

OCT 15 1992

OF MONTANA

STATE OF MONTANA
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NO. 34-91

EXECUTIVE ORDER ESTABLISHING
THE MONTANA STATE BANKING CODE ADVISORY COUNCIL

WHEREAS, it is the policy and goal of the State of Montana's Banking and Financial Division to protect the public interest in the regulation of all state banks; and

WHEREAS, it is the goal to preserve and promote sound and constructive competition among banking institutions regulated within a dual federal and state banking system while overseeing the security of deposits and the safe and sound conduct of the business of state-chartered banks within Montana; and

WHEREAS, it is the goal to seek regulatory coordination, cooperation and parity among banks regulated by the Financial Division, and to maintain open lines of communications with state banks and their respective state and federal regulatory agencies; and

WHEREAS, the financial services offered by sound State banking institutions should promote capital availability, foster economic growth, encourage community reinvestment, and meet the public demand for these services in Montana communities; and

WHEREAS, the several provisions of the Montana Banking Code have not been generally revised since 1927; and

WHEREAS, federal legislation is being considered that may significantly modify the dual banking system and the regulatory powers of state and federal agencies as they pertain to interstate banking and branch banking; and

WHEREAS, the Financial Division has been successful in creating a working partnership among the private sector and the banking community to assist in restructuring financial regulation in the state; and

WHEREAS, the review and revision of State Banking Code would strengthen Montana's law in providing services to the banking

community and would further provide clarification which would allow more consistent regulation of state financial institutions.

NOW, THEREFORE, I, STAN STEPHENS, Governor of the State of Montana, by virtue of the authority vested in me by the Constitution and laws of the State of Montana, and specifically Section 2-15-122, MCA, do hereby create the Montana Banking Code Advisory Council.

I. PURPOSE

The Council shall review Montana's Banking Code for the purpose of identifying outdated language and requirements as well as omissions or conflicts in statute that are not conducive to the proper supervision of state banks. After review and comment by the Financial Division and the State Banking Board, the Council shall submit a report to the Governor which makes recommendations for the general revision of Montana's Banking code, if any. The proposed revisions to the Code must be submitted to the State Banking Board no later than October 1, 1992, and to the Governor no later than November 1, 1992. Issues addressed by the Council shall involve, but not be limited to, the following:

(a) Ensuring the powers and duties of the Commissioner of Financial Institutions are clearly set forth in the Banking Code.

(b) Defining a comprehensive mission and purpose for the Financial Division as it relates to the regulation and supervision of state banking institutions.

(c) Ensuring that the Commissioner of Financial Institutions is involved in the legislative process with the responsibility for drafting legislation and determining the impact on the public, the banking community and the Financial Division.

(d) Ensuring that statutory authority is developed to address the areas where supervision is now lacking but deemed necessary for the proper supervision of state banks, including the examination of holding companies, electronic data processing, and community reinvestment requirements, etc.

II. COMPOSITION

The Council shall consist of the following members who shall

serve at the pleasure of the Governor:

Mr. Phil Sandquist
Chief Executive Officer
First Security Bank
P.O. Box 910
Bozeman, MT 59715

Mr. Ronald J. Haugen
KPMG Peat Marwick
P.O. Box 7108
Billings, MT 59103-7108

Mr. Paul Caruso, Jr.
President
First Security Bank
P.O. Box 218
Helena, MT 59624-0218

Mr. Jack Hensley
Member
State Banking Board
P.O. Box 48
Kalispell, MT 59901-0048

Mr. Kent Brubaker
Vice President
State Bank of Terry
P.O. Box 6
Terry, MT 59349

Mr. John Sullivan
Public Member
P.O. Box 665
Livingston, MT 59047

Mr. Bill Ruegamer
Executive Vice President
First Interstate BancSystem, Inc.
P.O. Box 30918
Billings, MT 59116-0918

Ms. Barbara J. Spilker
Public Member
801 Harrison Avenue
Helena, MT 59601

Mr. Ron Ahlers
President and CEO
First Citizens Bank, Bozeman
P.O. Box 578
Bozeman, MT 59715

Mr. Charles A. Brooke
Director
Department of Commerce
1424 9th Avenue
Helena, MT 59620

Mr. Ed Lamb
Executive Vice President
Bank of Montana System
P.O. Box 5100
Great Falls, MT 59403-5100

Mr. Donald W. Hutchinson
Commissioner of Financial
Division
1520 E. 6th Ave., Rm. 50
Helena, MT 59620

Mr. George Bennett, MBA
P.O. Box 1705
Helena, MT 59624

Ms. Annie M. Bartos
Chief Legal Counsel
Department of Commerce
1424 9th Avenue
Helena, MT 59620

Mr. Roger Tippy, MIB
P.O. Box 543
Helena, MT 59624

Sen. R.J. Pineseault
2055 Pineseault Rd.
St. Ignatius, MT 59865

Mr. Gary Carlson
Anderson ZurMuehlen
P.O. Box 1147
Helena, MT 59624

Rep. David Hoffman
2720 Hwy. 287
Sheridan, MT 59749

A majority of the membership of the Council constitutes a quorum to do business.

Mr. Bill Ruegamer shall serve as chairman of the Council.

III. COMPENSATION

Council members eligible for compensation under 2-15-122(5), MCA, shall be compensated by the Department of Commerce at the rate of \$25.00 for each day actually and necessarily engaged in the performance of Council duties. All members shall be reimbursed for travel expenses pursuant to Section 2-15-122(5), MCA.

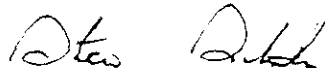
IV. DURATION

As required by Section 2-15-122, MCA, the State Banking Code Advisory Council shall exist for a period of two years from the effective date of this Order, unless extended by Executive Order.

EFFECTIVE DATE

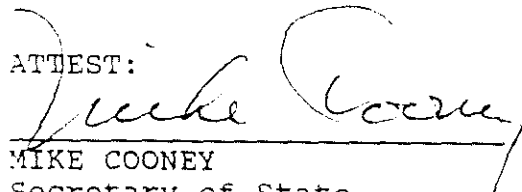
This Order is effective immediately.

GIVEN under my hand and the GREAT SEAL of the State of Montana, this 21 day of December, in the year of our Lord, one thousand nine hundred and ninety-one.



STAN STEPHENS
Governor

ATTEST:



MIKE COONEY
Secretary of State