



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Boulevard, Suite 700
Kansas City, MO 64108

**Conditional Approval #511
February 2002**

January 9, 2002

Ms. Karen Grandstrand
Fredrikson & Byron, P.A.
900 Second Avenue South
Suite 1100
Minneapolis, Minnesota 55402

Mr. Frederick Angst
Briggs and Morgan, P.A.
W2200 First National Bank Building Services
332 Minnesota Street
St. Paul, Minnesota 55101

Re: Application by The Midway National Bank of St. Paul, St. Paul, Minnesota to charter a wholly owned subsidiary, Securian Trust Company, National Association (Bank), St. Paul, Minnesota
CAIS Control Numbers: 2001-MW-01-0015 and 2001-MW-08-0031; and

Notice of intent by Securian Financial Group, Inc. to acquire control of STC
CAIS Control Numbers: 2001-MW-11-0006

Dear Ms. Grandstrand and Mr. Angst:

The Comptroller of the Currency ("OCC") has reviewed the above-referenced applications and notice. After a thorough evaluation of all data available to the OCC, we found that your proposal to charter Securian Trust Company, National Association met the requirements for preliminary conditional approval. In addition, this letter is issued to convey our intent not to disapprove the proposed change in control. The proposals were considered together and may not be consummated separately.

These decisions are granted based on a thorough review of all information available, including the representations and commitments made in the applications and notice and by the proposed Bank's representatives. We made our decision to grant preliminary conditional approval of the application to establish Bank with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and will not be FDIC-insured.

The preliminary conditional approval for the new bank charter is subject to the following "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 and, as such, are enforceable under 12 U.S.C. § 1818.

1. The Bank's initial paid-in capital, net of organizational and pre-opening expenses, shall be no less than \$2.0 million.
2. Immediately following consummation of the change in control, and at all times thereafter, the Bank shall maintain a minimum of \$5.0 million in Tier 1 capital.
3. If the Bank fails to maintain Tier 1 capital in the amount of \$5.0 million, the Bank shall be deemed "undercapitalized," for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 applicable to an undercapitalized national bank. For purposes of section 1831o(e)(5), an action "necessary to carry out the purpose of this section" shall include restoration of the Bank's capital so that it is not "undercapitalized," and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.
4. The Bank shall obtain prior non-objection from the OCC's District Deputy Comptroller for the Midwestern District before any significant deviation or change from the proposed operating plan occurs during the Bank's first three years of operation. The Bank must notify the District Deputy Comptroller for the Midwestern District at least sixty (60) days prior to any proposed significant deviation or change.
5. All transactions between the Bank and any affiliates, domestic or foreign, shall be conducted subject to the applicable provisions of 12 U.S.C. § 371c and c-1, or other applicable Federal law. The Board of Directors of the Bank annually shall review and approve the service agreements and any other transactions with domestic and foreign affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.
6. The Bank must notify all potential vendors in writing of the OCC's examination and regulatory authority under 12 U.S.C. § 1867(c). All final vendor contracts must stipulate that the performance of services provided by the vendors to the Bank is subject to the OCC's examination and regulatory authority. The provisions of 12 C.F.R. 9 would be applicable to any fiduciary activities contracted out to vendors.

Please be advised that the OCC is currently reviewing its capital and liquidity policy with respect to national trust banks. Should there be a change to our policy as a result of the review, we will advise you accordingly. In addition, if the Bank's future assets under management increase significantly, or if the Bank assumes additional risk, the OCC may conclude that increased capital support is required.

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing the Bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the Bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the Bank begins operation. Applicable standard requirements also must be satisfied before the Bank will be allowed to commence business.

Please be aware that the trust officers and staff should become thoroughly familiar with "Fiduciary Powers of National Banks and Collective Investments" at 12 C.F.R. 9 and 12 C.F.R. 5.26. Management is reminded that 12 C.F.R. 5.26 requires a national bank which already has approval to engage in fiduciary activities to provide written notice to the OCC when commencing fiduciary activities in a new state. Also, in addition to the independent annual audit requirement referenced in the standard requirements, the Bank will need to develop and implement a fiduciary audit program as required by 12 C.F.R. 9.

The OCC poses no objection to the following persons serving as executive officers and directors as proposed in the application.

Patrick Mazorol	Director and CEO
Harold Johnson	Director and President
Robert Hunstad	Director
George Connolly	Director
Randy Wallake	Director

All background checks requested by the OCC have not been received yet. Although we have decided not to delay action pending receipt of those responses, continued service of the affected individuals will be dependent on satisfactory completion of the background investigation process.

You are reminded that additional executive officers or directors to be appointed prior to opening are subject to the OCC's prior review and clearance. Also, for a period of two years after the Bank has opened for business, the Bank must seek and receive no objection from the OCC prior to any new executive officer or director assuming such position.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary

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approval should any interim development be deemed by the OCC to warrant such action.

The date of consummation of the change in control must be provided to the Midwestern District Office within 10 days after consummation. The transaction must be consummated as proposed in the notice. If any of the terms, conditions, or parties to the transaction described in the notice change, the OCC must be informed in writing prior to consummation to determine if any additional action/reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

In addition, unless an extension is granted, the change in control transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause our decision to lapse and require the filing of a new notice by the acquiring party and the appropriate filing fee if the acquiror wishes to proceed with the change in bank control.

You are reminded that the OCC requires pushdown accounting for a change in control of at least 95 percent of the voting stock of a bank. Under pushdown accounting, when a bank is acquired, yet retains its separate corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statements of the parent and the acquired bank.

These decisions, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the government of the United States of America ("U. S."), any agency or entity of the U.S., or an officer or employee of the U.S, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

Please direct any questions concerning these decisions to me at 816-556-1860.

Sincerely,

/s/

Ellen Tanner Shepherd
Licensing Manager

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements