



Comptroller of the Currency
Administrator of National Banks

Washington D.C. 20219

**Conditional Approval #724
January 2006**

December 16, 2005

Ms. Courtney D. Allison
Wachovia Corporation
Legal Division, NC0630
One Wachovia Center
301 South College Street
Charlotte, NC 28288

**Re: Application by Wachovia Bank, National Association, Charlotte, NC to
Establish an Operating Subsidiary
OCC Application Number: 2005-ML-08-0010**

Dear Ms. Allison:

This is in response to your operating subsidiary application, filed on behalf of Wachovia Bank, National Association (Wachovia) on September 2, 2005. Wachovia proposes to establish an operating subsidiary, Structured Principal Strategies, LLC (SPS), to engage in certain permissible activities. Specifically, SPS will acquire, hold, and sell interests in certain loans and debt securities. This subsidiary will be chartered as a Delaware LLC, with its principal office located in Bermuda.

Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives, the Comptroller of the Currency (OCC) conditionally approves the bank's plan to establish SPS. The OCC's approval is subject to the following conditions:

1. SPS will engage only in those activities as represented by Wachovia in the December 9, 2005 supplement to its application, specifically, holding loans and bank permissible investment securities as authorized as 12 U.S.C. Section 24(Seventh) and 12 C.F.R. Part 1.
2. The books and records of SPS will be located at facilities of Wachovia or one of its subsidiaries in the United States; that Wachovia and SPS will maintain at facilities of Wachovia or one of its subsidiaries in the United States duplicate

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copies of any items required to be maintained in Bermuda; and that Wachovia and SPS will ensure prompt OCC access to all books and records;

3. If any impediments arise to satisfactory OCC access to SPS's books and records, or to OCC examination, supervision and regulation, the OCC may direct Wachovia to cease operations through SPS and Wachovia will do so within a timer period specific by the OCC.
4. No members may be added to SPS that are not subsidiaries or affiliates of Wachovia without the prior approval of the OCC.

The conditions of this 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 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

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. 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 NBE/Senior Licensing Analyst Ramah L. Chansen at (202) 874-4828 or Ramah.Chansen@occ.treas.gov.

Sincerely,

/s/ Lawrence E. Beard

Lawrence E. Beard
Deputy Director for Licensing