



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

Licensing Department (212) 790-4055
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Conditional Approval #515
March 2002

March 1, 2002

Mr. Robert H. Frey
President and CEO
Family Capital Trust Company, National Association
33 Broad Street
Boston, Massachusetts 02109

Re: Application to charter a national trust bank with the title of Family Capital Trust
Company, National Association, Boston, Massachusetts
Charter Number: 24130
Application Control Number: 2000 NE 01 024

Dear Mr. Frey:

The Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking. Your charter certificate will be forwarded to you under separate cover.

Subject to the conditions and requirements contained in the preliminary conditional approval letter, dated August 27, 2001, and the amended and additional conditions listed below, you are authorized to open Family Capital Trust Company, National Association ("Bank") on March 1, 2002.

The amended and additional conditions are:

1. This condition hereby amends condition # 2 contained in our August 27, 2001 preliminary approval letter:

The Bank shall maintain a minimum of \$2 million in Tier 1 capital, and also shall maintain at all times capital that meets or exceeds minimum regulatory capital levels required under 12 C.F.R. § 3. Effective April 1, 2004, the Bank shall maintain a minimum of \$3 million in Tier 1 capital, and also shall maintain at all times capital that meets or exceeds minimum regulatory capitals levels required under 12 C.F.R. § 3. If the Bank fails to reach and maintain the above specified Tier 1 capital levels, 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.

2. This is an additional condition:

If the Bank implements a transactional web site within the first three years of operation, it is considered a significant change in the business plan. Prior to implementing such an operation, the Bank must follow the requirements of Special Condition 3 of Preliminary Approval letter dated 8/27/01 as well as:

- The Bank must submit to the Boston Field Office for review and approval a complete description of the Bank’s final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

- The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed below. An objective, qualified independent source (Reviewer) must conduct the review. The scope should cover:

- All access points, including the Internet, Intranet, or remote access.
- The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see “The Internet and the National Bank Charter” booklet (enclosed) of the Comptroller’s Corporate Manual, pages 37-38, 74-75.

3. This is an additional condition:

The Bank must notify all potential technology-related vendors in writing of the OCC’s examination and regulatory authority under 12 U.S.C. 1867(c).¹ All final technology-related

¹The OCC has the authority to assess the Bank for the cost of examining a service provider. See 12 C.F.R. 8.6.

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.

4. This is an additional condition:

Prior to September 30, 2002, the Bank shall establish and maintain an Audit Committee, a majority of the members of which are not officers, directors, or employees of the Bank or of companies affiliated with the Bank.

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 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

Please also 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 is required.

Should you have any questions, please contact Assistant Deputy Comptroller Kathleen Cahill, Boston Field Office, 150 Federal Street, 2nd Floor, Boston, Massachusetts and/or your assigned portfolio manager David Austin at (617) 424-4995 who will be responsible for the ongoing supervision of your institution.

Sincerely,

/s/

Anthony P. DosSantos
Licensing Manager