

**OFFICIAL ORDER OF
THE BANKING COMMISSIONER
ORDER NO. 2017-009**

IN THE MATTER OF:

CHARTER APPLICATION FOR	§	BEFORE THE BANKING
	§	
STRATA TRUST COMPANY	§	COMMISSIONER OF TEXAS
	§	
AUSTIN, STATE	§	AUSTIN, TRAVIS COUNTY, TEXAS

ORDER APPROVING TRUST COMPANY CHARTER

Pursuant to Section 182.003 of the Texas Finance Code (the “Code”), I, Charles G. Cooper, Banking Commissioner of the State of Texas (the “Commissioner”), find that after statutory notice was given to the public and to all interested parties in the manner provided by law, and after review and consideration of the application on file, the investigation report, and certain representations that:

1. The public convenience and advantage will be promoted by the establishment of the proposed trust company;
2. The proposed organizational and capital structure and amount of initial capitalization is adequate for the proposed business and location;
3. The anticipated volume and nature of business indicates a reasonable probability of success and profitability based on the market to be served;
4. The proposed officers and directors, as a group, have sufficient fiduciary experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the trust company will operate in compliance with law and that success of the trust company is probable;
5. Each principal shareholder has sufficient experience, ability, standing, competence,

trustworthiness, and integrity to justify a belief that the state trust company will be free from improper or unlawful influence or interference with respect to the trust company's operation in compliance with law; and

6. The organizers are acting in good faith.

THEREFORE, I, Charles G. Cooper, Banking Commissioner, hereby grant and approve the charter application of Strata Trust Company, Austin, Texas upon the following conditions:

- A. After consideration of the safety and soundness factors enumerated in Section 182.008(b) of the Code, the Commissioner finds that the proposed \$4 million in restricted capital is adequate to protect the safety and soundness of the state trust company. Therefore, the state trust company may begin operations with no less than \$4 million in restricted capital. In the event that restricted capital falls below the required restricted capital level, the trust company will take action to restore restricted capital to the required level by no later than 30 days after the end of the quarter after the event occurs;
- B. The trust company will provide the Commissioner with at least 30 days prior written notice of any proposed change of any individual to the board of directors or senior executive officer position of the trust company for a period of three years following approval of its charter;
- C. No dividends will be declared or paid by the trust company for the first three years of operation without the express written approval of the Commissioner;
- D. From the date of this Order through the first three years of operation, the trust company will provide written notification to the Commissioner at least 60 days in advance of any change in or deviation from the Business Plan submitted in the charter application. The

notice must contain, at a minimum, a summary of the anticipated change, any resulting management changes, pro forma financial statements that measure the impact of the change to the original plan, and the Board's risk assessment of the change.

For the calendar years ending December 31, 2017, December 31, 2018, and December 31, 2019, the trust company will compare its Business Plan to actual performance, noting and explaining in writing any material deviations and affirmative actions which will be taken to correct any materially adverse deviations. This comparison will be submitted to the Department of Banking on or before March 15 following each period;

- E. The trust company will obtain annual unqualified audits of its corporate financial statements or an unqualified audit of its parent company that includes a separate schedule of the trust company's balance sheet and income statement;
- F. The trust company will obtain agreed upon audit procedures for its fiduciary activities;
- G. The trust company's Board of Directors will adopt the Statement of Trust Principles prior to opening; and,
- H. The trust company will provide, once the charter and related reorganization merger are effective, support that adequate bond coverage has been obtained that complies with Section 183.112 of the Code.

IT IS THEREFORE ORDERED that the application for a Texas state trust company for Strata Trust Company, Austin, Texas, subject to the conditions set forth above and under Charter Number 1047-29, be and hereby is **APPROVED**.

Signed in triplicate original this 21st day of July, 2017.

/s/ Robert Bacon for Charles G. Cooper
Charles G. Cooper
Commissioner, Department of Banking