

**OFFICIAL ORDER OF
THE BANKING COMMISSIONER
ORDER NO. 2011-023**

IN THE MATTER OF:

CHARTER APPLICATION FOR	§	BEFORE THE BANKING
	§	
SAN ANTONIO TRUST COMPANY, LTA	§	COMMISSIONER OF TEXAS
	§	
SAN ANTONIO, TEXAS	§	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”), finds 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 and the investigation report finds 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 San Antonio Trust Company, LTA upon the following conditions:

- A. After consideration of the safety and soundness factors enumerated in Section 182.003 of the Texas Finance Code, the Commissioner finds that the proposed scope or type of operations of San Antonio Trust Company requires additional restricted capital to protect the safety and soundness of the trust company and therefore finds that San Antonio Trust Company must maintain no less than \$3,000,000 in restricted capital. In the event that restricted capital falls below \$3,000,000, the Board will take action to restore restricted capital to \$3,000,000 by no later than 30 days after the end of the quarter after the event occurs;
- B. San Antonio Trust Company will provide the Commissioner with at least 30 days prior written notice of any proposed change of any individual to the Board or senior executive officer for a period of two years after approval of its charter;
- C. No dividends will be declared or paid by San Antonio 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 proposed

management changes as a result of the change, pro forma financial statements that measure the impact of the change to actual results, to date, and to the original plan, and the Board's risk assessment of the change. For the calendar years ending December 31, 2011, December 31, 2012, and December 31, 2013, 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. San Antonio Trust Company will obtain annual unqualified audits of the corporate financial statements and agreed upon audit procedures for its fiduciary activities. In addition, annual Information Technology, Bank Secrecy Act/Anti-Money Laundering, and internal control audits should be performed;
- F. San Antonio Trust Company's Board will adopt a Statement of Trust Principles prior to opening;
- G. San Antonio Trust Company will develop a Director Training Program before the Certificate of Authority is issued. This Program will include, at a minimum, a review and assessment of the directors' training needs, identification of training providers, and a proposed training schedule for each director;
- H. San Antonio Trust Company will obtain, prior to accepting any fiduciary appointments, adequate bond coverage that complies with Section 183.112 of the Code; and,
- I. San Antonio Trust Company will not enter into any intercompany service or lease agreement with an affiliate without the prior written permission of the Commissioner.

IT IS THEREFORE ORDERED that the application for a Texas state trust company for San Antonio Trust Company, LTA, San Antonio, Texas, subject to the conditions set forth above and under Charter Number 1037-21, be and hereby is **APPROVED**.

Signed in triplicate original this 31st day of May, 2011.

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