

# Addendum

**To the CITY OF MIDWEST CITY**  
**MEMORIAL HOSPITAL AUTHORITY AGENDA**

November 08, 2016 - 7:02 PM

C. DISCUSSION ITEMS.

3. Discussion and consideration of approving custodial agency agreement with First Bank & Trust Co.



## ***Midwest City Memorial Hospital Authority***

100 North Midwest Boulevard  
Midwest City, Oklahoma 73110  
(405) 739-1204 FAX (405) 739-1208 TDD (405) 739-1359

J. Guy Henson  
*General Manager/  
Administrator*

*Trustees*  
Matt Dukes  
Daniel McClure Jr.  
Rick Dawkins  
Pat Byrne  
Sean Reed  
Christine Allen  
Jeff Moore

*Board of Grantors*  
Sherry Beaird  
John Cauffiel  
Marcia Conner  
Pam Dimski  
Dara McGlamery  
Joyce Jackson  
Charles McDade  
Nancy Rice  
Sheila Rice

### MEMORANDUM

TO: Honorable Chairman and Trustees  
Midwest City Memorial Hospital Authority

FROM: Christy Barron, Finance Director / Treasurer

DATE: November 8, 2016

SUBJECT: Discussion and consideration of approving custodial agency agreement with First Bank & Trust Co.

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Approval of this agreement is necessary to establish a custodial agency agreement with First Bank & Trust to provide safe-keeping of Authority security investments. JP Morgan, the City's current custodial bank, has informed staff they will no longer be providing this service as of 12/31/16.

Staff recommends approval of this agreement.

*Christy Barron*

Christy Barron  
Finance Director / Treasurer

Attachment: Custodial Agency Agreement



## CUSTODIAL AGENCY AGREEMENT

This Custodial Agency Agreement (the “**Agreement**”) is entered into **November 8, 2016** by and between

**NAME: MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY**

**ADDRESS: 100 North Midwest Boulevard  
Midwest City, OK 73110-4327**

**PHONE: 405-739-1245**

(“**Depositor**”), and the Trust Department of First Bank & Trust Co., Duncan, Oklahoma (“**Bank**”).

- Custodial Agency Account.** Depositor and Bank agree and contract with one another to establish an agency account (the “**Account**”) for all monies, stocks, bonds, mortgages, mutual funds, other securities, and other property now or hereafter deposited with and accepted by Bank as agent of Depositor.
- Administration.** Bank will make purchases, sales, and other transactions, and otherwise deal with the assets to be administered by this Agreement, as Depositor may direct. Until otherwise instructed, the Bank is authorized and directed to disburse any funds collected under this Agreement as directed by the Depositor. If not previously directed by Depositor, funds in the Account that have not been placed in a specific investment will be placed in a money market account. In addition, all income from assets held in the Account will be placed in the money market account until the Depositor directs that the assets are to be invested or distributed.
- Compensation.** The compensation to the Bank for its services under this Agreement will be payable in accordance with its present printed schedule, a copy of which has been delivered to the Depositor, receipt of which is acknowledged by Depositor. No change in compensation will apply to the Account except on written notice to the Depositor by the Bank.
- Safe-Keeping of Securities.** The Bank will be responsible for the safe-keeping of the Depositor’s securities held in its custody, excepting only loss or destruction caused by an act of God, or by the act of any executive, legislative, judicial, administrative or other governmental or military body or officer, or by any riot or civil commission. Principal’s securities will be held separate from the securities of every other account and from the securities of the Bank itself.
- Registration of Securities.** Securities registered in the name of the Bank will not be delivered, except to a broker for the purpose of immediate sale, until transferred out of the name of such Bank. The Bank reserves the right to refuse to register any security in the name of the Bank. All taxes and other expenses incidental to any transfer to or from the name of the Bank will be borne by the Depositor. Proxies relating to the Depositor’s securities will be signed by the Bank and if specifically requested, forwarded to the Depositor. Financial statements and reports addressed to the Bank or to the Depositor will likewise be forwarded to the Depositor, only if specifically requested.
- Instructions by Depositor.** All instructions given to the Bank must be in writing, but the Bank may, in its discretion, accept verbal instructions, from the Depositor or his authorized agent. Any such instructions will be at the

sole risk of the Depositor, both as to the correctness of the message and its authenticity. The Bank will keep records of these instructions in its files of the Depositor. The confirmation by Depositor of any action taken will be as effective as if the same had been expressly directed in advance by Depositor and should constitute full and complete protection of the Bank.

7. **Order Placement; Risk of Loss.** Orders for the purchase and sale of stocks, bonds, mutual funds, mortgages, and other securities will be placed for the account and risk of the Depositor. The Bank will have no liability for losses which might occur from following the Depositor's directions. All sales and purchases of stocks, bonds, mutual funds, mortgages, and other securities in or for the Account may be made to, from or through such persons or entities as the Bank may deem advisable, unless it has specific written instructions with respect thereto from the Depositor. The Bank will not be responsible for any act or omission of any broker or similar agent that the Depositor may designate or the Bank may employ to purchase, sell, or perform any act in respect to any stocks, bonds, mutual funds, mortgages, or other securities at any time held in the Account.

8. **Securities Not Insured.** Stock or mutual fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board, or any other agency, and are subject to investment risks, including possible loss of principal amount invested.

9. **Security Holding Disclosure.** With respect to Securities and Exchange Commission Rule 14b-2 under the U.S. Shareholder Communications Act regarding disclosure of beneficial owners to issuers of Securities, Bank is instructed not to disclose the name, address, or Security positions of Depositor in response to shareholder communications requests regarding the Account.

10. **Standard or Care; Liability.** Bank will use reasonable care in performing its obligations under this Agreement. Bank will be liable for Depositor's direct damages to the extent they result from Bank's fraud, negligence or willful misconduct in performing its duties as set out in this Agreement. Depositor agrees that Bank provides no service in relation to, and therefore has no duty or responsibility to: question instructions or may any suggestion to Depositor or their authorized representative regarding such instructions; supervise or make recommendations with respect to investments or the retention of Financial Assets; evaluate or report to Depositor or their authorized representative regarding the financial condition of any broker, agent or other party to which Bank is instructed to deliver Financial Assets or cash.

11. **Termination of Account.** Either the Depositor or the Bank may close this account at any time. Upon termination, the Bank will render a final accounting of the Depositor's account, and upon the Depositor's demand the Bank must transfer and deliver all Account assets in its hands together with accumulated income thereon, to the Depositor and will promptly execute all instruments and documents reasonably necessary to transfer possession and all the Bank's right, title, and interest in the Account assets to the Depositor.

12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma.

13. **Amendment.** This Agreement may be amended only by an instrument in writing signed by the parties to the Agreement, and constitutes the entire agreement between the parties with respect to the subject matter hereof.

14. **Severability.** In the case that any one or more of the provisions contained in this Agreement are for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

15. **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties thereto and their respective heirs, executors, administrators, successors and permitted assigns.

16. **Addendum.** The attached addendum delineates how the account will be serviced and who the authorized individuals are to direct the Bank in the daily operations of the account.

**Midwest City Memorial Hospital Authority**

\_\_\_\_\_  
**Matt Dukes**  
**Mayor**

\_\_\_\_\_  
**Date**

**Tax ID: 73-0721827**

FIRST BANK & TRUST CO.

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Craig Heaton  
Sr. Vice President & Trust Officer

## ADDENDUM

1) All trade requests need to be received by 1:45 pm Central Time to be executed the same business day and given orally to the Bank. Bank will email a confirmation of the trade once executed to Christy Barron & Wenya Zhao.

a) Bank will accept trade instructions from: Christy Barron – Treasure/Finance Director, Guy Henson – City Manager and Tim Lyon – Assistant City Manager.

2) Depositor will notify the Bank of any discrepancies or errors on trade(s) within five (5) business days of settlement date.

3) Electronic Statements will be delivered monthly

4) The following individuals will receive statements and have internet access to the account: Christy Barron, Huan Chen, and Wenya Zhao.

a) The email addresses' of these individuals are: [cbarron@midwestcityok.org](mailto:cbarron@midwestcityok.org), [fchen@midwestcityok.org](mailto:fchen@midwestcityok.org) and [wzhao@midwestcityok.org](mailto:wzhao@midwestcityok.org).

5) Disbursements requested through email ([trust@fb247.com](mailto:trust@fb247.com)) by 10:30 am, Central Time for checks to go out the same day. All requests received after 10:30 am Central Time will be processed the following business day. All disbursement requests must include payee, payment amount and purpose of disbursement.



## TRUST AND ASSET MANAGEMENT SERVICES

### Midwest City Memorial Hospital Authority

#### Fee Schedule

##### Custodial Services

.04% (4 BP) annual fee on balance of account

Assets that are traded on Fidelity no charge -\$10 per trade for other securities (BlackRock funds)

Equity trades at \$.03 per share

25 free checks per year - more than 25 a year is \$5.00 per check

12 free wires per year – more than 12 a year is \$20.00 per wire

Shadow booking no charge - Full Transaction Replication \$75 a month

Monthly Electronic Statements and Internet Access - no charge

Fees will be assessed on the fair market value of assets and charged to the account. Fees will be assessed on a monthly basis. (Market Value \* .0004/12= monthly fee)

**FIRST BANK & TRUST CO.  
DUNCAN, OKLAHOMA  
FINANCIAL PRIVACY NOTICE**

**POLICY STATEMENT**

The directors, management, and staff of First Bank & Trust Co. have a duty to protect the confidential nature of customers' financial records. We want you to understand what information we collect and how we use it. In order to provide our customers with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain customer information. The following policy serves as a standard for all First Bank & Trust Co. employees for collection, use, retention, and security of nonpublic personal information for consumers and those consumers who become our customers.

**TYPES OF INFORMATION THE BANK COLLECTS**

At First Bank & Trust Co. we collect nonpublic personal information about you from the following sources:  
Information we receive from you on applications or other forms;  
Information about your transactions with us or others; and  
Information we receive from a consumer-reporting agency.

"Nonpublic personal information" is nonpublic information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes information regarding your account balance, payment history, and overdraft history.

**TYPES OF INFORMATION THE BANK DISCLOSES**

- A. We are permitted under law to disclose nonpublic personal information about you to other third parties in certain circumstances. For example, we may disclose nonpublic personal information about you to third parties to assist us in servicing your loan or account with us, to government entities in response to subpoenas, and to credit bureaus. We do not disclose any nonpublic personal information about you, except as permitted by law.
- B. We do not use or share - internally or externally - personally identifiable medical or health information for any purpose except to process transactions or to provide services you have requested. For example, information provided on an application for credit life or disability insurance.
- C. If you become a former customer of First Bank & Trust Co. or your account becomes inactive, we will continue to adhere to the privacy policies and practices described in this notice.

**OUR SECURITY PROCEDURES**

We also take steps to safeguard customer information. Our employees access information about you only when needed to maintain your accounts or to provide products or services to you. Employees who violate these standards will be subject to disciplinary measures. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

**INTERNET AND ELECTRONIC BANKING POLICY**

The bank does not collect information about visitors to our web site. The applications and transactions the bank accepts electronically (online, by phone or fax, or via our automated teller machines) are all subject to the bank's general privacy policy. If you choose to contact us via e-mail, please keep in mind that your e-mail address, and any other information your e-mail header shows about you, such as your name or organization, will be revealed to us in the e-mail. We pledge, however, that when you communicate with us via e-mail, we will use your e-mail information only for the specific purpose of responding to your comments or questions. Your e-mail address will not be sold, nor will it be shared with others outside the bank unless we are compelled to do so by law. "Cookies" are used to estimate our audience size. Each browser accessing our site is given a unique cookie, which is then used to determine whether a user is a first-time visitor or a return visitor. The bank will use encryption devices to ensure that customers' transactions over the Internet are safe and secure.

We do not knowingly solicit data from children, and we do not knowingly market to children. We recognize that protecting children's identities and privacy online is important and that the responsibility to do so rests with both the online industry and with parents.



For your convenience the bank's web site contains many links to web sites of third parties. These sites may contain information that is copyrighted with restrictions on reuse. Permission to use copyrighted materials must be obtained from the original source. By placing a link to a site, we are not endorsing or guaranteeing it. The bank has no control over the content on third-party sites and makes no representations or warranty regarding its accuracy.

First Bank & Trust Co. recognizes and respects the privacy expectations of our customers. We want our customers to understand our commitment to privacy in our use of customer information. Customers who have questions about our privacy policy or have a question about the privacy of their information should call the First Bank & Trust Co. at 580-255-1810 or e-mail us at [info@1stbanknet.com](mailto:info@1stbanknet.com).

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Customer Signature

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Date