



Comptroller of the Currency
Administrator of National Banks

Large Bank Licensing, MS 7-13
250 E Street, S.W.
Washington, DC 20219

**Corporate Decision #2006-14
December 2006**

November 17, 2006

Mr. Joseph R. Bielawa
Vice President/Assistant General Counsel
JPMorgan Chase & Co.
270 Park Avenue, Floor 40th
New York, NY 10017

Re: Applications and Notice by Chase Bank USA, N.A. (“Chase”) related to the acquisition of Pier 1 National Bank
Application Control Nos.: 2006-ML-02-0017, 2006-ML-08-0019, 2006-ML-11-0003, and 2006-ML-12-0307

Dear Mr. Bielawa:

The Comptroller of the Currency (OCC) has reviewed and evaluated your Notice of Change in Bank Control, involving the Pier 1 National Bank, Omaha, Nebraska. This letter is to convey our intent not to disapprove the proposed change in bank control.¹ The OCC has determined the regulatory factors it is required to consider under the Change in Bank Control Act are consistent with this decision.

Our decision was based upon a thorough review of all information available, including representations and commitments made in the Notice and subsequent correspondence and communication both written and verbal.

The date of consummation of this change in control must be provided to Large Bank Licensing 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 or 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 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 acquirer wishes to proceed with the change in bank control.

¹ Based on a review of the facts of record and the representations and commitments made by Chase Bank USA, N.A., the OCC has determined that the Notice is technically complete.

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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.

Approval is granted in response to your operating subsidiary application, filed on behalf of Chase Bank USA, N.A. ("Chase") on September 23, 2006. The bank proposes to establish Pier 1 National Bank (PINB), as an operating subsidiary to engage in certain permissible activities.

Approval is granted on your proposal to merge Pier 1 National Bank with and into Chase Bank USA, N.A. Pier 1 will initially operate as an operating subsidiary of Chase until internal operating systems allow the entities to be merged. The merge is projected for the second quarter of 2007.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. We considered these factors and found them consistent with approval.

The business combination of Chase Bank USA, N.A. and Pier 1 National Bank is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 USC 215a-1 and 1831u(a), and the resulting bank is authorized to retain and operate offices of both banks under 12 USC 36(d) and 1831u(d)(1).

The OCC's Large Bank Licensing Division must be advised in writing in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice's injunction period and any other required regulatory approval.

The OCC will issue a letter certifying consummation of the transaction when we receive:

- A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved.
- An executed merger agreement with Articles of Association for the resulting bank attached.
- A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.
- Documentation that all other conditions that the OCC imposed have been met.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

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Approval is granted in response to your request to waive the residency requirement under 12 USC 72 for all five directors of Pier 1 National Bank. Your request is based upon the bank's necessity for selecting directors with experience in various areas of the bank's operations who might not meet the geographic residency requirement under 12 USC 72.

The OCC reserves the right to withdraw this waiver at any time and, at our discretion, to request additional biographical and/or financial information on any member of the board of directors.

Approval of your request does not alter the citizenship and stock ownership requirements for such persons to serve as directors on the board.

These approvals 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 United States, any agency or entity of the United States, or any officer or employee of the United States, 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 United States.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may continue to improve our service. If you have questions, contact Ramah L. Chansen, Senior Licensing Analyst at (202) 84-5060 or email ramah.chansen@occ.treas.gov. Please reference the application control numbers in any correspondence.

Sincerely,

/s/

Stephen A. Lybarger
Large Bank Licensing Lead Expert

Enclosures Survey Letter