

Approval Letter - Operating Subsidiary Application

[OCC LOGO]

Date

Contact Person
Bank
Address
City, State, ZIP Code

Re: Operating Subsidiary (Bank Service Company), CAIS Control Number

Dear Mr. or Ms. (Name):

This is in response to your operating subsidiary application, filed on behalf of [bank's name] (the bank) on (*date*). The bank proposes to establish [or expand the activities of], an operating subsidiary (the subsidiary), to engage in certain permissible activities. Based 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) approves the bank's plan to conduct the following new activity (*briefly describe the activity and include the subsidiary's name provided by the bank in the filing*).

(For conditional approvals, list any special conditions or add one of the next three paragraphs if applicable)

We conclude that, subject to the following conditions, the bank may proceed with its plan:

(For minority, noncontrolling investment in LLC, add the following:)

Based upon the representations made on behalf of the bank, we conclude that the bank is legally permitted to make a noncontrolling investment in the (insert LLC's name)(LLC), provided the bank complies with the following:

- The subsidiary and LLC will engage only in activities that are part of, or incidental to, the business of banking.
- The bank, through the subsidiary, will limit its activities to those permissible for national banks or the bank will withdraw from the LLC in the event it engages in an activity that is inconsistent with the condition above.
- The bank will account for its investment in the LLC under the equity (*cost, if applicable*) method of accounting.
- The subsidiary and the LLC will be subject to OCC regulation, supervision, and examination.

(For general partnerships, add the following:)

- The operating subsidiary, partnership, and entity/company may engage only in activities that are part of, or incidental to the business of banking, and the bank must submit a notification to the OCC pursuant to 12 CFR 5.34 before these entities may engage in activities not covered by the present application.
- The bank, through the operating subsidiary, will have veto power over the activities and major decisions of the partnership or will withdraw from the partnership in the event it engages in activities that are not part of or incidental to the business of banking.
- The partnership (or company) and the activity will be subject to OCC regulation, supervision, and examination.

[If applicable] 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 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

[For all filings]. 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, contact *(name)* at *(telephone number)* or *(e-mail)*.

Sincerely,

—Signature—

Name and Title

cc: Official File
Congressional Liaison (if appropriate)