



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 #843
April 2008

March 26, 2008

Ms. Lenora Smith
Attorney
The Northern Trust Company
50 South LaSalle Street, M-9
Chicago, Illinois 60603

Re: Denovo Trust Charter Application Description – The Northern Trust Company of California, National Association (proposed Bank) CAIS Control Number 08-CE-01-001

Dear Ms. Smith:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national trust bank, which will engage solely in fiduciary activities, with the title of The Northern Trust Company of California, National Association (proposed Bank). On **March 26, 2008**, the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. Your request for fiduciary powers is also conditionally 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.

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(s):

1. The Bank shall: (i) give the Mid-Size Banks Supervisory Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations,¹ and (ii) 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. This condition shall remain in effect during the Bank's first three years of operation.

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

2. Bank shall maintain a minimum of \$2 million in Tier 1 capital at all times. If the Bank fails to maintain Tier 1 capital in the amount of \$2 million, the Bank shall be deemed “undercapitalized,” for purposes of 12 USC 1831o and 12 CFR 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 USC 1831o and 12 CFR 6 applicable to an undercapitalized national bank. For purposes of 12 USC 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.

3. The Bank, the Parent, and its affiliates, upon request by the OCC, shall provide the OCC access to, permit the OCC to examine, and provide the OCC with copies of all books and records, and electronic records that accurately reflect the information in the books and records of the Bank, and any other information of, or concerning the Bank.

These conditions of 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.

The OCC is currently reviewing its capital and liquidity policy with respect to national trust banks. Should there be a change in 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.

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Susan H. Mallory	Organizer, Director, Chairperson and President
Sheldon W. Woldt	Organizer, Director, and Senior Vice President
Steven R. Bell	Organizer and Director
William R. Dodds, Jr.	Organizer and Director
Bruce F. Letten	Organizer and Director
Robert M. Turner	Chief Fiduciary Officer

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.

The OCC also granted your request to waive the residency requirements of 12 USC 72 for William R. Dodds, Jr., Bruce F. Letten, and Sheldon W. Woldt to serve as members of the board of directors of the Bank. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the Bank’s representation that this waiver will not affect the board’s responsibility to direct the Bank’s operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

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 begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Licensing Analyst Marta A. Reyes in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not engage in fiduciary activities until it fulfills all requirements for a bank in organization and the OCC grants final approval.

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>.

Direct any questions concerning this preliminary conditional approval to Licensing Analyst Marta A. Reyes at (312) 360-8872.

Sincerely,

signed

David J. Rogers
Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures