

OBL Bank and Thrift Director Education

The Role and Responsibilities of Financial Institution Directors



Customized Training

Banks and thrifts interested in OBL Director In-Bank Training can select from a number of quality, director-specific training sessions that can be customized to fit your needs. The sessions can be conducted at the location of your choice; at your own facilities or off-site and in conjunction with a board meeting or as a separate session. Whether some or all of your directors choose to participate in the course – and whether it is for an hour or a day or somewhere in between – the OBL can design a session for your institution.

About the Instructor

Jeff Smith is a partner in the Columbus, Ohio office of the law firm of Vorys, Sater, Seymour and Pease, whose 30-plus year practice focuses on corporate, board, and regulatory issues for financial institutions, as well as “troubled institution” issues, regulatory enforcement matters, mergers and acquisitions, and raising capital. Jeff spent 20 years inside the banking industry as general counsel and secretary for regional bank holding companies with bank and non-bank affiliates in Ohio, Indiana, Michigan and Florida, and as counsel for the former Bank One Corporation, before entering private practice. Jeff also served as “special counsel” for the Ohio Division of Financial Institutions in conjunction with a comprehensive rewrite of the Ohio banking laws and regulations, and works closely with regulators, banks, thrifts and their affiliates and holding companies on a diverse variety of banking issues. Jeff is a graduate of the University of Toledo and the University of Toledo College of Law.

Financial institution director education is becoming increasingly important as all regulatory agencies look for director training in the examination process. Education activities are even mandatory in some states. Appropriate director training and governance can lead to a better understanding of the complex role and responsibilities of financial institution directors in the current banking environment, as well as a reduced risk profile for the institution, potentially reduced insurance expenses, and ultimately a reduced likelihood of issues for the institution and its board.

Directors must understand their role and their responsibilities in relation to their organizations, management, shareholders, depositors, regulators and other "stakeholders". And institutions must document that role through appropriate governance documents and board activities. The program presents an informal discussion-based approach based on actual hands-on experience by a former banker who is actively involved in bank board issues, and provides a practical and pragmatic approach to defining and discussing the role and responsibilities of directors from a real-world business, legal and regulatory perspective.

This In-Bank Directors program is intended to provide a practical and pragmatic overview of the role and responsibilities of financial institution directors with regard to their various (and sometimes conflicting) constituencies, and to provide a forum for informal discussion of real-world issues and situations impacting directors in performance of their duties. No regulators, auditors, professors, or plaintiff’s lawyers will be present, so it presents an opportunity to speak openly and frankly about issues and concerns facing bank and thrift directors and specifically your institution.

OBL In-Bank Director Training has many advantages:

Cost Effective

Training at your facility is affordable and allows your directors to reduce travel and tuition costs.

Convenient

Programs are scheduled according to your board’s availability. You decide what works for their schedule, which means more directors can attend.

Consistent

Ensures the entire board learns at the same level from start to finish.

Easy to Coordinate

The OBL can use your bank’s training room or help you to identify an off-site training facility.

FROM THE PRESENTER ...

Led by Jeff Smith, partner, Vorys, Sater, Seymour and Pease, the training encourages open discussion to maximize the take-aways. “We take a very practical and pragmatic approach to helping directors understand the complex issues and responsibilities surrounding service as a bank director, as well as understand the complex regulatory world that comes with that role – particularly in the current environment – in a simple and straightforward fashion,” Smith commented.



In-Bank Director Training Offerings

This list provides examples of available training programs. The OBL and the instructor will work with you to customize programs to meet your training and development needs.

BANK AND THRIFT DIRECTOR ROLE AND RESPONSIBILITIES

The Board Process and Board Functions: Directors as Fiduciaries

- What do directors do?
- What does management do?
- How do they interact?

Basic Common Law and Statutory Duties: Practical Applications

- Duty of Care
- Duty of Loyalty
- Duty of Candor or Disclosure
- What These "Duties" Really Mean for Directors; Practical Issues, Implementation, and Implications
- The Business Judgment Rule
- Special Considerations for Bank and Thrift Directors
- Directors: Where The Buck Stops

Director Relationships with Management; Avoiding Micro-Micromanaging

Current Environment: Transition to a "compliance and enforcement" role and its impact on business considerations

Regulatory Relationships and Regulatory Enforcement Activities; What They Are, How They Work, and How They Impact the Institution and its Board

Conflicts of Interest: Internal and Regulatory. Who Wins? Which master do I serve?

Raising Capital

Personal Liability

BOARD GOVERNANCE

Importance of Properly Documenting Governance Policies and Processes

Board Committees: Structures, Charters, and Importance of Independence

Interaction with Management

The Impact of Sarbanes-Oxley and Recent Financial Reform Legislation

The Regulatory Perspective -"Controls" and Risk Management

SPECIAL TOPICS

"Insider Trading"; Issues and Policies for Financial Institution Directors

The Role of the Corporate Secretary

The Importance of the "Executive Session"

The Importance of Confidentiality: For the Institution and for Customers

Handling Confidential Materials in Board Packets

Board Minutes: An Art, Not a Science

Indemnification and D&O Insurance

Enforcement Actions: What they are; how they work; practical impact; and how to avoid

Governmental Assistance; TARP and "Bailout" Update

Affiliate Transaction Rules; 23A and B and Reg W

The Role of Directors in the M&A Process, Branch Sales and Acquisitions

Boards and "Special Investigations"

Management Compensation Issues and New Regulatory Requirements

Directors, Enterprise Risk Management and Controls

Directors, Risk Management and Cyber Security

Directors and "Red Flags" in Examination Reports

Directors and Conflicts of Interest

Directors and Outside Auditors

Directors and Investment Bankers

Directors and the Dodd-Frank Financial Reform Legislation

Director Compensation

Raising Capital; Special Considerations

Staying under 500 Shareholders; Avoiding "Shareholder Creep"

Remaining Independent; "Public" vs "non-public" Considerations

Strategic Alliances and Combinations

Subchapter S Qualification and Implementation Issues

Mergers and Acquisition Processes and Procedures in a Nutshell

"Good bank/bad bank" Issues and Considerations

"Regulatory Creep"

Choice of Charter

Contact Information

For more information about the OBL In-Bank Directors Training program or pricing, please contact Julie Kiplinger at 614-340-7612 or jkiplinger@ohiobankersleague.com.

FROM THE BANKERS ...

"Our board has turned over significantly the past several years and our new directors must better understand the changing regulatory environment. It's no longer 'directorship as usual' as business boards. Boards are rapidly becoming compliance boards with increased emphasis on risk management. We believe the OBL and Jeff Smith are well-positioned to help our board of directors better understand the new ramifications of being a bank director."

**Rod Steiger, Chairman & CEO,
Wayne Savings Community Bank**

"Our newest board of director is young and bright – and wanted to know what she got herself into! Following the training, which was tailored to her needs, I know she felt a lot wiser about what her job entails. The program was very worthwhile."

**Bick Weissenrieder,
chairman/CEO of The Hocking
Valley Bank**

"I wish to provide an unequivocal recommendation for the OBL Bank Director Bootcamp provided by Jeff Smith. His presentation was informative and pertinent for our new directors and a welcome refresher for our seasoned veterans. In addition, the OBL staff was most gracious and accommodating. Thank you for a well done service for our community bank."

**Charles R. Frost, Chairman, Board
of Directors, Community Savings
Bank, Bethel, Ohio.**