



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

December 28, 2000

**Conditional Approval #439
January 2001**

Elizabeth L. Mathieu Esq.,
Neuberger Berman, Inc.
605 Third Avenue
New York, New York 10158-3698

Re: New Bank Charter - Neuberger Berman National Trust Company
Seattle, Washington
CAIS Control Number: 2000-WE-01-0020

Dear Ms. Mathieu:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national trust bank which will engage solely in fiduciary activities, with the title Neuberger Berman National Trust Company, located in Seattle, Washington (the Bank). On December 28, 2000, after a thorough evaluation of all data available to the OCC, we granted preliminary conditional approval.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and will not be FDIC-insured.

This charter approval is subject to the following conditions:

- The Bank must maintain a minimum of \$2 million in Tier 1 capital at all times.
- The Bank and its parent, Neuberger Berman, Inc., must enter into a binding written agreement setting forth Neuberger Berman, Inc.'s obligations to provide capital maintenance and liquidity support to the Bank, if and when necessary. The terms and provisions of this capital and liquidity maintenance agreement must be acceptable to the Bank and the OCC, and shall include a provision for collateral to support those obligations, if required by the OCC.

- The Bank must maintain on file, at its premises, current financial information (e.g. audited financial reports, quarterly financial statements, 10-K and 10-Q reports as appropriate) on Neuberger Berman, Inc. The financial information must be provided to the Bank's supervisory office once it becomes available.
- The Bank shall provide Assistant Deputy Comptroller Nancy Wilson at the Seattle Field Office at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the bank's first three years of operation.

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.

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

The bank proposes to raise a minimum of \$3.5 million in capital prior to commencing operations. You are reminded that, pursuant to 12 CFR 5.20(i)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to the following persons serving as executive officers as proposed in the application. Any additional executive officers you propose to add prior to the bank opening for business are subject to the OCC's *prior* review and clearance.

President and Chief Executive Officer: Elizabeth Mathieu
 Senior Vice President of Investments: Joseph Collins, III
 Senior Vice President: Diane Lederman
 Senior Vice President: John Mack
 Senior Vice President: Robert Manley
 Senior Vice President and Senior Fiduciary Officer: Daniel Jaech

Senior Vice President and Chief Operating Officer: Phillip Ambrosio

The OCC poses no objection to the following persons serving as directors. Any other directors you propose to add prior to the bank opening are subject to the OCC's *prior* review and clearance.

| | |
|-------------------|-----------------|
| Elizabeth Mathieu | Howard Ganek |
| Richard Levine | Daniel Paduano |
| Janet Prindle | Heidi Schneider |
| Daniel Jaech | |

Our background investigation of proposed Director, Senior Vice President and Senior Fiduciary Officer Daniel Jaech and proposed Senior Vice President and Chief Operating Officer Phillip Ambrosio have not been completed. While we have decided not to object to them serving in the indicated positions at this time, if any adverse information is received for the remaining background checks, the OCC may use our supervisory authority to take appropriate actions to safeguard the bank.

You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

The OCC also granted your waiver request of the residency requirements of 12 USC 72 for the six members of the board of directors of Neuberger Berman National Trust Company who do not reside in the State of Washington. This waiver is granted based upon a review of all available information, including the filing (subsequent correspondence and telephone conversations), and the bank's representation that this waiver will not affect the board's responsibility to direct the bank's operations in a safe, sound, and legal manner. Please understand that the OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

Please direct any questions concerning preliminary conditional approval to Senior Licensing Analyst Maeve O'Meara at (415) 545-5923. 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.

Sincerely,
-signed-
 J. Greg Parvin
 Licensing Expert

Enclosures: "Corporate Organization" Booklet
 Minimum Policies and Procedures

Standard Requirements
Survey Letter