

Written Testimony
of
Mike Ring
President, CEO, and Co-Founder
Old Glory Bank
Before the US Senate Committee on Banking, Housing and Urban Affairs
Investigating the Real Impacts of Debanking in America

Chairman Scott, Ranking Member Warren, and members of the Banking Committee, thank you for allowing me to share how Old Glory Bank, launched from Elmore City, OK, in April 2023, became a market solution to debanking.

I am honored to speak on behalf of our more than 50,000 customers across all 50 states, our 88 passionate employees, and our pro-America co-founders, including Radio & TV Host Larry Elder (who is here with us today), the 27th Governor of Oklahoma and former two-term member of Congress, Mary Fallin-Christensen (who is here with us today), former Co-President of Fox News and White House Deputy Chief of Staff of Communications for President Trump's 45th Administration, Bill Shine (who is here with us today), Old Glory Bank co-founder and Chief Legal Officer (also my wife of more than 20 years), Anne Marie Ring (who is here with us today), plus the former Secretary of HUD, Dr. Ben Carson, and America's favorite patriot, Country Music Icon and John Rich (both of whom could not join us today). I'm also honored that Mr. Wade Christensen is here with us today, from the Great State of Oklahoma, whose family previously owned the bank we purchased to launch Old Glory Bank, who are now co-owners of Old Glory Bank.

My perspective is that there have been two forms of debanking in America, *regulatory* debanking and *participant* debanking. Old Glory Bank is a market response to both.

Regulatory Debanking

Regulatory Debanking is an orchestrated effort by the Fourth Branch of Government – the Administrative State, to deny banking services to LEGAL industries.

The original Operation Choke Point began in 2013, when the Obama DOJ, working with the FDIC, bullied Banks to stop serving the firearms industry. This had the intended impact of choking-out deposit and lending services to the firearms industry, which Old Glory Bank has been working hard to solve since we launched in April of 2023.

Operation Chokepoint 2.0 was started in early 2022 when the Biden Administration caused the FDIC and the SEC to bully banks into not serving legal crypto companies, through FIL 16-22 and SAB 121.

FIL 16-22, issued by the FDIC, effective April 2022, while reasonable on its face, was intentionally misused by the FDIC to choke-out banks from providing depository services to legal crypto companies.

SAB 121, issued by the SEC, also effective *April* 2022, set forth irrational accounting rules for holding crypto as a custodian.

Thankfully, FIL 16-22 has been exposed with lawsuits, and SAB 121 was revoked by the new administration 2 weeks ago.

But, for almost 3 years, this one-two punch by the FDIC and the SEC had the intended effect of preventing banks from serving as a custodian of crypto *and* choking out banks from providing demand deposit services, which prevented banks from being the on-off ramp for legal crypto companies.

Participant Debanking

On the other hand, *Participant* Debanking is a *voluntary* effort by the Big Banks to debank Americans who disagreed with them on COVID, or who supported Donald Trump, or who held or donated to conservative causes.

However, instead of sitting around complaining about what the Big Banks were doing, we created Old Glory Bank to be a market response.

After a lengthy and difficult regulatory approval process, we purchased a one-branch bank in beautiful Elmore City, OK, on November 30, 2022. Five months later, in April 2023, Old Glory Bank launched the best digital-first banking service for America. In less than two years, we grew from \$10mm in deposits to more than \$175mm in deposits. We grew from 300 customers in the Elmore City area, to more than 50,000 customers across all 50 states. We now serve more than 2,000 small businesses across America. I humbly submit that we have better products than the mega banks, plus better service. Our customer service center is in beautiful Durant OK (not offshore), and we actually LOVE our customers and respect their views.

As part of our market solution, in less than two years, we launched a cancel-proof version of PayPal, called Old Glory Pay. We launched a cancel-proof version of GoFundMe, called Old Glory Alliance. We launched Old Glory Cash-In, so that our customers can easily deposit cash at 88,000 retail locations across America. We launched Old Glory Protect, which is a free \$100,000 line of duty death benefit for America's Protectors, such as the military, firefighters, US Border Patrol Agents and Law Enforcement.

Big Banks debanking Americans is clearly wrong, but I do *not* believe the answer is additional regulations telling banks who they must bank. If that occurs, this will certainly boomerang on us.

For example, an openly pro-life bank should not be required to accept planned parenthood as a customer. Likewise, an openly pro-green bank should not be required to accept oil and gas companies as a customer. This should be a market decision, not a government decision. Consider Tesla -- Elon Musk *never* wanted EV mandates. Just a market opportunity.

I believe that the simple solution to debanking, is more banks.

Allow the free market to solve this problem.

Unfortunately, the Administrative State makes it too difficult to start and run a bank. In the prior 4 decades, **America lost 73% of its banks.** But starting a new bank is nearly impossible. For example, in a two-year period of 2023 and 2024, about 8 new banks started. During the fiscal year period for 2023 and 2024, there was a reduction of 229 Banks (as reported by the FDIC).

This lack of new banks is not because there are less entrepreneurs, less bankers, or less communities to serve. It's because the Administrative State makes it too hard to start and grow a bank. To put this in perspective, in June 2022, we submitted an application to buy a one-branch bank in beautiful Elmore City, OK, with only \$10mm in deposits and less than \$3mm in loans. Yet to obtain regulatory approval to buy this little bank, it took 6 months, 3 rounds of additional information requests and more than 300 pages of submissions.

I'll never forget an all-hands Zoom call we had with the FDIC, the Federal Reserve, and the CFPB, many of whom were DC-based (with preferred pronouns). They were visibly disgusted at being forced to talk to me about debanking, the Flag, and Pro-America issues. These career bureaucrats behaved like they were on Shark Tank, with the discretion to pick winners and losers. On that call, I actually had a career bureaucrat ask me: "*If Old Glory Bank is such a good idea, why has no one done this before?*" Of course, to any actual businessperson, that's the whole point. No one had done this before.

Conclusion.

Senators, for all of the talk about not wanting Banks who are "*too big to fail,*" the exact opposite has happened. Big Banks keep getting bigger, small banks keep disappearing, and new banks are restricted from launching. With so few banks, the big banks have too much power over freedom and the economy.

Please, instead of imposing any new requirements about debanking, consider a reimagined look at the existing regulatory scheme on banks. A free market can fix debanking. We merely need to make it possible for more great banks like Old Glory Bank.

Biography:

Mike Ring is the President, CEO, and Co-Founder of Old Glory Bank. Mike is a corporate and securities lawyer (JD and LLM) and has spent 30 years working directly with America's Small Businesses. Mike proudly served four years in the Air Force and was honorably discharged in March 1991, and then used the GI bill to help pay for law school. He and his wife, Anne Marie, fund the *Michael and Anne Marie Ring Scholarship for Veterans*, in which veterans are selected to receive a scholarship of \$25,000 annually to attend law school at Mike's alma mater, University of Akron Law School.