the members of such proposal, all such business transactions shall be permanently discontinued. Necessary expenses of operation shall, however, continue to be paid on authorization of the board of directors or liquidating agent during the period of dissolution.

(C) The Bank Commissioner shall determine whether or not the credit union is solvent. If the credit union is solvent, the Bank Commissioner shall issue in duplicate a certificate to the effect that this section has been complied with.

(D) The certificate shall be filed with the Secretary of State, and a certified copy thereof filed in the office of the county clerk of the county in which the credit union is located, whereupon said credit union shall cease to carry on business, except for the purpose of liquidation and distribution of its assets.

(E) The credit union shall continue in existence for the purpose of discharging its debts, collecting and distributing its assets, and doing all other acts required in order to wind up its business, and may sue and be sued for the purpose of enforcing such debts and obligations until its affairs are fully adjusted. The board of directors or, in the case of involuntary dissolution, the liquidating agent shall use the assets of the credit union to pay; first, expenses incidental to liquidation including any surety bond that may be required; and second, any liability due nonmembers. Assets then remaining, if any, shall be distributed to the members proportionately to the combined shares and deposits held by each member as of the date dissolution was voted, unless otherwise provided in the bylaws.

Added by Laws 1941, p. 16, § 18. Amended by Laws 1965, c. 496, § 10; Laws 1981, c. 156, § 2, emerg. eff. May 8, 1981; Laws 1992, c. 90, § 12, eff. July 1, 1992.

§6-2018.1. Suspension of operation of credit union - Revocation of certificate - Liquidation - Disposition of assets.

(A) If it appears that any credit union organized under the laws of this state is bankrupt or insolvent, or that it has willfully violated the laws of this state relating to credit unions,

or is operating in an unsafe or unsound manner, the Bank Commissioner, upon approval of the State Credit Union Board, may issue an order temporarily suspending all or part of a credit union's operations for not more than sixty (60) days. The board of directors shall be given notice by registered mail of such suspension, which notice shall include a list of the reasons for such suspension, and shall include a list of the specific violations of law, if any, and the operations suspended. The Bank Commissioner shall also notify the insuring organization of any suspension.

(B) Upon receipt of such suspension notice, the credit union shall cease those operations identified by the Bank Commissioner in the notice. The board of directors shall then file with the Bank Commissioner a reply to the suspension notice, and may request a hearing to present a plan of corrective actions proposed if the board desires to continue operations. The board may request that the credit union be declared insolvent and a liquidating agent be appointed.

(C) Upon receipt from the suspended credit union of evidence that the conditions causing the order of suspension have been corrected, the Bank Commissioner may revoke the suspension notice, permit the credit union to resume normal operations, and notify the insuring organization and the State Credit Union Board of such actions.

(D) If the Bank Commissioner, after issuing notice of suspension and providing an opportunity for a hearing, rejects the credit union's plan to continue operations, the Bank Commissioner may issue a notice of involuntary liquidation and appoint a liquidating agent. The credit union may request the appropriate court to stay execution of such action. Involuntary liquidation may not be ordered prior to the conclusion of suspension procedures outlined in this section.

(E) If, within the suspension period, the credit union fails to answer the suspension notice or request a hearing, the Bank Commissioner may then revoke the credit union's certificate, appoint a liquidating agent and liquidate the credit union.

(F) In the event of liquidation, the assets of the credit union or the proceeds from any disposition of the assets shall be applied and distributed in the following sequence:

- (1) Secured creditors up to the value of their collateral;
- (2) Costs and expenses of liquidation;
- (3) Wages due the employees of the credit union;
- (4) Costs and expenses incurred by creditors in successfully opposing the release of the credit union from certain debts as allowed by the Bank Commissioner;
- (5) Taxes owed to the United States or any other governmental unit;
- (6) Debts owed to the United States;



(7) General creditors, secured creditors to the extent their claims exceed the value of their collateral and owners of deposit accounts to the extent such accounts are uninsured;

(8) Members, to the extent of uninsured share accounts and the organization that insured the accounts of the credit union; and

(9) Members, to the extent of membership shares.

Added by Laws 1992, c. 90, § 13, eff. July 1, 1992.

§6-2018.2. Appointment of conservator and agents - Judicial relief - Term of conservatorship - Expenses - Commissioner's authority.

(A) The Bank Commissioner may, with the approval of the State Credit Union Board and without advance notice, self-appoint or appoint an insuring organization or any other person as conservator to immediately take possession and control of the business and assets of any credit union organized under the laws of this state in any case in which the Bank Commissioner determines that such action is necessary to conserve the assets of the credit union or to protect the interests of the members of such credit union. Any credit union may, by a resolution of its board of directors, consent to such an action by the Bank Commissioner.

(B) Not later than fifteen (15) days after the date on which the Bank Commissioner or a designee takes possession and control of the business and assets of a credit union pursuant to subsection (A) of this section, such credit union may apply to the appropriate court for the judicial district in which the principal office of the credit union is located for an order requiring the Bank Commissioner to show cause why the Bank Commissioner or the designee should not be enjoined from continuing such possession and control.

(C) Except as provided in subsection (B) of this section, the Bank Commissioner or a designee may maintain possession and control of the business and assets of such credit union and may operate such credit union until such time:

(1) As the Bank Commissioner shall permit such credit union to continue business subject to such terms and conditions as the Bank Commissioner imposes; or

(2) As such credit union is liquidated in accordance with Section 13 of this act.

(D) The Bank Commissioner may appoint such agents as considered necessary in order to assist in carrying out the duties of the conservator under this section.

(E) All expenses incurred by the Bank Commissioner in exercising the authority of that office under this section with respect to any credit union shall be paid out of the assets of such credit union, except that the Bank Commissioner may waive the charging of all or a part of such expenses.

(F) The authority granted by this section is in addition to all other authority granted to the Bank Commissioner under the laws of this state.

Added by Laws 1992, c. 90, § 14, eff. July 1, 1992.

§6-2019. Repealed by Laws 1992, c. 90, § 19, eff. July 1, 1992.

§6-2019.1. Maintenance of books, records, accounting systems and procedures - Destruction of records - Records as evidence.

(A) A credit union shall maintain all books, records, accounting systems, and procedures in accordance with such regulations as the State Credit Union Board from time to time prescribes. In prescribing such regulations, the State Credit Union Board shall consider the relative size of a credit union and its reasonable capability of compliance.

(B) A credit union is not liable for destroying records after the expiration of the record retention time prescribed by regulation, except for any records involved in an official investigation or examination about which the credit union has received notice.

(C) Reproduction of any credit union records shall be admissible as evidence of transactions with the credit union as provided by the laws of the State of Oklahoma.

Added by Laws 1992, c. 90, § 15, eff. July 1, 1992.

§6-2020. Special Reserve for Dormant Accounts.

Any money deposited to a member's account which has not matured to at least an amount equal to the par value of shares as established by the credit union's certificate of incorporation within a three-year period may be transferred to a Special Reserve for Dormant Accounts if the owner of such an account, after reasonable effort, cannot be located, and thereafter, no dividends or interest will accrue to these accounts. Any money so transferred shall be subject to a service charge to be set by the State Credit Union Board. If, however, the member at a later date requests a withdrawal of these funds, the money less any applicable service charge will be transferred out of the Special Reserve for Dormant Accounts, and the request for withdrawal be honored.

Added by Laws 1968, c. 187, § 5, emerg. eff. April 15, 1968.

Amended by Laws 1988, c. 66, § 4, emerg. eff. March 25, 1988; Laws 1992, c. 90, § 16, eff. July 1, 1992.

§6-2021. Conversion of credit unions.

A credit union chartered under the laws of the State of Oklahoma may be converted to a state credit union under the laws of any other state, or to a federal credit union either within or without the State of Oklahoma. A credit union chartered under the laws of the

United States or any other state may convert to a credit union under the laws of the State of Oklahoma. To effect such a conversion a credit union must comply with all requirements of the authority under which it was originally chartered and the requirements of the State Credit Union Board and file proof of such compliance with the State Credit Union Board.

Added by Laws 1968, c. 187, § 6, emerg. eff. April 15, 1968.

Amended by Laws 1974, c. 267, § 7.

§6-2022. Merger of credit unions.

Any credit union may, with the approval of the State Credit Union Board, merge with another credit union under the existing charter of the other credit union, pursuant to any plan agreed upon by the majority of the board of directors of each credit union joining in the merger, and approved by the affirmative vote of a majority of the members of the merging credit union present at a meeting of the members duly called for such purpose. After agreement by the directors and approval by the members of the merging credit union, the president and secretary of each credit union shall execute a certificate of merger, which shall set forth all of the following:

(a) The time and place of the meeting of the board of directors at which the plan was agreed upon;

(b) The vote in favor of adoption of the plan; and

(c) A copy of the resolution or other action by which the plan was agreed upon.

The certificate executed by the officers of the merging credit union shall also set forth:

(d) The time and place of the meeting of the members at which the plan agreed upon was approved;

(e) The vote by which the plan was approved by the members; and

(f) The effective date of the merger.

Such certificates and a copy of the plan of merger agreed upon shall be forwarded to the Bank Commissioner who shall, upon approval of the State Credit Union Board, certify and return them to the merging credit union and the surviving credit union within sixty (60) days. The merging credit union shall cause a copy of the certificate of merger, duly certified to by the Bank Commissioner, to be filed in the office of the Secretary of State forthwith.

Unless otherwise provided in the certificate of merger, the merger shall be deemed effected upon such filing of the certificate and the merging credit union shall cease to exist.

Upon any such merger so effected, all property, property rights, field of membership and interest of the merged credit union shall vest in the surviving credit union without deed, endorsement or other instrument of transfer, and all debts, obligations and liabilities of the merged credit union shall be deemed to have been

assumed by the surviving credit union under whose charter the merger was effected.

This section shall be construed, whenever possible, to permit a credit union chartered under any other act to merge with one chartered under this act, or to permit one chartered under this act to merge with one chartered under any other act.

Added by Laws 1968, c. 187, § 7, emerg. eff. April 15, 1968.

Amended by Laws 1974, c. 267, § 8; Laws 1981, c. 156, § 3, emerg. eff. May 8, 1981; Laws 1992, c. 90, § 17, eff. July 1, 1992.

§6-2023. Exercising power of federally chartered credit union - Exceptions.

A credit union chartered under the laws of the State of Oklahoma, the member accounts of which are insured under Title II of the Federal Credit Union Act, may exercise any of the powers of a federally chartered credit union doing business in this state, until otherwise provided by the Legislature; and provided that the State Credit Union Board may by rule prohibit the exercise of any such power if the Board finds that the exercise thereof will not serve the public convenience and advantage and will not equalize and maintain the quality of competition between state and federal credit unions.

Added by Laws 1977, c. 99, § 1, emerg. eff. May 30, 1977.

§6-2024. Joint tenancy shares and deposits.

When shares are owned or a deposit is made in the joint names of a member and one or more persons, payable to any of them or the survivor, such shares or deposit, or any part thereof, or any dividends or interest thereon, may be paid to any of the persons, whether one of those persons shall be a minor or not, and whether the other or others be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the credit union for any payment so made. The pledge or hypothecation to the credit union of all or part of shares or deposits so held in joint tenancy, signed by any joint tenant, shall be a valid pledge of all or that part of the shares or deposit pledged or hypothecated, and shall not operate to sever the joint and survivorship status of the shares or deposit.

Added by Laws 1981, c. 156, § 4, emerg. eff. May 8, 1981.

§6-2025. Share or deposit account payable on death - Application.

A. Share and deposit account proceeds that are payable to a beneficiary upon the death of the account owner shall be offered pursuant to the following provisions:

1. When shares are owned or a deposit has been made or shall hereafter be made in any credit union using the terms "Payable on Death" or "P.O.D.", such deposits shall be payable on the death of

the account owner to one or more designated P.O.D. beneficiaries, or to an individual or individuals named beneficiary if living and if not living, to the named estate of the beneficiary, notwithstanding any provision to the contrary contained in Sections 41 through 57 of Title 84 of the Oklahoma Statutes. Each designated P.O.D. beneficiary shall be a trust, an individual, or a nonprofit organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

2. A share or deposit account with a P.O.D. designation shall constitute a contract between the account owner, or owners, if there is more than one, and the credit union that upon the death of the last surviving owner of the account, and after payment of account proceeds to any secured party with a valid security interest in the account, the credit union will hold the funds for or pay the funds to the named primary beneficiary or beneficiaries, if living. If any named primary beneficiary is not living, the share of that beneficiary shall instead be held for or paid to the estate of that deceased beneficiary unless contingent beneficiaries have been designated by the account owner as allowed by paragraph 4 of this subsection;

3. Each P.O.D. beneficiary designated on an account shall be a primary beneficiary unless specifically designated as a contingent beneficiary;

4. If there is only one primary P.O.D. beneficiary on an account and that beneficiary is an individual, the account owner may designate one or more contingent beneficiaries for whom the funds shall be held or to whom the funds shall be paid if the primary beneficiary is not living when the last surviving owner of the account dies. If there is more than one primary P.O.D. beneficiary on an account, contingent beneficiaries shall not be allowed on that account;

5. If the only primary P.O.D. beneficiary is not living and one or more contingent beneficiaries have been designated as allowed by paragraph 4 of this subsection, the funds shall be held for or paid to the contingent beneficiaries in equal shares, and shall not belong to the estate of the deceased primary beneficiary. If the only primary beneficiary is not living, and a contingent beneficiary or contingent beneficiaries have been designated as allowed by paragraph 4 of this subsection, but one or more designated contingent beneficiaries are also not living, the share that otherwise would belong to any deceased contingent beneficiary shall instead be held for or paid to the estate of that deceased contingent beneficiary;

6. In order to designate multiple primary P.O.D. beneficiaries for an account, the account should be styled as follows: "(Name of Account Owner), payable on death (or P.O.D.) to (Name of

Beneficiary), (Name of Beneficiary), and (Name of Beneficiary), in equal shares.";

7. If only one primary P.O.D. beneficiary has been designated on an account, the account owner may add the following, or words of similar meaning, in the style of the account or in the account agreement: "If the designated P.O.D. beneficiary is deceased, then payable on the death of the account owner to (Name of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary), as contingent beneficiaries, in equal shares.";

8. Adjustments may be made in the styling, depending upon the number of owners of the account, to allow for survivorship rights, and the number of beneficiaries. It is to be understood that each beneficiary is entitled to a proportionate share of the account proceeds only after the death of the last surviving account owner, and after payment of account proceeds to any secured party with a valid security interest in the account. In the event of the death of a beneficiary prior to the death of the account owner, the share of that beneficiary shall go to the estate of that beneficiary unless one or more contingent beneficiaries have been designated to take the place of that beneficiary as provided in paragraph 4 of this subsection. All designated primary P.O.D. beneficiaries shall have equal shares. All designated contingent P.O.D. beneficiaries shall have equal shares as if the sole primary beneficiary is deceased;

9. A credit union may require the owner of an account to provide an address for any primary or contingent P.O.D. beneficiary. If the P.O.D. account is an interest-bearing account and the funds are not claimed by the P.O.D. beneficiary or beneficiaries within sixty (60) days after the death of the last surviving account holder, or after the credit union has notice of the death of the last surviving account holder, whichever is later, the credit union has the right to convert the account to a non-interest-bearing account;

10. No change in the designation of a named beneficiary shall be valid unless executed by the owner of the fund and in the form and manner prescribed by the credit union; however, this section shall be subject to the provisions of Section 178 of Title 15 of the Oklahoma Statutes. Until the death of the member or owner, the member or owner shall possess and may exercise all rights, respecting the shares or deposits, including the power to vote, pledge, withdraw, in whole or in part, make additions to, and to in any way deal with the shares or deposit. The receipt or acquittance of the member or owner shall be a valid and sufficient release and discharge of the credit union as to any payment to the member or owner;

11. The receipt or acquittance of the named beneficiary so paid, or of the legal representative of such named beneficiary's

estate, if the beneficiary is deceased and there is no contingent beneficiary designated to take the place of that beneficiary, shall be valid and sufficient release and discharge to the credit union for any payment so made; and

12. After January 1, 2008, a credit union shall provide a customer creating a P.O.D. account with a written notice that the distribution of the proceeds in the P.O.D. account shall be consistent with the provisions of this section.

B. The provisions of this section shall apply to all forms of deposit accounts including, but not limited to, share accounts, transaction accounts, savings accounts, certificates of deposits, negotiable order of withdrawal (N.O.W.) accounts, and M.M.D.A. accounts.

Added by Laws 1981, c. 156, § 5, emerg. eff. May 8, 1981. Amended by Laws 1994, c. 313, § 2, eff. Sept. 1, 1994; Laws 2007, c. 80, § 8, eff. Jan. 1, 2008.

§6-2026. Trust shares.

Shares or deposits may be held in the name of a member in trust for a beneficiary, or in the name of a nonmember in trust for a beneficiary who is a member. Payment of all or part of such trust funds to the person in whose name the shares or deposits are held shall, to the extent of such payment, discharge the liability of the credit union to that party and to the beneficiary, and the credit union shall be under no obligation to see to the application of such payment. Until the death of the person in whose name the shares or deposits are held, that person shall possess and may exercise all rights respecting such shares or deposits, including the power to vote, pledge, withdraw, in whole or in part, make additions to, and to in any way deal with said shares or deposits, unless the credit union shall have been given written notice of the terms of any trust agreement to the contrary. Absent such written notice, the receipt and acquittance of the person in whose name the shares or deposits are held shall be a valid and sufficient release and discharge of the credit union as to any payment to that person. In the event of the death of the person in whose name a trust account is held, where the credit union has been given no other written notice of the terms of any trust, the shares or deposits so held, or any part thereof, together with dividends, or interest thereon, shall be payable to the beneficiary and the receipt or acquittance of the beneficiary shall be valid and sufficient release and discharge to the credit union for any payment so made.

Added by Laws 1981, c. 156, § 6, emerg. eff. May 8, 1981.

§6-2027. Certain records designated as public records - Confidential records - Disclosure of confidential information.

(A) The following records of the State Credit Union Board, the Bank Commissioner, Administrator and State Banking Department are designated as public records:

(1) All applications for credit union charters and supporting information with the exception of personal financial records of individual applicants;

(2) All records introduced at public hearings on credit union charter applications;

(3) Information disclosing the failure of a credit union and the reasons therefor;

(4) Reports of completed investigations which uncover a shortage of funds in a credit union, after the reporting of the shortage to proper authorities by the Bank Commissioner; and

(5) All items filed in the office of the Secretary of State.

(B) All other credit union records in the State Banking Department including but not limited to records of the State Credit Union Board, the Bank Commissioner, the Deputy Commissioner and the Administrator shall be confidential and not subject to public inspection; provided, however, that the State Credit Union Board, Bank Commissioner, Administrator, or Deputy Commissioner may divulge such confidential information with the written approval of the Bank Commissioner after receipt of a written request which shall:

(1) Specify the record or records to which access is requested; and

(2) Give the reasons for the request. Such records may also be produced pursuant to a valid judicial subpoena or other legal process requiring production, if the Bank Commissioner determines that the records are relevant to the hearing or proceeding and that production is in the best interests of justice. The records may be disclosed only after a determination that good cause exists for the disclosure. Either prior to or at the time of any disclosure, the Bank Commissioner shall impose such terms and conditions as he deems necessary to protect the confidential nature of the record, the financial integrity of any institution to which the record relates, and the legitimate privacy interests of any individual named in such records.

Added by Laws 1992, c. 90, § 18, eff. July 1, 1992.

§6-2041. Power to make and purchase obligations representing insured loans and credit advances.

Banks, savings banks, trust companies, life insurance companies, fire insurance companies, mutual casualty insurance companies, and other insurance companies and investment companies, building and loan associations, trustees, guardians, executors, administrators, and other fiduciaries, the State of Oklahoma, and cities, villages, school districts, and other political subdivisions, and all other



corporations, associations and persons, subject to the laws of this State,

(a) May make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance by the Federal Housing Administrator, and may obtain such insurance, and

(b) May make such loans, secured by real property or leasehold, as the Federal Housing Administrator insures or makes a commitment to insure, and may obtain such insurance.

Added by Laws 1935, p. 201, § 1. Amended by Laws 1937, p. 317, § 1.

§6-2042. Investments by fiduciaries, political subdivisions, corporations, etc. - Investment of public funds.

(a) It shall be lawful for banks, savings banks, trust companies, life insurance companies, fire insurance companies, mutual casualty insurance companies, and other insurance companies and investment companies, building and loan associations, trustees, guardians, executors, administrators, and other fiduciaries, the State of Oklahoma and cities, villages, school districts, and other political subdivisions and all other corporations, associations and persons, subject to the laws of this state, to invest their funds and the moneys in their custody or possession, eligible for investment, in notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of national mortgage associations, and

(b) Wherever, by statute of this state, collateral is required as security for the deposit of public or other funds; or deposits are required to be made with any public official or department; or an investment of capital or surplus, or a reserve or other fund, is required to be maintained, consisting of designated securities, notes and bonds insured and debentures issued by the Federal Housing Administrator and obligations of national mortgage associations, shall be eligible for such purposes.

Added by Laws 1935, p. 201, § 2. Amended by Laws 1937, p. 318, § 2.

§6-2043. Inconsistent laws inapplicable to loans or investments authorized.

No law of this state requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of such security, or prescribing or limiting interest rates upon loans or investments, or prescribing or limiting the period for which loans or investments may be made, or in any other manner inconsistent with the provisions or policy of this act, shall be deemed to apply to loans or investments made pursuant to the foregoing paragraphs.

Added by Laws 1935, p. 201, § 3.

§6-2061. Repealed by Laws 1983, c. 221, § 4, operative Oct. 1, 1983.

§6-2062. Repealed by Laws 1983, c. 221, § 4, operative Oct. 1, 1983.

§6-2063. Repealed by Laws 1983, c. 221, § 4, operative Oct. 1, 1983.

§6-2064. Repealed by Laws 1983, c. 221, § 4, operative Oct. 1, 1983.

§6-2101. Citation.

Sections 2101 through 2121 of this title and Sections 13 and 14 of this act shall be known and may be cited as the "Sale of Checks Act".

Added by Laws 1961, p. 426, § 1. Amended by Laws 1988, c. 216, § 1, eff. Nov. 1, 1988.

§6-2102. Definitions.

Unless the context otherwise requires:

1. "Commissioner" means the State Bank Commissioner;
  2. "Check" means any check, draft, money order, stored value instrument or card, or other written instrument for the transmission or payment of money or credit, except that it does not mean money or currency of any nation, or instruments commonly known as travelers checks which require that the same be signed by the person to whom such instruments are issued at the time of issue and at the time such instruments are cashed or exchanged for value by such person;
  3. "Fiscal year" means the period from July 1 through the next succeeding June 30;
  4. "Issuing" means the act of drawing any instrument of exchange by a person who engages in the business of drawing such instruments as a service or for a fee or other consideration;
  5. "Licensee" means any person licensed under this act;
  6. "Money order" means a bill of exchange issued at the request and for the use or benefit of a person other than the issuer and representing an unconditional order or obligation in writing of the issuer to pay a sum certain in money on demand to order or to bearer;
  7. "Net worth" means excess of assets over liabilities as determined by accepted accounting practices; and
  8. "Person" means any individual, partnership, joint-stock association, trust, unincorporated association or corporation.
- Added by Laws 1961, p. 426, § 2. Amended by Laws 2013, c. 62, § 9, emerg. eff. April 18, 2013.

§6-2103. Licenses - Requirement - Exceptions - Penalty.

(a) No person shall engage in the business of selling or issuing checks as a service or for a fee or other consideration without first securing a license to do so from the Commissioner, except that no license under this act shall be required of any agent, subagent or representative of a licensee, or employee of such agent, subagent or representative who acts on behalf of such licensee in the sale or exchange of which the licensee is the issuer.

(b) Any person who violates this section shall be fined not less than Five Hundred Dollars (\$500.00) or imprisoned in county jail for not more than one (1) year, or both. Each day such violation continues shall constitute a separate offense.

Added by Laws 1961, p. 426, § 3. Amended by Laws 1988, c. 216, § 2, eff. Nov. 1, 1988.

§6-2104. Exempt transactions

A. Nothing in the Sale of Checks Act shall apply to the receipt of money by any incorporated telegraph company at any agency or office of the company for immediate transmission by telegraph, or to the receipt of money for the purpose of transmitting or transferring it to foreign countries.

B. Nothing in the Sale of Checks Act shall apply to the sale or issuance of checks by governmental departments. No federally insured financial institutions authorized to do business in this state, including banks, savings and loan associations, and credit unions, whether the federally insured financial institutions are organized under the laws of this state or of the United States, shall be subject to this act where the institution is selling or issuing checks drawn only on itself or on another federally insured financial institution or representing insured deposits held at the institution.

C. Nothing in this act shall apply to a company that maintains a license under the Oklahoma Financial Transaction Reporting Act. Provided, a person selling checks that are exempt pursuant to this subsection must maintain a bond covering its money transmission activities and sale of checks activities in an amount not less than the maximum required pursuant to the rules of the board.

Added by Laws 1961, p. 427, § 4. Amended by Laws 1988, c. 216, § 3, eff. Nov. 1, 1988; Laws 1990, c. 104, § 1, eff. Sept. 1, 1990; Laws 2013, c. 62, § 10, emerg. eff. April 18, 2013; Laws 2016, c. 127, § 5, emerg. eff. Apr. 20, 2016.

§6-2105. Application for license.

(a) Application for a license shall be made to the Commissioner on forms prepared by him and shall be under oath.

(b) The application for a license shall:

1. State the name of the applicant and the street address of his principal office, as well as the mailing address if such mailing address is different from the street address.

2. Contain evidence of the good moral character of the applicant, if the applicant is an individual, or of the partners, if the applicant is a partnership; if the applicant is a joint-stock association, trust, unincorporated association or corporation, the secretary or any assistant secretary thereof shall certify the name and address of each of the officers, directors, trustees or other managing officials, together with a designation of the office or offices held by each and evidence of the good moral character of each, and shall submit such certificate to the Commissioner with the application.

3. Be accompanied by evidence of the ability of the applicant to meet the requirements of this act.

4. Be accompanied by the license fee required by Section 2107 of this title.

5. Unless the applicant shall have demonstrated a net worth in excess of Five Million Dollars (\$5,000,000.00), be accompanied by a summary of the sales of checks activities being conducted by the applicant in any and all other states, and shall include the number of locations at which its checks are sold as well as information regarding bonds posted in each state and the amount thereof.

(c) All applications for a license shall be confidential and not subject to public inspection.

Added by Laws 1961, p. 427, § 5. Amended by Laws 1988, c. 216, § 4, eff. Nov. 1, 1988.

#### §6-2106. Investigation of applicants.

(a) Upon the filing of an application, the Commissioner shall investigate the applicant and if he finds that the applicant is of good moral character and financially responsible and can meet the requirements of this act, he shall give notice in writing of his approval of said application to the applicant, who shall within thirty (30) days post the bond, or securities in lieu thereof, required by this act, whereupon the Commissioner shall forthwith issue to the applicant a license to engage in the business of selling or issuing checks subject to the provisions of this act.

(b) No license shall be issued to an applicant:

1. If a natural person, unless he is over twenty-one (21) years of age;

2. If a partnership, unless each of the partners is over twenty-one (21) years of age;

3. If a joint stock association, trust, unincorporated association or corporation, unless each of the officers, directors, trustees or other managing officials is over twenty-one (21) years of age.

(c) No application shall be denied unless the application has had notice of a hearing on said application and an opportunity to be heard thereon. If the application is denied, the Commissioner shall, within thirty (30) days thereafter, prepare and file in his office a written order of denial which shall contain his findings and reasons supporting the denial, and shall within ten (10) days after the filing of such order, notify the applicant and send him a copy of such order.

Added by Laws 1961, p. 427, § 6.

§6-2107. Annual license fees - Renewals - Display of license certificate - Exception.

A. Before any license is issued or renewed, the applicant or licensee shall pay an annual license fee in the amount of Two Hundred Dollars (\$200.00), plus Ten Dollars (\$10.00) for each location within this state at which checks of the licensee are issued or sold. With respect to license renewals, every licensee, on or before each June 1, shall pay the annual license fee for the succeeding fiscal year commencing July 1.

B. The State Banking Commissioner shall issue a license certificate to a licensee satisfying the requirement therefor. The license certificate shall be displayed prominently and be available for inspection upon demand at each location of the licensee at which checks of the licensee are to be issued or sold. It shall be the responsibility of the licensee to provide a copy of the original license certificate to the agent at each location for display. Any location failing to display a license certificate may be prohibited by the Commissioner from selling checks if the agent at such location fails or refuses to comply with such display requirement after receipt of written notice from the Commissioner. The Commissioner shall provide the licensee with a copy of the written notice and shall also notify the licensee in writing of any additional action proposed or taken by the Commissioner.

C. A license issued hereunder shall remain in effect until surrendered by the licensee or revoked, and may be renewed from year to year upon payment of the fee required in subsection A of this section, provided the licensee continues to comply with all provisions of Section 2101 et seq. of this title and of all regulations hereunder.

D. The requirements of this section shall not apply to those locations where checks of the licensee are issued or sold which are governmental departments or financial institutions fully exempt from the provisions of the Sale of Checks Act pursuant to Section 2104 of this title.

E. Fees collected pursuant to this section shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title.

Added by Laws 1961, p. 427, § 7. Amended by Laws 1982, c. 223, § 14; Laws 1988, c. 216, § 5, eff. Nov. 1, 1988; Laws 1990, c. 104, § 2, eff. Sept. 1, 1990; Laws 1993, c. 183, § 27, eff. July 1, 1993; Laws 1998, c. 74, § 1, eff. Nov. 1, 1998; Laws 1999, c. 27, § 10, eff. July 1, 1999; Laws 2000, c. 205, § 26, emerg. eff. May 17, 2000.

§6-2108. Surety bond or irrevocable letter of credit.

Each approved applicant shall furnish a corporate surety bond in the principal sum of One Hundred Thousand Dollars (\$100,000.00) for one (1) to fifteen (15) locations within this state at which checks of the licensee are issued or sold, Two Hundred Fifty Thousand Dollars (\$250,000.00) for sixteen (16) to five hundred (500) locations within this state at which checks of the licensee are issued or sold, One Million Dollars (\$1,000,000.00) for five hundred one (501) to eight hundred (800) locations within this state at which checks of the licensee are issued or sold, or One Million Five Hundred Thousand Dollars (\$1,500,000.00) for over eight hundred (800) locations, within this state at which checks of the licensee are issued or sold, but in no event shall the bond be required to be in excess of One Million Five Hundred Thousand Dollars (\$1,500,000.00). A licensee may furnish a bond in the maximum amount required by this section, or deposit securities equal to such amount as provided in subsection (b) of Section 2109 of this title, even though the locations in this state at which checks of the licensee are issued or sold do not total a number requiring a bond or a deposit of securities in such maximum amount. Each application for a license or for the renewal of a license shall be accompanied by a list of the locations, including agencies, at which the applicant engages in the business of selling checks in this state. The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this act and will honestly and faithfully apply all funds received and perform all obligations and undertakings for exchange issued and sold under this act and will pay to the state and to any person entitled thereto all money that becomes due and owing to the state or to such person under the provisions of this act because of any checks or exchange issued or sold in this state by such licensee. The bond shall remain in force and effect until canceled by the surety, which cancellation may be had only upon thirty (30) days' written notice to the Commissioner. Such cancellation shall not affect any liability incurred or accrued prior to the termination of such thirty-day period.

In lieu of the corporate surety bond required herein, the Commissioner may in his discretion permit an approved applicant to furnish an irrevocable letter of credit from a bank approved in writing by the Commissioner in the same amount as would be required for a corporate surety bond. A new irrevocable letter of credit

from a qualifying bank would be required within fifteen (15) days if the bank originally issuing the irrevocable letter of credit refuses to continue the letter of credit or is otherwise notified by the Commissioner that the original bank is no longer qualified to issue a letter of credit for the purposes described in this section. Added by Laws 1961, p. 428, § 8. Amended by Laws 1988, c. 216, § 6, eff. Nov. 1, 1988; Laws 1990, c. 104, § 3, eff. Sept. 1, 1990; Laws 2005, c. 48, § 20, eff. Nov. 1, 2005.

§6-2109. Additional bond - Deposit of securities in lieu of bond.

(a) If the Commissioner shall find at any time that any bond required under this act is insecure or exhausted, an additional bond to be approved by the Commissioner shall be filed by the licensee within ten (10) days after written demand therefor by the Commissioner.

(b) In lieu of any bond required under this act, the licensee may deposit with the Commissioner securities with a ready market value equal to the amount of any such bond. Such securities shall consist of (1) general obligations of or fully guaranteed by the United States or of any agency or instrumentality of or corporation wholly owned by the United States directly or indirectly; or (2) direct general obligations of the State of Oklahoma, or of any county, city, town, school district, or other political subdivision or municipal corporation of the State of Oklahoma. Such securities shall be held by the Commissioner to secure the same obligation as would any bond, required by this act. The securities so deposited may be exchanged from time to time for other securities receivable as aforesaid. All said securities shall be subject to sale, and transfer and to the disposal of the proceeds by said Commissioner only on the order of a court of competent jurisdiction. So long as the licensee so depositing shall continue solvent, such licensee shall be permitted to receive the interest or dividends on said deposit. The Commissioner may provide for custody of such securities by any qualified trust company or bank located in the State of Oklahoma or by any Federal Reserve Bank. The compensation, if any, of the custodian for acting as such under this section shall be paid by the depositing licensee.

Added by Laws 1961, p. 428, § 9. Amended by Laws 2005, c. 48, § 21, eff. Nov. 1, 2005.

§6-2110. Minimum net worth.

Each licensee under the Sale of Checks Act shall at all times maintain a minimum net worth of at least Two Hundred Seventy-five Thousand Dollars (\$275,000.00) in order to issue or sell checks at one (1) to three hundred (300) locations, Five Hundred Thousand Dollars (\$500,000.00) in order to issue or sell checks at three hundred one (301) to five hundred (500) locations, One Million Five

Hundred Thousand Dollars (\$1,500,000.00) in order to issue or sell checks at five hundred one (501) to eight hundred (800) locations, or Three Million Dollars (\$3,000,000.00) in order to issue or sell checks at over eight hundred (800) locations. Net worth must be demonstrated annually by filing with the Commissioner, at the time of application for a license and at each time of license renewal, the most current annual audited financial statement of the licensee certified by a licensed public accountant holding a permit to practice in this state or by a certified public accountant. For purposes of this section, a financial statement shall be deemed to be current if it is no more than twelve (12) months old. Financial statements may be submitted to the Commissioner at any time in order to maintain a current status. The Commissioner may require, upon request, a more current statement than the last statement submitted by the licensee.

Added by Laws 1961, p. 428, § 10. Amended by Laws 1988, c. 216, § 7, eff. Nov. 1, 1988; Laws 1998, c. 74, § 2, eff. Nov. 1, 1998; Laws 1999, c. 27, § 11, eff. Nov. 1, 1999.

§6-2111. Semi-annual reports.

Unless a licensee shall have on file in the office of the Commissioner a bond in the maximum amount required under Section 2108 of this title, or shall have deposited securities equal to such amount as provided in subsection (b) of Section 2109 of this title, such licensee shall on or before the first day of September and the first day of March each year file a report with the Commissioner for the preceding one-half (1/2) calendar year. Such report shall, if the Commissioner requests, list the name and address of each agent, subagent or representative authorized by the licensee, as of the close of business on the last day of the one-half (1/2) calendar year preceding such report, to engage in the sale of checks of which the licensee is the issuer. The Commissioner may require that such report include the dollar amount of checks sold by the licensee in this state during the preceding one-half (1/2) calendar year or the average amount of outstanding liabilities of such licensee from business for which the licensee is licensed hereunder or both amounts. The report shall be subscribed and sworn to by the licensee or an officer of the licensee. No reports shall be required pursuant to this section unless specifically requested by the Commissioner.

Added by Laws 1961, p. 428, § 11. Amended by Laws 1988, c. 216, § 8, eff. Nov. 1, 1988; Laws 1999, c. 27, § 12, eff. July 1, 1999.

§6-2112. Books, accounts and records - Current financial statements.

Each licensee shall keep such books, accounts and records as will enable the Commissioner to determine the proper amount of the



bond and license fee to be required of such licensee. Each licensee who does not maintain in force a bond in the maximum amount required by Section 2108 of this title or keep on deposit securities equal to such amount as provided in subsection (b) of Section 2109 of this title shall submit to the Commissioner on a monthly basis a report which shall include a statement of the gross sales of money orders from the previous month.

Added by Laws 1961, p. 429, § 12. Amended by Laws 1988, c. 216, § 9, eff. Nov. 1, 1988; Laws 1999, c. 27, § 13, eff. July 1, 1999.

§6-2113. Examination of books and records - Audits.

A. The State Banking Commissioner may examine the books and records of each licensee as often as the Commissioner deems advisable for the purpose of determining the amount of the bond to be filed and the amount of the license fee to be paid by such licensee and to determine whether the licensee is in compliance with all applicable requirements of law. For that purpose, the Commissioner shall have free access to the offices and places of business and to such records of such licensee that relate to the business for which the licensee is licensed under Section 2101 et seq. of this title.

B. There shall be paid to the Commissioner for an examination or audit review a fee of Seventy-five Dollars (\$75.00) per hour for each representative of the Commissioner required to conduct the examination or audit review plus travel expenses as provided by subsection B of Section 201.1 of this title for each of the examining personnel.

C. In lieu of any examination which the Commissioner shall be authorized to make hereunder, the Commissioner may accept the audit of a licensed public accountant holding a permit to practice in this state or a certified public accountant, provided that:

1. The costs of such audit shall be borne by the licensee;
2. The scope of such audit shall be at least equal to the scope of the examination required by the Commissioner;
3. The Commissioner shall have received prior notice in writing that the licensee is having the audit prepared in lieu of examination by the Commissioner; and

4. The Commissioner shall have given prior approval of the licensed public accountant holding a permit to practice in this state or the certified public accountant making the audit.

If the Commissioner accepts an audit in lieu of the examination of the Commissioner, the Commissioner may review such audit and may charge to the licensee fees for such review at the rate prescribed in subsection B of this section.

D. The Commissioner may contract with qualified licensed auditors to conduct any examinations authorized under this section.

E. All license, examination, audit review, and investigation fees herein provided for shall be deposited in the Oklahoma State Banking Department revolving fund pursuant to Section 211.1 of this title.

Added by Laws 1961, p. 429, § 13. Amended by Laws 1988, c. 216, § 10, eff. Nov. 1, 1988; Laws 1993, c. 183, § 28, eff. July 1, 1993; Laws 1995, c. 36, § 23, eff. July 1, 1995; Laws 1999, c. 27, § 14, eff. July 1, 1999; Laws 2000, c. 205, § 27, emerg. eff. May 17, 2000; Laws 2005, c. 48, § 22, eff. Nov. 1, 2005.

§6-2114. Investigation upon noncompliance with act.

When the Commissioner shall have reasonable cause to believe that the provisions of this act are not being complied with by any licensee the Commissioner shall investigate the business, including the books and records of any such licensee, and may require the licensee to furnish such additional reports relating to his said business as the Commissioner may require to effectuate the provisions of this act.

Added by Laws 1961, p. 429, § 14.

§6-2115. Conduct of business - Location - Agents - Conditions.

Each licensee may conduct his business at such locations within this state and through or by means of such employees, agents, subagents or representatives as he may from time to time designate and appoint, so long as the Commissioner has been notified timely of each location, appropriate licensing fees have been paid, and the bonding requirement has been met.

Added by Laws 1961, p. 429, § 15. Amended by Laws 1988, c. 216, § 11, eff. Nov. 1, 1988.

§6-2116. Revocation of license - Hearing - Grounds.

(a) The Commissioner may, upon ten (10) days' notice to the licensee, stating the contemplated action and in general the grounds therefor, hold a hearing at which the licensee shall have a reasonable opportunity to be heard, for the purpose of determining whether a license should be revoked, for failure of the licensee to comply with the provisions of this act and the regulations hereunder. After such hearing the Commissioner may revoke any license issued hereunder if he finds that:

1. The licensee has failed to pay the annual license fee or to maintain the bond or the deposit or securities required by this act; or

2. The licensee has failed to comply with any order, decision or finding of the Commissioner made pursuant to this act; or

3. The licensee has violated any provision of this act; or

4. Any fact or condition exists which, if it had existed at the time of the original application for a license, would have warranted the Commissioner in refusing its issuance.

(b) A licensee may surrender any license by delivering to the Commissioner written notice that he surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability on any bond, or entitle such licensee to a return of any part of any license fee.

Added by Laws 1961, p. 429, § 16.

§6-2117. Power of subpoena - Designation of hearing officer.

(a) For the purposes of this act, the Commissioner or the hearing officer as hereinafter provided has power to require by subpoena the attendance and testimony of witnesses, and the production of all documentary evidence relating to any matter under hearing pursuant to this act, and shall issue such subpoenas at the request of an interested party. The hearing officer may sign subpoenas in the name of the Commissioner.

(b) The Commissioner may, in his discretion, direct that any hearing pursuant to this act shall be held before a competent and qualified agent of the Commissioner, whom the Commissioner shall designate as the hearing officer in such matter. The Commissioner and the hearing officer are hereby empowered to, and shall, administer oaths and affirmations to all witnesses appearing before them. The hearing officer, upon the conclusion of the hearing before him, shall certify the evidence to the Commissioner.

(c) Any district court of this state, within the jurisdiction of which such hearing is carried on, may, in case of contumacy, or refusal of a witness to obey a subpoena, issue an order requiring such witness to appear before the Commissioner, or the hearing officer, or to produce documentary evidence, or to give testimony touching the matter in question, and the willful refusal and failure of any such witness to obey such order of the court shall constitute contempt of court.

Added by Laws 1961, p. 430, § 17.

§6-2118. Judicial review.

All final administrative decisions of the Commissioner hereunder shall be subject to judicial review by the district court of Oklahoma County on questions of law and appeal therefrom to the Supreme Court of Oklahoma.

Added by Laws 1961, p. 430, § 18.

§6-2119. Giving of notice.

Except as otherwise provided in this act, whenever the Commissioner is required to give notice to any applicant or licensee, such requirement shall be complied with if, within the

time fixed herein, such notice shall be enclosed in an envelope plainly addressed to such applicant or licensee, at the address set forth in the application or license, United States postage fully prepaid, and deposited registered or certified in the United States mail.

Added by Laws 1961, p. 430, § 19.

§6-2120. Rules and regulations.

The Commissioner may make and enforce such reasonable rules and regulations as are necessary for the enforcement and execution of this act.

Added by Laws 1961, p. 430, § 20.

§6-2121. Penalties.

Any person who violates any provision of this act or any provision of the rules and regulations of the Commissioner is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than the sum of One Hundred Dollars (\$100.00) for each day of violation.

Added by Laws 1961, p. 430, § 21. Amended by Laws 1988, c. 216, § 12, eff. Nov. 1, 1988.

§6-2122. Repealed by Laws 1980, c. 68, § 1, emerg. eff. April 10, 1980.

§6-2123. Proceeds of sales of checks by agents - Exemption from attachment, levy of execution, or sequestration - Assignment to Commissioner.

(a) All funds collected or received from the sale of checks by an agent shall be impressed with a trust in favor of such licensee in an amount equal to the amount of the proceeds due the licensee and shall not be commingled with other funds of the agent.

(b) No proceeds received by any agent or agents of a licensee from the sale of any check issued by such licensee, while held by the agent, nor any property impressed with a trust pursuant to this section shall be subject to attachment, levy of execution, or sequestration by order of any court, except for the benefit of the licensee. In the event that a licensee's license is revoked by the Commissioner, all sales proceeds then held in trust by agents of the licensee shall be deemed to have been assigned to the Commissioner.

Added by Laws 1988, c. 216, § 13, eff. Nov. 1, 1988.

§6-2124. Acts required of licensees - Deadline - Exception.

(a) A person licensed under, and in compliance with all applicable requirements of, the Sale of Checks Act in effect immediately prior to the effective date of this act shall have until December 1, 1988, to:

1. Furnish the Commissioner with a corporate surety bond complying with the requirements of Section 2108 of Title 6 of the Oklahoma Statutes or, in lieu thereof, to deposit securities equal to the amount of such bond complying with the requirements of subsection (b) of Section 2109 of Title 6 of the Oklahoma Statutes; and

2. File with the Commissioner the most current annual financial statement of such licensee, which financial statement shall be in compliance with the requirements of Section 2110 of Title 6 of the Oklahoma Statutes.

(b) A person licensed under, and in compliance with all applicable requirements of, the Sale of Checks Act in effect immediately prior to the effective date of this act shall not be required to comply with the provisions of subsection (b) of Section 2107 of Title 6 of the Oklahoma Statutes until the Commissioner has issued license certificates for each location to said licensee for the fiscal year commencing July 1, 1989; provided, the licensee must timely satisfy all requirements for the issuance of a renewal license and such license certificates.

Added by Laws 1988, c. 216, § 14, eff. Nov. 1, 1988.

§6-2201. Short title.

Sections 2201 through 2206 of this title and Sections 5 and 6 of this act shall be known and may be cited as the "Financial Privacy Act". Its purpose is to maintain the privacy and confidentiality of the records of customers of financial institutions.

Added by Laws 1979, c. 191, § 1. Amended by Laws 1996, c. 346, § 1, eff. Nov. 1, 1996.

§6-2202. Definitions.

(a) "Financial institution" means any office or branch of a bank, savings bank, savings association, building and loan association, savings and loan association and credit union located in the State of Oklahoma.

(b) "Financial record" means any original of, or any copy of, any record held by a financial institution, or any information derived therefrom, pertaining to a customer's relationship with the financial institution.

(c) "Government authority" means any agency, board, commission or department of the State of Oklahoma, or any officer, employee, representative, or agent thereof.

(d) "Customer" means any person, corporation, partnership or other legal entity, or authorized representative thereof, who utilized or is utilizing a service of a financial institution, or for whom a financial institution is acting or has acted as a fiduciary, in relation to an account maintained in the customer's name.

(e) "Supervisory agency" means, with respect to any particular financial institution, any state agency, board, commission or department which has statutory authority to examine the financial condition or business operations of that institution. Added by Laws 1979, c. 191, § 2. Amended by Laws 1991, c. 128, § 11, emerg. eff. April 29, 1991.

§6-2203. Financial institutions prohibited from disclosing financial records unless.

A financial institution is prohibited from giving, releasing or disclosing any financial record to any government authority unless:

(a) it has written consent from the customer for the specific record requested; or

(b) it has been served with a subpoena issued pursuant to Section 4 for the specific record requested.

Added by Laws 1979, c. 191, § 3.

§6-2204. Subpoena of financial records.

A. A court of competent jurisdiction, state agency or legislative committee may issue a subpoena for a customer's financial record only if such subpoena is authorized by law. Said subpoena shall specify what financial record is sought. A subpoena issued by a state agency or legislative committee shall be enforced pursuant to Section 315 of Title 75 of the Oklahoma Statutes.

B. A copy of the subpoena shall be served on the customer or mailed to his last-known address on or before the date the subpoena is served on the financial institution.

C. The customer shall have fourteen (14) days after the subpoena was served or mailed in which to file a motion to quash the subpoena on the following grounds:

1. That the financial record sought is incompetent, irrelevant or immaterial for the purpose or purposes for which it is sought;

2. That the release of the financial record would cause an unreasonable burden or hardship under the circumstances;

3. That the government authority seeking said financial record is attempting to harass the customer; or

4. That there is no merit in the purpose or purposes for which said financial record is sought.

If the subpoena was issued by the district court, the motion to quash the subpoena shall be filed in the district court that issued the subpoena. If the subpoena was issued by a state agency or a legislative committee, the motion to quash the subpoena shall be filed with the state agency or legislative committee that issued the subpoena.

D. A copy of the motion to quash filed by the customer shall be served by personal service or by mail on:

1. A chairman, presiding officer, or any member of the governing body of the government authority seeking the records; and

2. Any officer of the financial institution which has been served the subpoena,

at least ten (10) days before any hearing on the motion to quash.

E. Failure of the customer to file a motion to quash in the time provided for in subsection C shall constitute a waiver of his right to object to the release or disclosure of the financial record sought by the government authority.

F. During the period for filing the motion to quash and continuing until a ruling is made on such motion, if one is filed the financial institution shall make available to its customer a copy of the records sought and shall preserve the original records without alteration.

G. The notice and challenge procedures provided for in this section shall not apply when the financial records of the customer:

1. Are sought pursuant to a subpoena in connection with litigation to which the customer is a party, including, but not limited to, litigation between a government authority and the customer; or

2. Are sought pursuant to an administrative subpoena in an adjudicatory proceeding in which the customer is a party.

Added by Laws 1979, c. 191, § 4. Amended by Laws 1996, c. 346, § 2, eff. Nov. 1, 1996.

§6-2205. Disclosures or releases authorized.

A. Nothing in the Financial Privacy Act shall prohibit the disclosure or release of any financial record or information to any supervisory agency in the exercise of its supervisory or regulatory functions with respect to a financial institution.

B. Nothing in the Financial Privacy Act prohibits a financial institution from disclosing or releasing any financial record or information to another financial institution for the usual and regular business purposes of the latter or from providing copies of any financial record to any court or government authority as an incident to perfecting a security interest, proving a claim in bankruptcy or otherwise collecting on a debt either owed the financial institution itself or owed the financial institution in its role as a fiduciary.

C. Nothing in the Financial Privacy Act prohibits a financial institution from notifying a government authority that such institution or an officer, employee or agent of such institution has information that may be relevant to a possible violation of any statute or regulation.

D. Sections 2201 through 2204 of this title shall not apply to any court order or subpoena issued in connection with proceedings before a multicounty grand jury, except that a court shall have

authority to order a financial institution, on which a multicounty grand jury subpoena for customer records has been served, not to notify the customer of the existence of the subpoena or information that has been furnished to the multicounty grand jury. The court may order that the customer not be notified only if it finds:

1. That the requested records are relevant to an ongoing criminal investigation being conducted by the multicounty grand jury; and

2. That disclosure of the existence or issuance of, or compliance with the subpoena may frustrate or impede the investigation.

Added by Laws 1979, c. 191, § 5. Amended by Laws 1985, c. 173, § 1, emerg. eff. June 18, 1985; Laws 1990, c. 232, § 1, emerg. eff. May 18, 1990; Laws 1996, c. 346, § 3, eff. Nov. 1, 1996.

§6-2206. Costs of assembling, reproducing or providing financial records.

- A. A government authority shall pay to the financial institution assembling, reproducing or providing any financial record of a customer a reasonable fee for such costs, including copying costs and labor costs, to be paid prior to the time the record is released.

- B. For purposes of this section, the following fees shall be deemed reasonable:

1. Search and processing costs. Reimbursement for search and processing costs shall be the total amount of direct personnel time incurred in locating and retrieving, reproducing, packaging and preparing financial records for shipment or delivery. The rate for search and processing costs shall be no more than Twenty-two Dollars (\$22.00) per hour per person for clerical or technical personnel, computed on the basis of Five Dollars and fifty cents (\$5.50) per quarter hour or fraction thereof, and no more than Thirty Dollars (\$30.00) per hour per person for management or supervisory personnel, computed on the basis of Seven Dollars and fifty cents (\$7.50) per quarter hour or fraction thereof, and shall be limited to the total amount of personnel time spent in locating and retrieving documents or information or reproducing or packaging and preparing documents for shipment where required or requested by a government authority. If itemized separately, search and processing costs may include the actual cost of extracting information stored by computer in the format in which it is normally produced, based on computer time and necessary supplies. Personnel time for computer search may be paid for only at the rate specified in this paragraph;

2. Reproduction costs. Reimbursement for reproduction costs shall be for costs incurred in making copies of documents required or requested. The rate for reproduction costs for making copies of required or requested documents shall be twenty-five cents (\$0.25)



for each page, including copies produced by reader/printer reproduction processes. Photographs, films, computer tapes and other materials shall be reimbursed at actual cost;

3. Transportation costs. Reimbursement for transportation costs shall be for necessary costs, directly incurred, to transport personnel to locate and retrieve the information required or requested, and necessary costs, directly incurred solely by the need to convey the required or requested material to the place of examination; and

4. Directly incurred costs. A financial institution also may receive reimbursement for costs incurred solely and necessarily as a consequence of searching for, reproducing or transporting books, papers, records, or other data, in order to comply with legal process. If a financial institution has records that are stored at an independent storage facility that charges a fee to search for, reproduce, or transport particular records requested, these costs shall be considered to be directly incurred by the financial institution.

Added by Laws 1979, c. 191, § 6, emerg. eff. May 17, 1979. Amended by Laws 1991, c. 128, § 12, emerg. eff. April 29, 1991; Laws 1996, c. 346, § 4, eff. Nov. 1, 1996; Laws 2001, c. 338, § 2, eff. Nov. 1, 2001; Laws 2010, c. 314, § 1, eff. Nov. 1, 2010.

§6-2207. Search warrants.

A. A government authority may obtain financial records for use in a criminal investigation or proceeding through use of a search warrant obtained pursuant to a hearing wherein the court finds that the records are relevant to a legitimate law enforcement inquiry and delayed notice is appropriate as prescribed in paragraph 2 of subsection D of Section 2205 of Title 6 of the Oklahoma Statutes.

B. No later than ninety (90) days after the government authority serves the search warrant upon the financial institution, it shall mail to the last-known address of the customer a copy of the search warrant together with a notice that the records were obtained on a certain date.

C. Search warrants served upon a financial institution may be served only upon the person in charge, as designated by the institution, and only during normal business hours.

D. The financial institution shall be given a reasonable time, not to exceed ten (10) calendar days, to search the records and produce and deliver the requested information.

E. If the financial institution is uncertain whether the financial records requested are those of its customer, the financial institution shall deliver the records for in camera inspection by the court.

Added by Laws 1996, c. 346, § 5, eff. Nov. 1, 1996.

§6-2208. Certification of compliance by government authorities - Immunity from liability for good faith reliance upon certificate.

A. A financial institution shall not release the records of a customer until the government authority seeking the records certifies in writing that it has complied with the applicable provisions of the Financial Privacy Act.

B. Any financial institution or employee thereof that discloses the financial records of a customer pursuant to the Financial Privacy Act in good faith reliance upon a certificate of the government authority shall not be liable to the customer for the disclosure under any law or regulation.

Added by Laws 1996, c. 346, § 6, eff. Nov. 1, 1996.

§6-3001. Records - Electronic or microphotographic reproduction - Evidence.

Any financial institution may cause any or all records, including its records as a fiduciary, at any time in its custody to be stored and reproduced electronically or by the microphotographic process, and any reproduction made or an electronically or microphotographically stored record shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

Added by Laws 1953, p. 16, § 1. Amended by Laws 2001, c. 338, § 3, eff. Nov. 1, 2001.

§6-3002. Compliance review documents - Confidentiality - Discovery or admissibility.

A. For purposes of this section:

1. "Depository institution" means a state-chartered or federally chartered financial institution located in this state that is authorized to maintain deposit or share accounts;

2. "Compliance review committee" means:

a. an audit, loan review or compliance committee appointed by the board of directors of a depository institution, or

b. any other person to the extent the person acts in an investigatory capacity at the direction of a compliance review committee;

3. "Compliance review documents" means documents prepared for or created by a compliance review committee;

4. "Loan review committee" means a person or group of persons who, on behalf of a depository institution, reviews loans held by the institution for the purpose of assessing the credit quality of the loans, compliance with the loan policies of the institution, and compliance with the applicable laws and regulations; and

5. "Person" means an individual, group of individuals, board, committee, partnership, firm, association, corporation, or other entity.

B. This section applies to a compliance review committee whose functions are to evaluate and seek to improve:

1. Loan underwriting standards;
2. Asset quality;
3. Financial reporting to federal or state regulatory agencies;

or

4. Compliance with federal or state statutory or regulatory requirements.

C. Except as provided in subsection D of this section:

1. Compliance review documents are confidential and are not discoverable or admissible in evidence in any civil action arising out of matters evaluated by the compliance review committee; and

2. Compliance review documents delivered to a federal or state governmental agency remain confidential and are not discoverable or admissible in evidence in any civil action arising out of matters evaluated by the compliance review committee.

D. Subsection C of this section does not apply to any information required by statute or regulation to be maintained by or provided to a governmental agency while the information is in the possession of the governmental agency to the extent applicable law expressly authorizes its disclosure.

E. This section may not be construed to limit the discovery or admissibility in any civil action of any documents that are not compliance review documents, nor may it be construed to limit the discovery or admissibility of any relevant documents which reflect evidence of fraud committed by an insider of a depository institution, to the extent those documents are otherwise discoverable or admissible.

Added by Laws 1995, c. 36, § 24, eff. July 1, 1995.

§6-3003. Negotiation services - Interest income as valuable consideration.

Interest income shall not be considered valuable consideration for negotiation services.

Added by Laws 2000, c. 76, § 2, emerg. eff. April 14, 2000.

§6-3010. Definition - Form - Fees - Rules.

A. As used in this section, "statutory support trust" means a model trust to be used by a bank or trust company for the purpose of receiving money donated by any person as a public service to assist the beneficiary of the trust or account in the payment of medical, financial, educational, humanitarian or other similar needs.

B. A statutory support trust may be substantially in the following form:

DECLARATION OF TRUST  
CREATING THE  
(NAME OF BENEFICIARY) SUPPORT TRUST

Whereas, (name of beneficiary) of \_\_\_\_\_, Oklahoma, hereinafter referred to as "Primary Beneficiary", is in need of financial assistance, as a result of the following circumstances, to-wit: \_\_\_\_\_

hereinafter referred to as the "Condition of Need"; and

Whereas, (name of Grantor), of \_\_\_\_\_, Oklahoma, hereinafter referred to as "Grantor", is desirous of providing assistance to Primary Beneficiary, primarily to help with expenses incurred in connection with the Condition of Need, but also to provide generally for the welfare and security of Primary Beneficiary; and

Whereas, Grantor is the owner of certain property which Grantor desires at this time to set apart for the use and benefit of Primary Beneficiary and for the future use and benefit of the other beneficiaries provided for herein;

Now, therefore, Grantor does irrevocably convey, assign, transfer and deliver to the Trustee hereinafter named the property described in Schedule A attached hereto to have and to hold such property and any other property which the Trustee may hereafter at any time hold or acquire hereunder (all of which property is hereinafter referred to collectively as the "Trust estate") in trust nevertheless, for the following uses and purposes and subject to the terms and conditions hereinafter set forth.

SECTION I

Appointment of Trustee

1. Grantor hereby appoints (name of trustee), of \_\_\_\_\_, Oklahoma, as Trustee of this Trust.

2. The Trustee may, by written instrument, signed and acknowledged, resign from office without leave of court at any time and for any reason, and appoint a successor Trustee to act in the place and stead of the Trustee. Should the Trustee fail to appoint a successor Trustee, Grantor may, by appropriate instrument in writing, appoint a successor Trustee. In no event may Grantor be appointed to act as Trustee.

3. Any successor Trustee shall, upon the acceptance of the office by written instrument signed and acknowledged by the Trustee, have the same powers, rights and duties, and the same title to the Trust estate as did the Trustee's predecessor as Trustee.

4. No Trustee shall be required to furnish any bond or surety. No Trustee shall be responsible or liable for the acts or omissions of any predecessor Trustee or of a custodian, agent, depository or counsel selected with reasonable care.

5. As used herein, the term "Trustee" shall include not only the original Trustee but also any successor Trustee.

6. In the case of any Trustee which is a bank, trust company or association authorized to exercise general trust powers, references to such entity shall include its successor or successors or any bank, trust company or association with which it or its successors may become merged or consolidated.

7. The Trustee shall have the power and authority with respect to the Trust estate, shall be charged with the duties and obligations, and shall be subject to the limitations and restrictions hereinafter set forth.

## SECTION II

### General Provisions Relating to Trust

1. With respect to the management of the Trust, the character of and the manner of making investments and reinvestments of Trust funds, the sale, conveyance or transfer of Trust property and the powers and duties of the Trustee, the provisions of the Oklahoma Trust Act now in force and the provisions of investments by Trustees, Sections 161 through 163 of Title 60 of the Oklahoma Statutes, shall govern except as they may be modified or limited by the provisions of this Trust. Repeal or amendment of the statutes shall not change the powers and duties of the Trustee hereunder, but the provisions of such statutes existing on the date this Trust is executed, except as herein modified or limited, shall continue in effect with respect to all property which may come into the hands of the Trustee, whether such property has a situs within or without the State of Oklahoma.

2. Except as provided in paragraph 2 of Section IV hereof, each beneficiary is hereby prohibited from anticipating, encumbering, assigning or in any other manner disposing of the interest of the beneficiary in either principal or income and is without power so to do; nor shall such interest be subject to the liabilities or obligations of the beneficiary, nor to attachment, execution or other legal process, bankruptcy proceedings or claims of creditors or others.

3. The Trustee shall keep books of account showing all transactions relating to the Trust estate, and shall also in each year furnish to each beneficiary currently receiving distributions therefrom, or to any attorney-in-fact acting on the behalf of the beneficiary, or to the guardian of the beneficiary if a guardian has been appointed, a statement showing how the Trust estate is invested and all transactions relating thereto subsequent to the last preceding account rendered.

4. Whenever distribution of income or principal is to be made under the terms of this Trust to a minor or other person under a legal disability of any nature, the Trustee, in the Trustee's sole discretion, may make such distributions to others for the benefit of such minor or such legally disabled person without the intervention of a guardian.

5. The powers, duties and responsibilities herein set out shall not be deemed to exclude other implied powers, duties or responsibilities not inconsistent therewith.

6. The compensation of the Trustee for services rendered to the Trust shall be reasonable and commensurate with the compensation for like services ordinarily and customarily paid in the community where the service is rendered.

7. The Trustee shall have all of the foregoing powers and duties during the term of this Trust and thereafter until final distribution of the Trust.

### SECTION III

#### Additions to Trust Estate

Grantor or other persons from time to time by inter vivos or testamentary transfers may add property to the Trust estate. The receipt of the Trustee for such property shall constitute acceptance thereof by the Trustee.

### SECTION IV

#### Provisions Relating to

#### Distributions of Income and Principal

1. During the term of this Trust the Trustee shall pay to or for the benefit of Primary Beneficiary so much or all of the income and principal of the Trust as the Trustee determines, in the Trustee's sole discretion, to be necessary or advisable for the health, maintenance, support, education and welfare of Primary Beneficiary, after giving primary consideration to Primary Beneficiary's Condition of Need and after consulting with Primary Beneficiary and any one or more of the following members of Primary Beneficiary's family or community, to-wit:

\_\_\_\_\_ ; \_\_\_\_\_ ; and

\_\_\_\_\_. The Trustee shall have no liability or responsibility, either to Grantor or any other donor to this Trust, or to Primary Beneficiary, for relying on information provided by Primary Beneficiary or any such consultants, nor shall the Trustee be under any duty to see to the proper application of any funds distributed to, or pursuant to any instructions of, Primary Beneficiary or any of such consultants.

2. Upon the death of Primary Beneficiary, or the determination by the Trustee in the Trustee's sole discretion that Primary Beneficiary's Condition of Need no longer exists, whichever first occurs, this Trust shall terminate and all remaining assets of the Trust shall be distributed as follows:

[ ] To Primary Beneficiary or, if the Primary Beneficiary is then deceased, to the estate of the Primary Beneficiary;

[or]

[ ] To such charitable organization or organizations, in such amounts and for such charitable purposes, as shall

be selected and determined by Primary Beneficiary by appropriate instrument in writing, or in the absence of such selection and determination, by the Trustee;

3. Whenever any distribution under subsection 2 of this Section IV is required to be made to a beneficiary under the age of twenty-one years, the interest so required to be distributed shall be indefeasibly vested in the beneficiary, but the Trustee may, in the Trustee's sole discretion, retain the assets so distributable until the beneficiary attains age twenty-one or dies, whichever first occurs, and the Trustee may pay the income and principal to the beneficiary in such amounts and from time to time as the Trustee may determine. Upon the beneficiary's attaining the age of twenty-one, the Trustee shall deliver the then remaining principal and undistributed income to the beneficiary. If the beneficiary dies prior to attaining such age, then, on the date of the death of the beneficiary, the Trustee shall deliver the then remaining principal and undistributed income to the estate of the beneficiary. In the alternative, the Trustee may, in the Trustee's sole discretion, transfer such assets to a Custodian for the beneficiary under the Oklahoma Uniform Transfers to Minors Act and specify that the Custodian shall transfer the property to the beneficiary when the beneficiary reaches the age of twenty-one years.

4. As used herein the term "charitable purposes" shall be limited to and shall include religious, charitable, scientific, literary, educational or exclusively public purposes within the meaning of those terms as used in Section 501(c)(3) and Section 170(c)(1) of the Internal Revenue Code, but only such purposes as also constitute public charitable purposes under the law of the State of Oklahoma.

## SECTION V

### Miscellaneous Provisions

1. Grantor declares that Grantor has been fully advised as to the legal effects of the execution of this instrument and informed as to the character and amount of the property hereby conveyed and further that Grantor has given consideration to the question of whether the Trust herein created shall be revocable or irrevocable, and Grantor now declares that it shall be wholly and completely irrevocable and that Grantor shall not have any right, capacity or power at any time to revoke, terminate, alter or amend any of the provisions hereof.

2. This Declaration of Trust and all of its provisions shall be construed and administered in accordance with the laws of the State of Oklahoma.

3. This Declaration of Trust shall be binding upon the executors, administrators and assigns of Grantor, and the beneficiaries named herein and upon the successors to the Trustee.

4. This Declaration of Trust shall be known as the "[name of beneficiary] SUPPORT TRUST."

IN WITNESS WHEREOF, Grantor has hereunto subscribed Grantor's name this \_\_\_\_ day of \_\_\_\_\_, 199\_.

\_\_\_\_\_  
"Grantor"

STATE OF OKLAHOMA )  
) SS.  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this \_\_\_\_ day of \_\_\_\_\_, 199\_, personally appeared [name of Grantor], to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he or she executed the same as his or her free and voluntary act and deed for the uses and purposes therein set forth.

WITNESS my hand and official seal the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
[SEAL]

ACCEPTANCE OF TRUSTEE

[name of trustee], the Trustee named in the above and foregoing Declaration of Trust, hereby accepts the same, acknowledges receipt of the property described in Schedule A to said Declaration of Trust, and agrees to act under the terms and provisions thereof.

DATED this \_\_\_\_ day of \_\_\_\_\_, 199\_.

\_\_\_\_\_  
SCHEDULE A

TO

DECLARATION OF TRUST

CREATING THE [NAME OF BENEFICIARY] SUPPORT TRUST

\$ \_\_\_\_\_ Cash

C. A bank or trust company may charge a reasonable and customary fee for establishing and managing a statutory support trust and this fee shall be disclosed in writing prior to the trust or account being established.

D. The State Banking Department shall promulgate any necessary rules to implement the provisions of this section.

Added by Laws 1995, c. 63, § 1, eff. Nov. 1, 1995.