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**Comptroller of the Currency  
Administrator of National Banks**

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Licensing Department  
Mail Stop 7-13  
250 E Street, S.W.  
Washington, D.C. 20219

**Conditional Approval #848  
May 2008**

November 28, 2007

Mr. Michael W. Woody  
Chief Financial Officer  
Chevron Credit Bank, N.A.  
2001 Diamond Boulevard  
Concord, California 94520-5737

Re: Material Noncash Contribution to Capital Surplus  
OCC Control No.: 2007-WE-12-0220

Disposition of Substantially all the Assets of Chevron Credit Bank, N.A., via a Purchase and Assumption with GE Money Bank, a federal savings bank.  
OCC Control No.: 2007-WE-12-0219

Merger of Credit Card Receivables, Inc. with and into Chevron Credit Bank, N.A.  
OCC Control No.: 2007-WE-12-0221

Merger of Chevron Credit Bank, N.A., with and into Chevron U.S.A., Inc.  
OCC Control No.: 2007-WE-12-0222

Dear Mr. Woody:

The Office of the Comptroller of Currency (“OCC”) hereby conditionally approves the above referenced applications. These approvals are granted after a thorough review of the applications, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the applications and by the bank’s representatives during the application process. These approvals are also subject to the condition set out herein.

**The Transactions**

These applications are part of a series of transactions in which the credit card business of Chevron Credit Bank, National Association, Murray, Utah, (“CCB”) will be sold to GE Money Bank, Salt Lake City, Utah, a federal savings bank, and thereafter the operations and charter of

CCB will be terminated. CCB is a wholly-owned subsidiary of Chevron U.S.A. Inc. (“CUSA”). As proposed, the following events will occur in sequence on the same business day.

1. CUSA will inject approximately \$700 million of credit card receivables into CCB as a contribution to CCB’s paid in capital surplus.
2. CCB will transfer substantially all of its assets and all of its insured deposits to GE Money Bank in a purchase and assumption transaction.<sup>1</sup>
3. Credit Card Receivables, Inc., (“CCRI”) a wholly-owned subsidiary of CCB, will merge with and into CCB.
4. CCB will merge with and into CUSA, thereby terminating CCB’s charter.

## **Discussion**

### **A. Capital Contribution**

CUSA’s injection of \$700 million in credit card receivables to CCB is a material noncash contribution to CCB’s capital under 12 C.F.R. § 5.46. CCB applied for OCC approval for the noncash contribution to capital under 12 C.F.R. § 5.46(g)(1)(i)(C) & (i). The OCC reviewed the proposed contribution, determined the contribution is consistent with section 5.46, safety and soundness, and OCC policy, and approves the contribution.

### **B. Fundamental Change in Asset Composition**

CCB applied to the OCC for prior approval of a fundamental change in its asset composition under 12 C.F.R. § 5.53. Under section 5.53(c)(1)(i), a national bank must obtain prior written approval of the OCC before changing the composition of all, or substantially all, of its assets through sales or other dispositions. In the purchase and assumption transaction with GE Money Bank, CCB will sell all its deposits and substantially all of its assets.

The principal purpose of adopting 12 C.F.R. § 5.53 was to address supervisory concerns raised by so called “dormant” bank charters by providing the OCC with regulatory oversight and a means to monitor them. CCB plans to merge into its nonbank affiliate, CUSA. Thus, OCC concerns over the continuation of “dormant” charters are addressed, and so OCC approval of CCB’s application is consistent with the language and purpose of section 5.53.

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<sup>1</sup> Upon consummation of the purchase and assumption and notification to the Federal Deposit Insurance Corporation of the transfer of all insured deposits from CCB to GE Money Bank, CCB will no longer be FDIC insured pursuant to 12 U.S.C. § 1818(q) and 12 C.F.R. § 307.2. GE Money Bank’s participation in the purchase and assumption is subject to approval by the Office of Thrift Supervision, pursuant to the Bank Merger Act, 12 U.S.C. § 1828(c). The Office of Thrift Supervision granted approval on November 16, 2007. The disposition of substantially all of the assets of CCB is also subject to OCC approval pursuant to 12 C.F.R. § 5.53.

### **C. Merger of CCRI into CCB**

In this merger, a nonbank subsidiary of CCB will merge into CCB. The merger is authorized under 12 U.S.C. § 215a-3.<sup>2</sup> Section 215a-3 authorizes a national bank to merge with a nonbank subsidiary or affiliate: “Upon the approval of the Comptroller, a national bank may merge with one or more of its nonbank subsidiaries or affiliates.” 12 U.S.C. § 215a-3(a), as added by section 1206 of the Financial Regulatory Relief and Economic Efficiency Act of 2000 (Title XII of the American Homeownership and Economic Opportunity Act of 2000), Pub. L. No. 106-569, 114 Stat. 2944, 3034 (December 27, 2000).

The OCC’s regulations implementing 12 U.S.C. § 215a-3 set out substantive and procedural requirements for the merger of a nonbank subsidiary or affiliate into the bank. *See* 12 C.F.R. § 5.33(g)(4). The regulation requires that the law of the state or other jurisdiction under which the nonbank affiliate is organized allow the nonbank affiliate to engage in such mergers. The regulation also imposes the following additional requirements that: (1) the bank comply with the procedures of 12 U.S.C. § 215a as if the nonbank affiliate were a state bank, (2) the nonbank affiliate follow the procedures for mergers of the law of its state of organization, and (3) shareholders of the nonbank affiliate have the dissenters’ rights provided by the law of the state under which the nonbank affiliate is organized. The regulation also provides that the OCC shall consider the purpose of the transaction, its impact on the safety and soundness of the bank, and any effect on the bank’s customers, and may deny a merger if it would have a negative effect in any such respect.

The OCC reviewed the proposed merger of CCRI into CCB and found that all requirements were satisfied. The OCC approves the merger of CCRI into CCB.

### **D. Merger of CCB into CUSA**

In this merger, CCB will merge into its parent, CUSA. CUSA will be the surviving entity, and CCB will cease to exist. This merger is authorized under 12 U.S.C. § 215a-3. As set out above, section 215a-3 authorizes a national bank to merge with a nonbank subsidiary or affiliate. The statute does not limit its scope to mergers in which the national bank is the surviving entity, and so a merger *into* a nonbank affiliate is within its scope. The OCC’s implementing regulation, discussed below, expressly provides for mergers into a nonbank affiliate. However, the regulation limits these transactions to mergers involving a national bank that is not an insured bank. CCB will not be an insured bank at the time of the merger.

The OCC’s regulations implementing 12 U.S.C. § 215a-3 set out substantive and procedural requirements for the merger of an uninsured national bank with its nonbank affiliate in which the

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<sup>2</sup> Because this merger and the subsequent merger of CCB into CUSA will occur only after CCB is no longer an insured bank, the mergers are not subject to review under the Bank Merger Act, 12 U.S.C. § 1828(c).

nonbank affiliate is the resulting entity. *See* 12 C.F.R. § 5.33(g)(5). The regulation requires that the law of the state or other jurisdiction under which the nonbank affiliate is organized allow the nonbank affiliate to engage in such mergers. The regulation also imposes the following additional requirements that: (1) the bank comply with the procedures of 12 U.S.C. § 214a as if it were merging into a state bank, (2) the nonbank affiliate follow the procedures for mergers of the law of its state of organization, and (3) shareholders of the national bank who dissent from the merger have the dissenters' rights set out in 12 U.S.C. § 214a. The regulation also provides that the OCC shall consider the purpose of the transaction, its impact on the safety and soundness of the bank, and any effect on the bank's customers, and may deny a merger if it would have a negative effect in any such respect.

The OCC reviewed the proposed merger of CCB into CUSA and found that all requirements were satisfied. The OCC approves the merger of CCB into CUSA.

### **Condition**

These approvals are subject to the following condition:

If the merger of CCB with and into CUSA does not occur within seven (7) calendar days after the sale of substantially all of CCB's assets to GE Money Bank, CCB shall immediately notify the OCC and submit a plan acceptable to the OCC to wind up its affairs and terminate its status as a national bank.

This condition of approval is a "condition 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 condition is enforceable under 12 U.S.C. § 1818.

### **Conclusion**

Accordingly, the OCC approves CCB's applications for a material noncash contribution to capital, for a fundamental change in asset composition, for the merger of CCRI into CCB, and for the merger of CCB into CUSA. These approvals are subject to the condition set out above. This conditional approval is also granted based on the information and representations made in the application. In particular, the approvals are based on CCB's representation that the mergers will occur shortly after the purchase and assumption transaction and the termination of CCB's status as an insured bank. In addition, our approval is contingent on CCB and the other parties receiving all other required regulatory approvals.

The OCC will not issue a letter certifying the consummation of the transactions until we have received:

1. Written confirmation that CCB is no longer FDIC insured.

2. CCB's charter certificate, and certification that all OCC Reports of Examination have been returned to the OCC, or destroyed.
3. A copy of the final Certificate of Merger filed with the Delaware Secretary of State.

This conditional 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. 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 improve our service.

If you have any questions, contact Senior Licensing Analyst Jim Bundy at 720-475-7650 or at [jim.bundy@occ.treas.gov](mailto:jim.bundy@occ.treas.gov).

Sincerely,

*signed*

Lawrence E. Beard  
Deputy Comptroller, Licensing

Enclosure