



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

Conditional Approval #761
October 2006

September 18, 2006

Jay B. Williams
Chairman and Chief Executive Officer
The PrivateBank, F.S.B.
743 North Water Street
Milwaukee, Wisconsin 53202

Re: New Bank Charter – The PrivateBank, N.A. (Organizing), Milwaukee, Wisconsin
CAIS Control Number: 2006-CE-01-009

Dear Mr. Williams:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of The PrivateBank, National Association (proposed Bank), Milwaukee, Wisconsin. On August 31, 2006, the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. Your request to exercise fiduciary powers is also approved.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition:

- 1. The Bank: (i) shall give the Milwaukee Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations¹ and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. "For the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC's Chicago Office."*

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

This condition of approval is a condition “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 condition is enforceable under 12 USC 1818.

Final approval will not be granted until and unless the Federal Reserve and the Wisconsin Department of Financial Institutions acts favorably on your application to acquire the Bank. You must furnish the OCC with a copy of all related filings to the Federal Reserve, including registration material. Send this information to Licensing Specialist Robin J. Miller in this office.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
John (Jay) B. Williams	Organizer, Director, Chairman, President, CEO, Chief Operating Officer
Ralph B. Mandell	Organizer and Director
Dennis L. Klaeser	Organizer and Director
Tina M. Chang	Organizer and Director
Bruce E. Pindyck	Organizer and Director
John B. Crichton	Director
Daniel J. Minahan	Director
Cory L. Nettles	Director
James C. Rowe	Director
Mary S. Wehrheim	Director
Mark N. Lemke	Managing Director
Thomas N. Tuttle	Trust Officer/Managing Director
Jane Latona	Secretary

Prior to the Bank’s opening, the Bank must obtain the OCC’s prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

Background checks requested by the OCC have not been received yet from several federal sources for Tina Chang, John Crichton, Daniel Minahan, Cory Nettles, Bruce Pindyck, James Rowe and Mary Wehrheim. Accordingly, the continued service of these individuals will be dependent on satisfactory completion of the background investigation process.

The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. 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 Articles of Association and the Organization Certificate to Licensing Specialist Robin J. Miller in this office for our review and acceptance. **PLEASE NOTE: National Association must be spelled out in the bank’s corporate title.** As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank's request for a preopening examination and before the OCC will grant final charter approval:

(1) The Bank must submit to the Milwaukee Field Office for review, and prior written determination of no supervisory objection, 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.

(2) 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 herein. The review must be conducted by an objective, qualified independent source (Reviewer). 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, refer to the *FFIEC IT Examination E-Banking Handbook*, pages 26-30, Information Security Program. The booklet is located at the FFIEC's Web site: http://www.ffiec.gov/ffiecinfobase/booklets/e_banking/e_banking.pdf.

(3) The Bank must have a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 CFR 30, Appendix B.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our Web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

Jay B. Williams
The PrivateBank, F.S.B.
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Direct any questions concerning this preliminary conditional approval to Licensing Specialist Robin J. Miller at (312) 360-8874.

Sincerely,

/s/

Travis W. Wilbert
Acting Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures