
Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

Conditional Approval #413
October 2000

September 22, 2000

Mr. Charles W. Petty, Jr.
Ross & Hardies
888 Sixteenth Street, N.W.
Washington, D.C. 20006-4103

RE: Application of Wells Fargo Bank, National Association, San Francisco, California,
to Establish an Operating Subsidiary
Application Control Number 2000-ML-08-0024

Dear Mr. Petty:

This is in response to the July 20, 2000, operating subsidiary application ("Application") you submitted to the Office of the Comptroller of the Currency ("OCC") on behalf of Wells Fargo Bank, National Association, San Francisco, California ("Bank"). The Bank proposes to establish a second-tier operating subsidiary that will engage in certain internal financing transactions already conducted by another subsidiary. The Application is approved, subject to the representations and conditions discussed below.

Proposal

The Bank currently conducts certain financing operations for various of its domestic specialized lending subsidiaries through another directly owned operating subsidiary, Golden Asset Management, Inc. ("Asset Manager"). Asset Manager is incorporated in Delaware and commercially domiciled in Nevada. Among the domestic lending subsidiaries receiving financing from Asset Manager are Wells Fargo Home Mortgage, Inc. which is engaged in residential home mortgage lending in the United States and Wells Fargo Leasing Corporation, dba Wells Fargo Auto Finance, Inc., engaged in auto financing and leasing in the United States.

To achieve further efficiency in its funding operations, the Bank proposes that Asset Manager form a wholly owned subsidiary that will be a second tier operating subsidiary of the Bank (the "Subsidiary"). The Subsidiary will be incorporated under the Companies Law (1998 Revision) of the Cayman Islands. It will be registered as an "Exempted Company" and will conduct no business activities in the Cayman Islands. All of the Subsidiary's officers and directors

will be United States residents, employees of its parent corporation, Asset Manager, the Bank, or another U.S. based affiliate of the Bank. All of its business operations will take place in the continental United States. The Subsidiary's only contact with the Cayman Islands, other than the fact of its incorporation and the appointment of a resident agent, will be satisfaction of a requirement to conduct an Annual Meeting. The actions taken at such Annual Meeting, which will be conducted by proxy granted to the Subsidiary's Cayman Islands Resident Agent, will be limited to authorizing the filing of a one page Annual Return and Declaration pursuant to section 187 of the Companies Law.

All funds of the Subsidiary will be confined to those provided by its immediate parent, Asset Manager, either in the form of a cash contribution, a transfer to the Subsidiary of a receivable due to Asset Manager from a domestic lending subsidiary of the Bank, or a combination of cash and/or receivables. The Subsidiary will, in turn, lend all or substantially all of its funds, including any additional funds provided from time to time by Asset Manager, only to a domestic lending subsidiary of the Bank in consideration for the issuance of a Note (the "Note") bearing an adjustable market related rate of interest with a fixed term, probably not exceeding five years.

The Subsidiary would expect to roll over any such Note or Notes as they mature and/or lend the proceeds to the same or another domestic lending subsidiary. The terms of such Notes may include provisions for early termination, for adjustment of the rate of payment of principal, for adjustment in the rate of interest, and other commercially reasonable or desirable provisions to facilitate the operations of the Subsidiary as a lending facility within the operations of the Bank and its affiliates.

The operations of the Subsidiary will be limited to lending funds to domestic lending subsidiaries of the Bank in the form of the Notes, receipt of interest and principal repayments on the Notes, investment of interest and repayment proceeds as necessary in short-term government securities classified as Type I securities under 12 C.F.R. Part 1 or overnight deposits in the Bank, and payment of dividends to Asset Manager as holder of all of its outstanding capital stock.

All services required for the operation of the Subsidiary will be provided by Asset Manager, the Bank, another United States based affiliate, or professional advisors thereto in the United States, except for corporate filing fees with the Government of the Cayman Islands and fees to local counsel in the Cayman Islands in connection with its incorporation, the maintenance of a registered agent, conduct of the Annual Meeting, and such incidental legal services as may be required from time to time in connection with maintenance of its status as an Exempted Company under Cayman Islands law.

The Board of Directors of the Subsidiary, which may be limited to a single individual, will be a U.S. resident officer or employee of Asset Manager, the Bank, or another U.S. based affiliate of the Bank. The U.S. resident persons or person constituting the Board of Directors of the Subsidiary would control the actions taken at the required Annual Meeting in the Cayman Islands, which would be limited to authorizing the filing of the one-page Annual Return and Declaration which confirms no activity in the Cayman Islands.

The Subsidiary's officers and employees and all of its books and records will be located at the facilities of the Bank or one of its operating subsidiaries in the United States. If any stock ledger, minute book, or similar record is required to be maintained in the Cayman Islands, a duplicate will be maintained in the United States.

The Subsidiary will be subject to examination, supervision, and regulation by the OCC. The Subsidiary will maintain a resident agent in the United States. The Application and this approval letter will be permanently maintained in the Subsidiary's minutes. The Bank will furnish an annual certification to the OCC examiner-in-charge, on a schedule acceptable to the OCC, that during the prior twelve months the Subsidiary has confined its activities to those described in this Application. Such certification will be given by an officer of the Bank or a parent holding company of the Bank familiar with its treasury operations and the activities of the Subsidiary.

The Bank has further represented that there are no provisions of Cayman Islands law which would prevent OCC examiners from having full access to the Subsidiary's books and records maintained in the United States. If there should be records in the Cayman Islands that are not maintained or duplicated in the United States, there is no law, regulation, or policy of the Cayman Islands Government which would shield such documents from the OCC, and the Bank and the Subsidiary consent to OCC access to any such records.

Conclusion

The proposed transactions between Asset Manager, the Subsidiary, and the domestic lending subsidiaries of the Bank are merely a reorganization, through a new conduit, the Subsidiary, of existing internal funding transactions between the Bank and certain of its operating subsidiaries. Since all of the Subsidiary's business activities will be conducted in the United States, it will be a domestic operating subsidiary under 12 U.S.C. § 24(Seventh) and 12 C.F.R. § 5.34 subject to OCC examination, supervision, and regulation to the same extent as the Bank's other operating subsidiaries.

Based upon a thorough review of the information and representations contained in your letter, we conclude that the Bank may establish the Subsidiary, subject to the following conditions:

- (1) The Subsidiary will engage only in those activities specifically described in the Application, and in accordance with the representations made in the Application.
- (2) The books and records of the Subsidiary will be located at facilities of the Bank or one of its subsidiaries in the United States, including duplicates of any records required to be maintained in the Cayman Islands. The Bank and Subsidiary will ensure OCC access to such books and records.
- (3) The Bank and Subsidiary acknowledge and consent that the Subsidiary will be subject to OCC examination, supervision, and regulation.

(4) If any impediments should arise to satisfactory OCC access to the Subsidiary's books and records, or to OCC examination, supervision and regulation of the Subsidiary, the OCC may direct the Bank to cease operations through the Subsidiary, and the Bank shall do so within the time period specified by the OCC.

The conditions of this approval are 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. As such, the conditions are enforceable under 12 U.S.C. § 1818. In the event of questions, please contact Richard T. Erb, Licensing Manager, Large Bank Licensing at (202) 874-5060 or by email: largebanks@occ.treas.gov.

Sincerely,

/s/

Julie L. Williams
First Senior Deputy Comptroller
and Chief Counsel