



Conditional Approval #1235
March 2020

February 14, 2020

Mr. Zachary A. Abeles, General Counsel
Stifel Trust Company Delaware, National Association
501 North Broadway
St. Louis, Missouri 63102

Subject: Application by Stifel Trust Company Delaware, National Association for a Substantial Asset Change
OCC Control Nos.: 2019-NE-5.53-312443 and 2019-NE-Articles-312757
Charter No.: 24955

Dear Mr. Abeles:

The Office of the Comptroller of the Currency (OCC) hereby grants conditional approval for the application by Stifel Trust Company Delaware, National Association, Wilmington, Delaware (STCDE or Bank) for a substantial asset change pursuant 12 CFR 5.53. The OCC also approves the proposed amendment to the Bank's articles of association submitted in connection with the application. This conditional approval is granted after a thorough review of the application, other materials supplied by the applicant's representatives, and other information available to the OCC, including commitments and representations made in the application and during the application process. This approval is subject to the conditions set out below.

Background and Substantial Asset Change

STCDE is an uninsured special purpose national bank whose activities are limited to those of a trust company and activities related thereto.¹ It provides personal fiduciary and fiduciary related services, including trust, investment management, custody and estate settlement services, to clients of its parent, Stifel Financial Corp. (SFC), its affiliated broker-dealer, Stifel, Nicolaus & Company, Incorporated (Stifel Nicolaus), and their affiliated companies. SFC acquired the Bank in 2015.² It was formerly known as Barclays Wealth Trustees (U.S.), National Association, Wilmington, Delaware (Barclays Wealth Trustees (U.S.)). Upon consummation of the 2015 change in control, Barclays Wealth Trustees (U.S.) changed its name to STCDE. As a condition of the OCC's decision not to disapprove SFC's change in bank control filing, and consistent with

¹ See 12 USC 27(a)(last sentence).

² See OCC Conditional Approval #1143 (November 30, 2015).

the OCC's policy for trust banks, STCDE entered into an operating agreement with the OCC (December 4, 2015 Operating Agreement or Operating Agreement) that includes, among other things, requirements regarding the Bank's business plan (Business Plan).

STCDE now seeks approval to hold deposits in connection with two deposit sweep programs, one for retirement accounts and one for non-retirement accounts, in which it plans to participate with its affiliate, Stifel Nicolaus (Deposit Sweep Programs). Under the Deposit Sweep Programs, cash balances in securities brokerage accounts of Stifel Nicolaus's clients will be swept into deposit accounts at STCDE with Stifel Nicolaus named as custodian. Participation in the Deposit Sweep Programs is projected to increase STCDE's size by more than 25 percent in a one year period. This meets the definition of substantial asset change under 12 CFR 5.53.³ In addition, STCDE's articles of association limit its activities to fiduciary and fiduciary related activities. Participation in the Deposit Sweep Programs is not a fiduciary or fiduciary related activity and so participation in the Deposit Sweep Programs constitutes a change in STCDE's charter purpose; this also meets the definition of substantial asset change under the regulation.⁴ Accordingly, the Bank was required to file an application with the OCC under section 5.53 and receive the OCC's prior approval before engaging in the Deposit Sweep Programs.⁵ STCDE also requested that the OCC approve a proposed amendment to its articles of association to cover the new activity.

In addition to its filing with the OCC, STCDE also filed an application for deposit insurance with the Federal Deposit Insurance Corporation (FDIC).

OCC Review

In determining whether to approve an application under section 5.53, the OCC considers the capital level of any resulting national bank, the purpose of the transaction, its conformity to applicable law, regulation and supervisory policies, its impact on the safety and soundness of the bank, and its effect on the bank's shareholders, depositors, other creditors, and customers.⁶ When a substantial asset change involves an expansion of the bank's operations or a change in the purpose of the bank's charter, the OCC's review includes, in addition to foregoing factors, the factors governing the organization of a bank under section 5.20.⁷

The OCC has considered the relevant factors under sections 5.53 and 5.20 and finds them consistent with approval, subject to the Bank's compliance with the conditions below.

³ See 12 CFR 5.53(c)(1)(iii).

⁴ See 12 CFR 5.53(c)(1)(v) and 12 CFR 5.20(l)(2).

⁵ See 12 CFR 5.53(d)(2).

⁶ 12 C.F.R. § 5.53 (d)(3)(i)(A).

⁷ 12 C.F.R. § 5.53(d)(3)(ii).

Conditions

This approval is subject to the following conditions:

1. STCDE shall not begin engaging in the Deposit Sweep Programs until STCDE obtains deposit insurance from the FDIC.
2. The amendment to STCDE's articles of association shall not become effective until STCDE obtains deposit insurance from the FDIC.
3. STCDE shall operate the Deposit Sweep Programs so that deposits accepted under the program are not brokered deposits within the meaning of 12 CFR 337.6, and as interpreted in FDIC Advisory Opinion No. 05-02, or any subsequent advisory opinion or other guidance issued by the FDIC.
4. Within ten days of the date of this approval, STCDE shall revise its most recent Business Plan to which the OCC has provided a written determination of no supervisory objection to incorporate the Deposit Sweep Programs as reflected in the application, ensure the Business Plan otherwise meets the requirements of Article IV, paragraph (2) of the December 4, 2015 Operating Agreement, and submit the revised Business Plan to the OCC for a written determination of no supervisory objection. Once the Bank receives the OCC's written determination of no supervisory objection to the revised Business Plan, the Bank shall promptly adopt, implement and thereafter adhere to the revised Business Plan, and shall not make a material change to or significantly deviate from the revised Business Plan except in accordance with Article IV, paragraph (4) of the Operating Agreement.

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

Conclusion

If the Bank does not begin participating in the Deposit Sweep Programs within six months of the date of this conditional approval, the approval shall automatically terminate unless the OCC grants an extension of the time period.

This approval 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. Our decision is based on the bank's representations, submissions, and information available to the OCC as of this date. The

OCC may modify, suspend or rescind this decision if a material change in information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, please contact Licensing Analyst Justin Holder at (212) 790-4014 or by email at Justin.Holder@occ.treas.gov. Please include the OCC Control Number on any correspondence related to this filing.

Sincerely,

/s/

Sandya Reddy
Acting Director for District Licensing