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Comptroller of the Currency  
Administrator of National Banks

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Western District Office  
1225 17<sup>th</sup> Street, Suite 300  
Denver, Colorado 80202  
720-475-7650  
Fax: 301-333-7010

**Conditional Approval #962**  
**August 2010**

July 19, 2010

Brian D. Alprin  
Duane Morris LLP  
505 9<sup>th</sup> Street, N.W., Suite 1000  
Washington, DC 20004-2166

Re: Applications by Zions First National Bank, Salt Lake City, Utah; Western National Trust Company, Los Angeles, California; and New Western National Trust Company (proposed), Salt Lake City, Utah. OCC Control Number

To Charter a National Banking Association which will exercise Fiduciary Powers	2010-WE-01-0002
To Establish an Operating Subsidiary	2010-WE-08-0016
To Merge National Banks	2010-WE-02-0014
To Reduce Capital	2010-WE-12-0105

Dear Mr. Alprin:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new uninsured national trust bank, which will engage solely in fiduciary activities with the title of New Western National Trust Company (“Bank”). Your charter proposal meets applicable standards and the OCC hereby grants conditional approval.

We made our decision to grant conditional approval to the charter with the understanding that the proposed national bank will not be FDIC-insured. We further understand that the Bank will immediately merge with Western National Trust Company as described below.

This approval is subject to the following conditions:

1. The Resulting Bank shall limit its business to the operations of a trust company and activities related or incidental thereto. The Resulting Bank shall not engage in activities that would cause it to be a “bank” as defined in section 2(c) of the Bank Holding Company Act.

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2. At all times Resulting Bank shall maintain a minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$10.0 million *or* (b) such higher amount as the may be required by the OCC pursuant to the exercise of its regulatory authority (the “Minimum Consolidated Tier 1 Capital Requirement”). At all times, liquid assets<sup>1</sup> shall comprise at least 75% of Resulting Bank’s Minimum Tier 1 Capital Requirement (the “Minimum Consolidated Liquidity Capital Requirement”). (The Minimum Tier 1 Capital Requirement and Minimum Liquidity Capital Requirement are collectively the “Minimum Capital Requirement”).
3. At all times, Resulting Bank shall maintain liquidity in the form of liquid assets in an amount at least equal to the greater of (a) \$2.5 million or (b) ninety (90) days operating expenses, excluding any expenses that reflect (1) non-cash charges (i.e., amortization, depreciation expenses) or (2) investment management fees/expenses paid to affiliated investment advisors that directly correlate to revenue received by Resulting Bank as a result of its contractual obligations to provide investment management services (the “Minimum Liquidity Requirement”). For purposes of meeting the Minimum Liquidity Requirement, Resulting Bank’s Minimum Capital Requirement is not an available liquidity source and liquid assets used to meet the Minimum Capital Requirement shall not be included in determining Resulting Bank’s compliance with the Resulting Bank’s Minimum Liquidity Requirement.
4. If at any time, Resulting Bank fails to maintain the Minimum Capital Requirement or the Minimum Liquidity Requirement, then Resulting Bank shall be deemed “under capitalized” and Resulting Bank shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. §1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action “necessary to carry out the purpose of this section” under section 1831o(e)(5) shall include restoration of Resulting Bank’s capital and liquidity to levels which comply with the Minimum Capital Requirement and the Minimum Liquidity Requirement, and any other action deemed advisable by the OCC to address Resulting Bank’s capital or liquidity deficiency or the safety and soundness of its operations.
5. Resulting Bank shall give the appropriate OCC Supervisory Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from the business plan or operations, and (ii) shall obtain the OCC’s written determination of no objection before it engages in any significant deviation or change from its business plan or operations during

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<sup>1</sup> The term “liquid assets” means (a) cash and cash equivalents, (b) deposits at insured depository institutions, and (c) investment securities eligible for investment by national banks under 12 C.F.R. Part 1 and valued at the lower of cost or market value. However, liquid assets shall not include any assets encumbered or pledged by lien, right of setoff, preference, or otherwise, or any other asset pledged as security in any transaction with any party.

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its first three years of operations. For purposes of this condition, “significant deviation or change” is the same as defined in Appendix G to the Charters booklet of the Comptroller’s Licensing Manual. The OCC may impose additional conditions it deems appropriate in any written determination of no-objection it issues in response to Resulting Bank’s notice.

6. Resulting Bank’s Board shall adopt, implement, and maintain a system to analyze and maintain capital and liquidity commensurate with Resulting Bank’s risk profile, in conformance with OCC Bulletin 2007-21, Supervision of National Trust Banks – Revised Guidance: Capital and Liquidity (and any subsequent OCC guidance). The Board shall review Resulting Bank’s capital and liquidity on at least an annual and quarterly basis, respectively, to determine if Resulting Bank requires additional capital or liquidity.
7. All transactions between Resulting Bank and any affiliates, foreign or domestic, shall be conducted subject to the applicable provisions of 12 U.S.C. §§ 371c and 371c-1, 12 C.F.R. Part 223, and other applicable Federal law. Resulting Bank’s Board annually shall review and approve any service agreements, and any other transactions with foreign and domestic affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.
8. The Resulting 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). All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the Resulting Bank is subject to the OCC’s examination and regulatory authority. The provisions of 12 C.F.R. Part 9 would be applicable to any fiduciary activities contracted out to vendors.
9. The Resulting Bank shall establish and maintain a Fiduciary Audit Committee consistent with requirements of 12 CFR § 9.9(c).

The conditions of this approval are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

If the Resulting Bank’s future assets under management increase significantly, or if the Resulting Bank assumes additional risk, the OCC may conclude that increased capital is required.

The OCC hereby approves Western National Trust Company to merge with and into New Western National Trust Company under the name and charter number of Western National Trust Company. The Resulting Bank will be located at One South Main Street, Salt Lake City, Utah.

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The OCC also hereby approves the request for the Resulting Bank to reduce capital through a \$1,000 cash distribution to Zions First National Bank immediately following consummation of the merger.

Pursuant to 12 USC 59, a reduction in capital stock requires approval by shareholders owning at least two-thirds of the bank's capital stock and, if necessary, amendments to the Articles of Association. Also following the completion of the capital reduction, the bank must advise the OCC of the effective date of the decrease.

In addition, the OCC hereby approves your request to establish New Western National Trust Company as a wholly owned subsidiary of Zions First National Bank.

If the series of transactions are not consummated within one year from the approval date, the approvals shall automatically terminate, unless the OCC grants an extension of the time period.

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

- A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved the merger.
- An executed merger agreement.
- An original Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.
- Any other documents needed to complete the organization of New Western Trust Company.

These approvals and the activities and communications by OCC employees in connection with the filings 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. Our approvals are based on the bank's representations, submissions, merger agreement, and information available to the OCC as of this date. The OCC may modify, suspend or rescind these approvals if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which these decisions pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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You should include the OCC control numbers on any correspondence related to this filing. If you have any questions, contact Licensing Specialist, Lois Archuletta, at (720) 475-7650 or at [lois.archuletta@occ.treas.gov](mailto:lois.archuletta@occ.treas.gov)

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

Sincerely,

*Ellen Tanner Shepherd*

Ellen Tanner Shepherd  
Director for District Licensing