

**OFFICIAL ORDER OF
THE BANKING COMMISSIONER
ORDER NO. 2010-016**

IN RE: CONVERSION OF	§	BEFORE THE
	§	
KANALY TRUST COMPANY	§	
	§	BANKING COMMISSIONER OF TEXAS
HOUSTON, TEXAS, INTO KANALY	§	
	§	
TRUST, LTA, HOUSTON, TEXAS	§	AUSTIN, TEXAS

ORDER APPROVING CONVERSION

By application accepted for filing on January 4, 2010, Kanaly Trust Company, Houston, Texas, requested approval to convert to Kanaly Trust, LTA, Houston, Texas, a State limited trust association.

Based upon investigation and examination, I find that:

1. The trust institution has properly published notice of conversion as required by 7 TAC §21.5. No comments or protests were received in response to the publication;
 2. The trust institution is not engaging in a pattern or practice of unsafe and unsound fiduciary or banking practices;
 3. The trust institution has adequate capitalization for a state trust company to act as a fiduciary at the same locations as the trust institution is acting as a fiduciary before the conversion;
 4. The trust institution can be expected to operate profitably after the conversion;
 5. The officers and directors of the trust institution as a group have sufficient fiduciary experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the trust institution will operate as a state trust company in compliance with the law;
- and

6. Each principal shareholder has sufficient experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the trust institution will be free from improper or unlawful influence or interference with respect to the trust institution's operation as a state trust company in compliance with the law.

Consequently, I find that the conversion of Kanaly Trust Company, Houston, Texas, into Kanaly Trust, LTA, Houston, Texas, a State limited trust association, meets the requirements set forth in TEX. FIN. CODE §182.502.

IT IS THEREFORE ORDERED that the application of Kanaly Trust Company, Houston, Texas, to convert into Kanaly Trust LTA, a State limited trust association with no change in location, under Charter Number 1034-40, be and hereby is **APPROVED**.

Signed in triplicate original this 17th day of March, 2010.

/s/ Charles G. Cooper
Charles G. Cooper
Commissioner, Department of Banking