

**PRELIMINARY  
MINUTES**

**JOINT COMMITTEE ON FIDUCIARY FINANCIAL INSTITUTIONS OVERSIGHT**

December 7, 2021  
Room 582-N—Statehouse

**Members Present**

Representative Jim Kelly, Chairperson  
Senator Jeff Longbine, Vice-chairperson  
Senator Michael Fagg  
Senator Ty Masterson  
Senator Jeff Pittman  
Representative Gail Finney  
Representative Nick Hoheisel  
Representative Stephen Owens  
Representative Mary-Lynn Poskin (appointed substitute member)

**Staff Present**

Melissa Renick, Kansas Legislative Research Department,  
Connor Stangler, Kansas Legislative Research Department  
Sean Marshall, Kansas Legislative Research Department  
Eileen Ma, Office of Revisor of Statutes  
David Wiese, Office of Revisor of Statutes  
Lea Gerard, Committee Assistant

**Conferees**

Brad Heppner, Founder and CEO, Beneficient Company Group, LP  
K. Alan Deines, Managing Director and Co-Head, Fiduciary Financial Institutions  
Derek Fletcher, President and Chief Fiduciary Officer, Beneficient Company Group, LP  
Keith Martens, Managing Director and Co-Head, Fiduciary Financial Institutions, Beneficient  
Company Group, LP  
Jeff King, Sage Law  
David Herndon, State Bank Commissioner  
Melissa Wangemann, General Counsel, Office of State Bank Commissioner  
Matt Shoger, Staff Attorney, Office of State Bank Commissioner

**Others Attending**

See [Attached List](#)

## **TUESDAY, DECEMBER 7 ALL DAY SESSION**

### **Welcome and Introductions**

Chairperson Kelly called the meeting to order at 10:01 a.m. and welcomed Committee members, conferees, and attendees.

### **Overview of 2021 Senate Sub. for HB 2074 – The Technology-enabled Fiduciary Financial Institutions Act and Provisions Establishing the Joint Committee**

Chairperson Kelly called upon David Wiese, Office of Revisor of Statutes, who provided a section-by-section review of 2021 Senate Sub. for HB 2074, the Technology-enabled Fiduciary Financial Institutions (TEFFI) Act (TEFFI Act or Act), which provides for the requirements, fiduciary powers, duties, functions, and limitations for fiduciary financial institutions and the administration of the Act and regulatory supervision by the State Bank Commissioner. Senate Sub. for HB 2074 also established the Joint Committee on Fiduciary Financial Institutions Oversight ([Attachment 1](#)).

Mr. Wiese responded to questions from Committee members about the timing of the pilot program and provisions related to the issuance of a conditional and full charter under the Act, noting under the pilot program, a conditional charter allows for the set-up and placing qualified distributions in escrow. Once the requirements have been completed by the State Banking Commissioner, the conditional charter will be converted to the full charter. (*Note: The provisions referenced are addressed in Senate Sub. for HB 2074, Sections 2 and Section 25*).

Melissa Renick, Kansas Legislative Research Department (KLRD), noted for those participating online via Webex or the public meeting link, there are resources provided on KLRD's website that includes the Joint Committee's information along with the agenda and additional Committee resources for today's meeting.

Ms. Renick provided information on the duties and responsibilities assigned to the Joint Committee on Fiduciary Financial Institutions Oversight by 2021 Senate Sub. for HB 2074, (section 29) along with a timeline of select provisions in the bill ([Attachment 2](#)). The Joint Committee will monitor, review and make recommendations regarding fiduciary financial institutions' operations for the State of Kansas; monitor, review, and make recommendations regarding the FidFin Fiduciary Financial Institution Pilot program; and receive a report from the State Bank Commissioner prior to December 31, 2021. The report will include an update on the implementation of the Act and the program.

Ms. Renick stood for questions from Committee members.

### **Update on Fiduciary Financial Institutions' Operation in the State of Kansas**

Chairperson Kelly recognized Brad Heppner, Chief Executive Officer, The Beneficient Company Group, LP, who introduced the following members of the Beneficient's team presenting testimony and available for committee discussion: Derek Fletcher, President and

Chief Fiduciary Officer; Alan Deines, Managing Director; Keith Martens, Managing Director and resident of Hesston, Kansas; and Jeff King, Attorney. Mr. Heppner highlighted the 8 member Board of Directors for Beneficient, noting the Board will be increasing to 11 members during the next year. One member who will fulfill the Kansas resident membership requirement of the TEFFI Act, subject to completion of background checks, will be Emily Bowersock Hill. Ms. Hill was previously with Morgan Stanley as Executive Director and now has established Bowersock Capital Partners, Lawrence, Kansas. As soon as all background reviews are completed, Ms. Hill will be joining the Board of Directors. Other members of the Board are Kansas resident Alan Deines; Brad K. Heppner; and Derek Fletcher (all with Beneficient); and Richard Fisher, President and CEO Federal Reserve Bank, Dallas, Texas; Dennis Lockhart, who was President & CEO of the Federal Reserve Bank of Atlanta, Georgia; Thomas O. Hicks, Senior Partner Director Vice Chairman; and Bruce Schnitzer, Senior Partner Director. Mr. Heppner noted while the Act requires a staff of three members, it is anticipated Beneficient will have a staff of six in the Hesston office, once three positions are filled ([Attachment 3](#)).

Alan Deines, Managing Director, provided an update on questions and topics posed by the Committee staff prior to the meeting. Beneficient was asked to address the success of the implementation, the progress on the individual requirements in the bill, the status of the pilot program along with discussion of proposed legislation and other relevant issues in its presentation. He commented on the good relationship with the Office of the State Bank Commissioner (OSBC) and candid discussions and numerous meetings in person and via video conference to address questions and discuss concerns. Mr. Deines noted an OSBC site visit in mid-November to Beneficient's Dallas office. He then noted the TEFFI Act requirements for the issuance of a final charter have been fully implemented with the six specified conditions in Section 2 of the Act having been completed. ([Attachment 4](#))

Mr. Deines then addressed the qualified investments provisions in the TEFFI Act (acquisition of 10,000 feet of commercial, industrial, multi-use or multifamily real estate in the economic growth zone has been made in the city of Hesston), noting Beneficient has made three property acquisitions in Hesston and is in ongoing negotiations to secure a 22-acre abandoned neighborhood adjacent to downtown Hesston. Mr. Deines also addressed the purpose of the pilot program in Section 25 of the Act, stating it would provide the change for the OSBC to become familiar with Beneficient's operations as a full and final chartered TEFFI. It was noted the charter application is complete pending on the OSBC evaluation, which includes information relating to audited financials and the "permissive" FBI fingerprinting and background checks. Mr. Deines noted Beneficient is ready to commence operations under a full and final charter to begin transacting business.

Mr. Deines stood for questions from Committee members.

Derek Fletcher, President and Chief Fiduciary Officer, provided an overview regarding the implementation of the TEFFI Act and commencement of fiduciary financial (Fidfin) activities in the State of Kansas. Mr. Fletcher highlighted provisions in the Act that provide funding for economic growth in Kansas, which will create jobs, income growth, main street revitalization, education facility improvements, healthcare and senior facility improvements that will benefit rural communities in Kansas ([Attachment 5](#)).

Mr. Fletcher noted when a TEFFI establishes operations in Kansas, out-of-state customers holding alternative assets contribute them to Kansas trusts to be administered by the TEFFI in Kansas. The TEFFI Act requires a certain portion of the economic distribution to the TEFFI's activities to be allocated to the economic growth zones and to the Department of Commerce (TEFFI Development and Expansion Fund) in an amount representing 2.5 percent of

the transaction size for every customer that the TEFFI brings into business. Mr. Fletcher noted the number of pending FidFin transactions could exceed the original estimate of the \$9.0 million in funding anticipated when the Act was passed (projection of additional \$6.5 million).

Commenting on the Committee's duty to review any proposed amendments to the Act, Mr. Fletcher stated that Beneficient does not believe any legislative changes are warranted except for a few minor, non-substantive administrative items. Mr. Fletcher also addressed the status of Beneficient's charter (testimony indicates on June 11, 2021, Beneficient submitted its TEFFI charter application with the required application fee to the OSBC). Mr. Fletcher stated that with a conditional charter, Beneficient will have to go back through the application process once again and is subject to the State Bank Commissioner's discretion of whether to issue a permanent charter, which he described as a "nonstarter" for the customers because Beneficient cannot represent and be able to administer those assets in a fiduciary capacity for the long-term. Mr. Fletcher requested the Committee provide direction in terms of what the intent was with respect to the issuance of a final charter before the end of December 2021.

Mr. Heppner concluded Beneficient's presentation with a TEFFI industry overview, highlighting the \$9.1 trillion of institutional managed alternative assets (termed "AUM") that are handled by registered investment advisors and regulated by the SEC. Of the \$9.1 trillion, \$3.3 trillion is held by non-U.S. institutions and individuals and the remaining \$5.8 trillion is held by investors in the United States. Individuals and small institutions represent \$1.7 trillion market value of the \$5.8 trillion and is in Beneficient's target of an under-served market (represented in a chart as MHNW [mid-to-high net worth] individuals and small-to-medium size institutional investors). The presentation also demonstrated the relationship between the demand for liquidity and the growth in AUM and Mr. Heppner provided a chart of the estimated annual liquidity demand. Mr. Heppner also addressed the Kansas banking industry in comparison with two states (Utah – industrial loan banks and South Dakota – credit card lending banks), noting Kansas is close in population to Utah and three times the size of South Dakota but the Utah and South Dakota banking industries are fourteen times and sixty-one times larger than the Kansas banking industry due to their unique banking laws and regulated industries. Kansas has three to four times more chartered banks than Utah and South Dakota and represents .28 percent of assets held with the U.S. banking systems. Mr. Heppner noted the TEFFI Act creates a new way of banking in Kansas and could grow Kansas' banking industry. The TEFFI Act has an economic impact to Kansas of potentially capturing sixteen firms, which represent 80.0 percent of the Alternative Asset Trust Banking Industry, which in turn could generate \$2.8 billion a year in economic growth and contributions and as much as \$7.0 billion in total GDP impact for the state. The Chairperson announced questions for the Beneficient conferees would follow the presentation of the OSBC and its representatives.

David Herndon, State Bank Commissioner, provided an update on the operations of the first TEFFI in Kansas from the perspective of the state regulatory office ([Attachment 6](#)). Mr. Herndon introduced Melissa Wangemann, General Counsel; Matt Shoger, Staff Attorney; Tim Kemp, Deputy Bank Commissioner (virtual); and Aaron Emerson, TEFFI examiner (virtual). He also introduced three members of the State Banking Board participating via Webex: Chairman Leonard Wolfe, and board members Lea Tatum-Haskell and Justin Nichols. He noted these board members comprise an *ad hoc* committee designated with overseeing the TEFFI application and chartering process by Beneficient. The Bank Commissioner indicated his remarks would address the status on implementation of the TEFFI Act requirements, the timeline of implementation, the status of OSBC's enactment of rules and regulations, proposed legislative changes, status of the pilot program's start date, and the timeframe for the first examination by OSBC before issuance of the formal charter.

The Bank Commissioner first commented on the regulatory approach the OSBC has taken, noting there is no federal counterpart in the regulatory field for TEFFI's and the OSBC serves as a financial regulator. In addition to working with Beneficient on its application, the OSBC has sought guidance and fielded questions from legal, accounting, academic, regulatory, and industry professionals. He further commented that the OSBC has so far complied and met all deadlines for the TEFFI Act. He also confirmed a conditional charter was granted to Beneficient on June 30, 2021, meeting the July 1 deadline established in the Act. The Bank Commissioner noted several, but not all application requirements in the Act have been satisfied. He noted communications with Beneficient and termed these as "productive". A November 18, 2021, letter sent to Beneficient was referenced; the latter summarized discussions and agreements reached and addressed significant outstanding issues including the affiliation between Beneficient and GWG Holdings (*Note: Severing of the relationship was completed, pursuant to actions of both companies' board of directors, November 15, 2021*) and the applicant's lack of complete and final financial statements. The Bank Commissioner indicated managerial statements submitted to the OSBC on December 1 are not audited financial statement and they do not contain footnotes or supporting schedules. While an issue relating to capital adequacy and the applicant's funding sources for fidfin transactions have been successfully resolved, one additional issue not yet resolved for the OSBC and Beneficient is the completion of background checks for all of the applicant's officers and directors (conducted by the FBI). The OSBC is exploring appropriate alternatives to meet the requirements of Section 2(f) of the TEFFI Act relating to background checks. The Bank Commissioner noted while the goal remains to provide the applicant the authority to conduct business in an expeditious manner, it may be necessary for the OSBC to extend the time in which the applicant can begin the pilot program and commence transactions pursuant to Section 25(d) of the Act.

The Bank Commissioner also addressed the status of agency rules and regulations and discussions with the departments of Commerce and Revenue pertaining to economic development provisions in the TEFFI Act. The Bank Commissioner addressed the examination process, indicating the OSBC examination staff anticipates conducting the first examination prior to issuance of the formal charter within 12 weeks of the TEFFI conducting fidfin transactions. Any examination conducted will only address compliance with with state law (Senate Sub. for HB 2074), as well as certain information technology standards and federal requirements. The Bank Commissioner noted the examination standards in HB 2074 preclude safety and soundness examination protocols ("CAMELS" rating system) used by the OSBC for banks and depository institutions.

Mr. Herndon outlined recommendations in his testimony provided to the Committee pursuant to Section 29(f)(3) of the TEFFI Act, along with a formal bill draft noting the changes clarify some issues unique to TEFFI, as well as harmonize some provisions with existing regulatory approaches for banks and trust companies. Recommended changes were also made for some technical changes and minor wording improvements to better fit the "TEFFI context". The Bank Commissioner confirmed those items where Beneficient and the OSBC had agreement.

## **Committee Discussion with Conferees**

**Beneficient.** Chairperson Kelly opened discussion, asking Committee members to start with Beneficient representatives. Mr. Heppner responded to questions from Committee members. On the topic of federal tax proposals, he noted the federal reconciliation bill has a number of tax changes and one of the changes is a new tax on high-wealth individuals with

unrealized gains that prevents them from selling assets immediately. Addressing the issuance of a full or permanent charter, he stated the mandatory requirements for a permanent charter has been completed and the formalized financial statement audits have gone through a traditional audit with complete footnotes, other than two that have been added and delivered to the OSBC by email. The other requirement referenced was the difficulty of getting background checks and fingerprints completed in a timely manner. Mr. Heppner stated Beneficient would like to close the first round of transactions to be able to serve as a trustee, noting the Office of the Comptroller of the Currency (OCC) does not permit a company to serve as a trustee without being chartered by the banking regulators. Responding to a question, Mr. Heppner confirmed Kansas would lose out on economic growth contributions without issuance of the full charter. Members and Mr. Heppner discussed the terminology associated with the TEFPI Act and the timing of provisions relevant to the commencement of fidfin transactions, the pilot program, background check criteria and outstanding items cited by the OSBC, and the differences between the conditional charter and permanent charter. Mr. Dienes and Mr. Heppner then addressed a question regarding balancing transparency in the regulatory process and maintaining confidentiality with work products and business practices. The Beneficient conferees spoke to transparency with their customers and the general public and noted that a series of copyrights and patents are pending. Responding to a question with consideration to language in section 25(f) of Senate Substitute for HB 2074, Mr. Heppner indicated that a Kansas TEFPI could not consummate business without a permanent charter, stating that operating without this charter in place would affect Beneficient's reputation and ability to serve as a trustee.

**Office of the State Bank Commissioner.** In response to a question from the Committee, Mr. Herndon stated that "within a week but before the holidays" a final determination will be made for the timing and commencement of the pilot program and fidfin transactions. Mr. Herndon addressed a question regarding the process in place for consumer complaints, indicating the OSBC would use similar processes to those applying to state-chartered banks and trust companies. Committee members inquired about the use of language in subsection (d) and the commencement of the pilot program. The Commissioner noted background checks have been an ongoing issue for several months and options are being reviewed that would meet the standard for those checks and further noted financial statements that came in December 1 have not been looked at yet. A member inquired about the process to advance Beneficient to the stage where it can conduct fidfin transactions, referencing the \$1.0 million that was provided to the OSBC for the pilot program. Mr. Herndon confirmed these resources were used to hire staff and legal council to help craft rules and regulations and a sizable surplus remains. Discussion followed regarding the timeline specified in the legislation, the December 31 date, and reporting to legislative committees (timing would not permit such communications prior to the January return). Mr. Herndon clarified the company may not commence fidfin transactions until the earlier of December 31 or the date the agency adopts rules and regulations. It is anticipated those rules and regulations will be in place later next week (if implemented, it would be the December 31 date). The Commissioner noted the OSBC has an "extreme amount of trust" in Beneficient, but is obligated to verify in consideration of industry accepted standards such as adequate capital and internal controls.

Commenting on examination, Mr. Herndon indicated the OSBC examines opening day business and it could take a relatively short period of time, within twelve weeks or sooner, to conduct the examination. It was confirmed fidfin transactions could be authorized and the examination could follow. Discussion continued on the requirements of Section 25(f), the timing of fidfin transactions and pilot program commencement, and the issuance of the formal charter versus operations under a conditional charter. OSBC counsel reviewed the requirements of subsection f, commented on legislative intent, and in tandem with the Commissioner, responded

to questions from the Committee. Further discussion by the Committee members followed and it was requested that the Revisor provide clarification regarding KBI fingerprinting or if background checks are the only item required (rather than permissive). In response to a question on the examination process for TEFFIs and their distinct features from other entities regulated by the OSBC, Mr. Herndon stated his testimony regarding CAMEL ratings for banks and trust companies was an illustration and not intended to apply the applicant or to the TEFFI industry in general. The examination other than the federal requirements for bank secrecy is likely going to be a pass/fail judgment as to the application of Kansas law.

David Wiese, Assistant Revisor, reviewed the fingerprinting language provided in Section 2(f), Senate Substitute for HB 2074, noting that the State Banking Board may require fingerprinting and a criminal history check of any officer, director or other person associated with a TEFFI. The Committee revisor reviewed other statutes that provide permissive language (trust companies, Board of Nursing) and those providing “shall” (required – including the Kansas Law Enforcement Training Center and the Kansas Racing and Gaming Commission).

Prior to recessing for lunch, a Committee question regarding what inquired about what risk(s) fall to the State of Kansas if a permanent charter is approved by December, 31, 2021. Mr. Herndon noted this is the first and only state so far to have a TEFFI and it is difficult to identify any financial risk to the State, citizens of the State, or reasonable acceptable risk so, the default is to reputational risk for the industry, the State, and the OSBC.

## **Lunch**

The Chairperson recessed the meeting at 12:50 p.m.

## **Committee Discussion with Conferees; Committee Discussion and Direction for the Committee Report to the 2022 Legislature**

The Chairperson reconvened the meeting at 2:03 p.m. Chairperson Kelly recognized Beneficient and the OSBC to respond to the information previously presented and respond to those questions and the prior discussion in more detail, especially relating to the context of the term “conditional” and the OSBC’s allowance for the trust to be open under a conditional charter.

**Beneficient.** Mr. Heppner stated from the company’s perspective and understanding, a final application was to be submitted and Beneficient would go through an examination during the period beginning July 1, 2021, and he believes this is where there is misunderstanding regarding the process. He noted the OSBC interpreted the examination was to be repeated, which is not found in the legislation. Beneficient submitted a final full application on June 11, 2021, along with financial statements with complete footnotes and management financial statements. On November 16, 2021, financial statements were submitted with complete footnotes with the exception there would be additional footnotes on subsequent events when there was closure of the escrow client to announce the issuance of the final charter and then the full financial statements with footnotes would revert back to the company’s auditors at Grant Thornton, LLP for a final signature from them. Mr. Heppner stated the OSBC was informed in a meeting and by email correspondence. The OSBC repeatedly stated they have not received those financial statements with footnotes, which was delivered under cover of an email and also dropped into a documentation system where the OSBC and Beneficient share documents with

each other. Mr. Heppner stated it was their understanding upon the issuance of the final charter, business would be closed and the OSBC would then complete another round of examinations to further make sure there is an understanding of the business and the opening of TEFFIs to the industry. He noted the problem is there are clients who will not do business with Beneficient because of not being a permanent charter but a “final charter” entity. Clients are advised by fiduciaries there is a high-degree of risk and are not willing to assume escrow. Mr. Heppner indicated he was not aware of any allowance by a state or the FDIC for entities like FDIC-insured banks or trustees to operate as provisionally-chartered financial institutions.

Jeff King, an attorney with Sage Law appearing as outside counsel for Beneficient, addressed terminology in the TEFFI Act and points of confusion in the interpretation of certain provisions. He stated that Section 2 provisions seemed to be understood; the issue lies with Section 25 of the TEFFI Act and the construction and structure of the pilot program for Beneficient. The OSBC interpretation of Section 25 and the proposed language in (f) is a pilot program that would last approximately twelve weeks starting December 31, 2021, and then after approximately ten to twelve weeks there would be an examination whereas the pilot program would cease and a final charter would be issued (Section 2 provisions would apply). Mr. King noted he has never heard of a pilot program for a new entity that has presence anywhere in the nation lasting twelve weeks and questioned what would be accomplished during this time frame. Pilot programs, he further commented, often run for more than a year and then a committee would make future revisions to statutes if warranted. With the proposal offered today, it would be impractical for the Legislature to review findings from the pilot program and approve the proposed language in Section 25. From a legal perspective, he asked, would the company be operating under a conditional charter or a permanent charter in the pilot program and what would the impact be on the industry. The success of Beneficient, he commented, may depend on that distinction.

In response to a question about the pilot program’s length of time and level of operation under a charter, Mr. King noted earlier versions of the language that become the TEFFI Act proposed a specific time period for the pilot program, but such language was removed during consideration of those bills to allow the OSBC to make this determination and then open the process to other future entities. Mr. King also responded to a question regarding outcomes associated with the pilot program and when and how the Legislature might respond (e.g., 2023 or 2024 Session), as well as regulatory actions assigned to the OSBC. Another member commented on the need for the “full-on charter” in order to commence fidfin transactions and building the book of business and timing of the pilot program’s results for other entities that may want to do business in the state. Committee members’ discussion continued regarding the sophistication and advice given to investors regarding an entity with a conditional charter, the December 31 date for tax law and liquidity purposes, weighing risks, length of the pilot program, and issuance of a timely charter.

**Office of the State Bank Commissioner.** Mr. Herndon noted in the OSBC’s opinion, the pilot program actually started the day the law became effective and that is the day the agency issued its first charter, a conditional charter. The OSBC requested additional information through an application form and process, which was created by the agency because one did not previously exist. In this process, the OSBC requested information, some of this information was received in a timely manner and some was not. For example, the Commissioner continued, the financial statements received were unaudited financial statements and management financial statement in the middle of November and on December 1, 2021. He noted there is a need to look at those financial statements and develop the OSBC’s questions and answer them and the agency intends to do work rapidly as systems, processes, and third parties allow us to, with no intention to stand in front of the progress. The Commissioner addressed a second point, stating



there is no distinction until this legislation; there was either a charter or no charter issued. The OSBC will additionally examine this TEFFI and any subsequent TEFFI based on their book of business. The twelve-week period is very aggressive and if it can be done in 6 weeks or 18 weeks, the agency will do it. Mr. Herndon noted there is no other regulator present in this review and the agency is acting as proactively as possible. Mr. Shoger provided additional comments, noting the OSBC provided detailed legal analysis of the charter process and information regarding the draft bill to Beneficient. Some of the arguments the staff attorney noted, including automatic charter conversion, are new and difficult to address. He outlined outstanding items that were previously communicated to Beneficient following receipt of its application in June and those currently outstanding, including financial standing and background of officers. The Commissioner cautioned the OSBC is working to follow the law and its intent and anticipates future law for subsequent TEFFIs. An efficient structure is needed for such applicants.

The Chairperson invited further discussion and the first item addressed was the examination that could be provided within the pilot program and the outcomes associated with examination of an applicant with a conditional charter. The Commissioner confirmed an examination was needed after fidfin transactions commenced. He noted the State Banking Board would issue the charter, not the OSBC, and commented in the banking environment (*de novo* bank), the examination would take place within twelve months. With a fiduciary financial institution, the agency needs something to examine; there is no pre-existing book of business. Committee members commented on legislative intent and providing direction regarding the issuance of a permanent or “full” charter.

Senator Masterson moved, seconded by Representative Owens, *that this committee give clear instruction, strong recommendations that a permanent charter be issued no later than December 31, 2021, so that practical operation can commence within the pilot program for the examinations to be able to fully be taken place.* (The motion was restated following discussion.)

Committee discussion followed and a member requested the timing of the examination be determined by the regulator, the Bank Commissioner. Discussion on the motion continued.

*Senator Masterson moved, seconded by Representative Owens, that on December 31, 2021, the legislative intent is to issue a full charter; however, the legislative intent on opening the program up (e.g., closure of the pilot) will be under the guidance of the OSBC and the State Bank Board as to when it is safe to open up. The motion carried.* Senator Masterson, Senator Longbine, Senator Fagg, Senator Pittman, Representative Kelly, Representative Hoheisel and Representative Owens requested their votes be recorded as ayes. Representative Finney was recognized and voted no.

*Senator Longbine moved, seconded by Senator Masterson, to direct the Revisor to prepare the bill language as submitted by the Office of the Bank Commissioner (attachment to Bank Commissioner’s testimony) to be introduced by the standing financial institutions committees in the House and Senate. The motion carried.* Representative Owens voted no.

The Committee and staff discussed the presentation of its report to the 2022 Legislature and whether a time frame needed to be specified for the next Joint Committee meeting. No formal recommendation was made. It was noted a meeting could be requested during the legislative session if needed.

**Adjourn**

Chairperson Kelly adjourned the meeting at 3:12 p.m.

Prepared by Lea Gerard

Edited by Melissa Renick

Approved by the Committee on:

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(Date)