



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, DC 20551

August 22, 2025

Brad Mirakian, Esq.  
General Counsel  
INTRUST Financial Corporation  
105 North Main Street  
Wichita, Kansas 67202

Dear Mr. Mirakian:

This is in response to your request on behalf of INTRUST Financial Corporation (“IFC”), Wichita, Kansas, for an exemption from the prohibitions of the Depository Institution Management Interlocks Act (“Interlocks Act”)<sup>1</sup> and the Board’s Regulation L<sup>2</sup> to permit Dr. Stephen W. Hawks to become a director on the board of IFC while serving as a director of First Financial Corporation (“FFC”) and as a director of FFC’s subsidiary depository institution, Impact Bank, both of Wellington, Kansas.

The Interlocks Act, as implemented by Regulation L, prohibits a management official of a depository organization from serving at the same time as a management official of an unaffiliated depository organization if the depository organizations in question (or a depository institution affiliate thereof) have offices in the same relevant metropolitan statistical area and each depository organization has total assets of \$50 million or more (“RMSA prohibition”).<sup>3</sup> INTRUST Bank, National Association, Wichita, Kansas, the subsidiary bank of IFC, and Impact Bank each has offices in the Wichita, Kansas, Metropolitan Statistical Area (“Wichita MSA”), and each has total assets exceeding \$50 million.<sup>4</sup> Therefore, Dr. Hawks’s proposed simultaneous

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<sup>1</sup> 12 U.S.C. § 3201 *et seq.*

<sup>2</sup> 12 CFR part 212.

<sup>3</sup> 12 U.S.C. § 3202(1); 12 CFR 212.3(b).

<sup>4</sup> Regulation L provides an automatic regulatory exemption to the interlock prohibition based on the RMSA prohibition if the depository organization (and their depository institutional affiliates) hold, in the aggregate, no more than 20 percent of the deposits in each RMSA in which both depository organization (or their depository institution affiliates) have offices (the “small market share exemption”). 12 CFR 212.5(a).

service as a management official of IFC and of FFC and Impact Bank would be prohibited.

Under the general exemption provision of Regulation L, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act and Regulation L if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.<sup>5</sup> The Board has delegated to the General Counsel, after consultation with the Director of the Division of Supervision and Regulation (“Director”), authority to grant exemptions under this provision of Regulation L.<sup>6</sup>

The interlocks here do not result in a monopoly or in a substantial lessening of competition. IFC and FFC have subsidiary banks that compete directly in the Wichita, Kansas, banking market. If the proposed interlock were evaluated as a merger between IFC and FFC, the competitive effects of the combination in the local retail banking markets, as measured by the Herfindahl-Hirschman Index (“HHI”) and the combined market share in the market, would be consistent with Board precedent and within the thresholds of the 1995 Bank Merger Competitive Review guidelines.<sup>7</sup>

In addition, the interlocks do not present safety and soundness concerns. Dr. Hawks has experience serving on the board of directors of FFC and Impact Bank since 2009.

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However, together, INTRUST Bank and Impact Bank control approximately 23.9 percent of the deposits in the Wichita MSA. As such, the proposed interlock would not qualify for the small market share exemption.

<sup>5</sup> 12 CFR 212.6(a).

<sup>6</sup> 12 CFR 265.6(d)(1).

<sup>7</sup> Department of Justice, Bank Merger Competitive Review – Introduction and Overview, <https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf> (1995). On September 17, 2024, the DOJ announced its withdrawal from the 1995 Bank Merger Guidelines and emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. Press Release, Department of Justice, “Justice Department Withdraws from 1995 Bank Merger Guidelines,” <https://www.justice.gov/opa/pr/justice-department-withdraws-1995-bank-merger-guidelines>. The 1995 Bank Merger Guidelines had been adopted together with the federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals. The Board traditionally has considered a market unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. See, e.g., Chemical Banking Corporation, 78 Federal Reserve Bulletin 74 (1992).

Based on all the facts of record and for the reasons discussed above, the General Counsel, acting pursuant to authority delegated by the Board<sup>8</sup> and after consultation with the Director, has granted an exemption to allow Dr. Hawks to serve as a management official of IFC while also serving as a management official of FFC and Impact Bank.

The Board reserves the right to revoke the exemption should the interlock result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,

*(Signed) Michele Taylor Fennell*

Michele Taylor Fennell  
Associate Secretary of the Board

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<sup>8</sup> 12 CFR 265.6(d)(1).