

# TBB THE BANKERS BULLETIN

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TheBankersBank

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Member  
FDIC

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## CANNABIS LEGAL UPDATE

by Miles Pringle, EVP & General Counsel



Times have changed when it comes to marijuana. In the late 1960's more than 80% of Americans believed that marijuana should be illegal. Fast forward to 2021 and the Pew Research Center found that "an overwhelming share of U.S. adults (91%) say either that marijuana should be legal for medical and recreational use (60%) or that it should be legal for medical use only (31%). Fewer than one-in-ten (8%) say marijuana should not be legal for use by adults."

For some context, Cannabis has a long history in this country dating back to European settlement when the plant was used mainly for industrial purposes (colonists used hemp to produce rope, sails, and clothing). In 1970, Congress passed the Controlled Substances Act that identified tetrahydrocannabinols – the principal psychoactive element of cannabis – as a Schedule I narcotic. Schedule I narcotics are defined as those that have: i) a high potential for abuse; ii) no currently accepted medical use in treatment in the United States; and iii) a lack of accepted safety for use of the drug or other substance under medical supervision.

While federal law has not changed much over the subsequent fifty years, state laws have more closely followed public opinion. In 1996, California passed Proposition 215 legalizing the use of medical marijuana and in 2012 Colorado and Washington legalized recreational use for marijuana. Things have only gained steam. As of this writing, all but four states authorize some form of medical cannabis and 19 states and Washington D.C. have legalized marijuana for adults over the age of 21.

Regarding the territory TBB currently serves, New Mexico recently passed the New Mexico Cannabis Regulation Act legalizing the recreational use of cannabis by persons 21 years

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of age or older. Oklahoma allows for the use of “medical” marijuana, but there are no qualifying conditions and physician recommendations are easily obtained. Texas is the most restrictive permitting licensed organizations to prescribe low-THC products to patients with intractable epilepsy.

For employers, the relaxing of cannabis prohibitions has caused some difficult decisions as several of the laws provide for worker protections who use marijuana products. For example, in New Mexico it is unlawful for an employer to take an adverse action against an applicant or employee who legally uses marijuana products unless: i) not doing so would cause the employer harm (e.g. loss of license); or ii) an employee works in a safety-sensitive position. With that said, the New Mexico laws do not prevent an employer from prohibiting or taking adverse employment actions for impairment or possession or use of marijuana products at work or during work hours.

A sense of complacency may have set in over the past few years as federal authorities have not targeted state sanctioned cannabis industries. There are at least three reasons for this hands-off approach. First, state approved industries are popular and generate a lot of money for the states in which they operate. For example, by May 2020 Oklahoma’s marijuana program – passed in 2018 – generated \$110 million for the state and

another \$138 million in state and local sales taxes.

Second, since 2014, Congress has been attaching the Rohrabacher–Farr Amendment to funding bills preventing DOJ from using funds to stop certain “States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana”. While not an absolute ban on prosecutorial action, courts have concluded that the federal government “may not spend funds to bring prosecutions if doing so prevents a state from giving practical effect to its medical marijuana laws.” It should be noted that while the Rohrabacher–Farr Amendment has been included with spending bills for several years, it is not a forgone conclusion that Congress will continue to include it.

Third is directives set within the Department of Justice itself. In response to changes in several state laws over the years, DOJ has issued memoranda instructing it to comply with state laws in certain circumstances. These memoranda can change depending upon the occupant of the Attorney General’s Office, for example Jeff Sessions revoked these memoranda during his tenure.

Bankers are well aware of the conundrum created by the conflict of state and federal laws. Most banks were initially reluctant to get involved with cannabis related businesses, however, a growing number are choosing to

service those customers (usually with certain restrictions and only for certain products). Other signs of industry acceptance include vendors offering services to help manage marijuana banking programs, and we have yet to see major enforcement actions from banking regulators.

The banking industry has been lobbying Congress for more certainty. There have been many proposals, but the most notable is the SAFE Banking Act. The bill would essentially increase access to banking and financial services for cannabis-related businesses without removing THC as a Schedule I narcotic. It has passed the House of Representatives several times but has yet to make it through the Senate.

Many observers believe that Congress will codify a clearer cannabis framework in the near future. The Safe Banking Act has again passed the House as part of this year’s defense spending bill. Additionally, Senate Majority Leader Schumer has introduced the Cannabis Administration And Opportunity Act which would essentially make cannabis a state issue. As we have seen in the past, these types of developments do not guarantee action, but if public opinion holds, we should see action at some point.

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# HOT TOPICS

*by Kas Stewart, SVP & AAP*

Don’t forget to complete the Federal Reserve Security and Resiliency Assurance program for 2022. This is an annual requirement that must be completed by December 31. However, you may complete and submit your report at any time during the calendar year. Material should have been provided to your End User Authorized Contact (EUAC) in March. If you need assistance, the Federal Reserve has created a Resource Center that includes access to previous

webinar recordings, Training Opportunities for 2022 as well as Frequently Asked Questions. Log on to [frbervices.org](http://frbervices.org) and open the Resource tab.

Fraud is ever present. EPCOR recently announced that they have acquired the Central Oklahoma Clearing House Association (COCHA) Fraud Alert Service. They will be offering free informational webinars on July 26 and August 4. This is

a new EPCOR Member benefit, so you may want to learn more about the value to your institution.

And you might want to learn about the Federal Reserve Synthetic Identity Fraud Mitigation Toolkit. The information is designed to help financial institutions, businesses and consumer identify and fight fraud. To explore the toolkit, use this link: <https://bit.ly/idfraudtoolkit>.



## 33rd ANNUAL GOLF CLASSIC

The Bankers Bank's 33rd Annual Golf Classic was held Monday, June 13th at Oak Tree Golf and Country Club. Although the weather was warmer than it has been for many of our past tournaments, everyone seemed to enjoy their time on the course as well as visiting with friends and colleagues.

Thank you to all the players and a special thanks to our sponsors. We could not have such a successful event without all involved.

Mark your calendars to join us on June 12, 2023 for our 34th Annual Golf Classic.

### A Flight:

- 1st: Reggie Redwine, Mike Pierce, Gary Wilson, Randy Boeckman
- 2nd: Joe Morgan, Andrew Patterson, Zach Simpson, John Robinson
- 3rd: Rick Holder, Jeff Nippert, Hunter Laughlin, Dantz Hall

### B Flight:

- 1st: Bruce Benbrook, Jim Peck, Terry Cook, Jim Burkett
- 2nd: Don Abernathy, Greg Vandaveer, Doug Fuller, Curtis Davidson
- 3rd: Scott Hughes, Keegan Grooms, Lydell Williams, Tres Wright

### C Flight:

- 1st: Mike Bradley, Cliff Underwood, Jake Charnock, Justin Berderka
- 2nd: Bill Mitchell, Jerry, Knowles, Gary Valentine, Carol Wieland
- 3rd: Robert Young, Jim Pfeiffer, Justin Pfeiffer, Kade Young

**Longest Drive:** Bailey Jordan & Hunter Laughlin

**Longest Putt:** Don Abernathy & Clint Duesman

**Closest-to-the-Pin:** Carol Wieland & Steven Ward

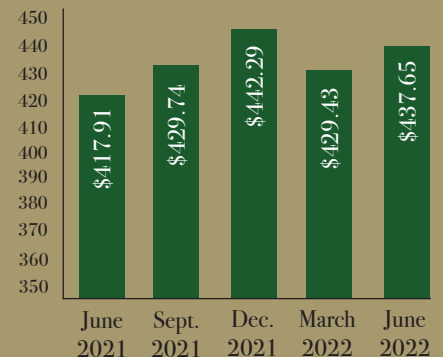
## THANK YOU TO OUR GOLF CLASSIC SPONSORS!



# TBB BY THE NUMBERS

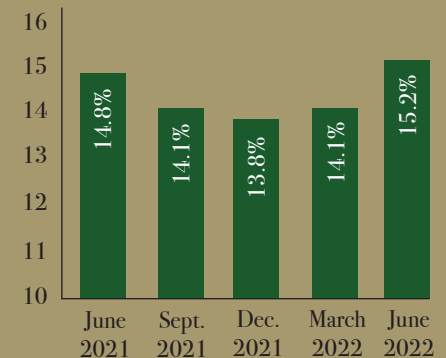
*...a look into our Quarterly reports & profitability*

## BOOK VALUE PER SHARE



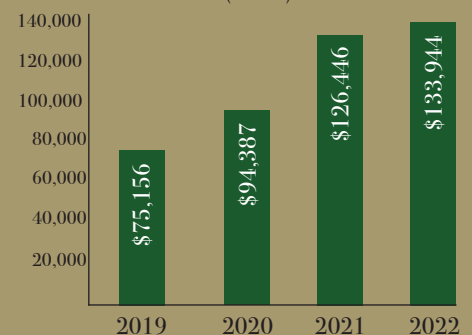
## CAPITAL RATIO

(CBLR)



## CORE DEPOSIT BALANCES

(000's)



THE BANKERS BANK

# Road Show

2022

Coming soon to a town near you! Exciting updates on iWeb and industry hot topics

OKLAHOMA CITY – 8/16

LAWTON – 9/13

MCALESTER – 9/27

TULSA – 9/28

WOODWARD – 10/4

REGISTER TODAY FOR THIS **FREE** PROGRAM AT  
**TBB.BANK/ROADSHOW**

*The Road Show is free, but you must register to guarantee space & food.*

## Need Capital?

The Bankers Bank can help you with any of your capital needs!



### Traditional Bank Stock Loan

- No fee
- No pre-payment penalty
- P&I payments
- Collateralized
- Guarantors may be required
- Competitive rates
- Fixed or Floating



### Modified Bank Stock Loan

- Minimal fee
- No pre-payment penalty
- Interest only 5 years
- Collateralized
- Guarantors may be required
- Competitive rates
- Fixed or Floating



### Sub-Debt\* Offering

- Origination fee
- Interest only 5 years
- No collateral
- No guarantors

\*Provided by TBB subsidiary First Bankers' Banc Securities, Inc. Member FINRA & SIPC. Investments are not FDIC insured, not Bank Guaranteed & may Lose Value.

### Hybrid Bank Stock Loan

Traditional and Sub-Debt blended

*Other terms and conditions may apply*

Contact Rick Lindsey, CLO, to set up a consultation and discuss your options.

RLindsey@tbb.bank | 405-848-8877