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**Comptroller of the Currency  
Administrator of National Banks**

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**Multinational Banking  
250 E Street, S.W.  
Washington, D.C. 20219  
(202) 874-4610**

October 22, 1996

**Conditional Approval #222  
December 1996**

Mr. Richard K. Kim  
Assistant General Counsel  
Legal Department  
NationsBank, N.A.  
NC1-007-20-01  
Charlotte, North Carolina 28255

Dear Mr. Kim:

Please be advised that, based upon the representations found within your letters of September 17 and October 16, 1996, the Office of the Comptroller of the Currency granted a conditional approval on October 18, 1996 to the notice by NationsBank, N.A. to expand the activities of an existing operating subsidiary, NationsBanc Investments, Inc. ("Investments"). Investments, which currently acts as a discount broker, proposes to act as a registered investment advisor in conjunction with the offering of a mutual fund asset allocation account.

This approval is subject to the following standard conditions:

- 1) The bank and its subsidiaries are deemed affiliates of any investment company advised by the bank, or the bank's subsidiaries, for the purposes of sections 23A and 23B of the Federal Reserve Act (see 12 U.S.C. 371c and 371c-1).
- 2) Subject to the following exception, the bank and its subsidiaries will not purchase for their own accounts the shares of any investment company advised by the bank or the bank's subsidiaries. However, solely for the purpose of facilitating the operation of a daily mutual funds sweep service for the bank's cash management customers, the bank may temporarily purchase such shares. At no time may the bank's investment in such shares exceed 25% of each fund's outstanding shares. Shares held in the bank's own account must also be confined to those that would constitute permissible bank investments pursuant to 12 U.S.C. 24(Seventh).

- 3) The bank's aggregate direct and indirect investments in and advances to Investments shall not exceed an amount equal to the bank's legal lending limit.
- 4) The bank and its subsidiaries will comply with the Interagency Statement on Retail Sales of Nondeposit Investment Products.

Please be advised that the above conditions to this approval shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818. This approval is based solely on the facts as represented and any changes in the facts might require a different result. Our analysis also reflects current legal and prudential standards, and is subject to revisions as future developments warrant.

In the event of questions, please contact Licensing Manager Richard T. Erb who may be reached at (202) 874-4610.

Sincerely,

/s/

Ralph E. Sharpe  
Deputy Comptroller

96-ML-08-042