

**OFFICIAL ORDER OF
THE BANKING COMMISSIONER
ORDER NO. 2019-005**

IN THE MATTER OF:

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| CHARTER APPLICATION FOR | § | BEFORE THE BANKING |
| | § | |
| BOLTON TRUST COMPANY, L.T.A. | § | COMMISSIONER OF TEXAS |
| | § | |
| DALLAS, TEXAS | § | AUSTIN, TRAVIS COUNTY, TEXAS |

ORDER APPROVING FAMILY LIMITED TRUST ASSOCIATION 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 family limited trust association;
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 family limited trust association will operate in compliance with law and that success of the family limited trust association is probable;
5. Each principal shareholder has sufficient experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the family limited trust association

will be free from improper or unlawful influence or interference with respect to the family limited trust association'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 Bolton Trust Company, L.T.A. upon the following conditions:

- A. Bolton Trust Company, L.T.A. will maintain no less than \$500,000 in restricted capital. In the event that restricted capital falls below \$500,000, the Board will take action to restore restricted capital to at least \$500,000 by no later than 30 days after the end of the quarter after the event occurred;
- B. For a period of two years after approval of the charter, Bolton Trust Company, L.T.A. 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 and will not make the noticed change if the Commissioner objects within 30 days of receipt of the notice;
- C. No dividends will be declared or paid by Bolton Trust Company, L.T.A. 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, Bolton Trust Company, L.T.A. 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;

- E. For the calendar years ending December 31, 2019, December 31, 2020, and December 31, 2021, Bolton Trust Company, L.T.A. 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;
- F. Bolton Trust Company, L.T.A. will obtain annual unqualified audits of the corporate financial statements and agreed upon procedures audits for its fiduciary activities;
- G. Bolton Trust Company, L.T.A.'s Board will adopt a Statement of Trust Principles prior to the opening; and
- H. Bolton Trust Company, L.T.A. will obtain, prior to accepting any fiduciary appointments, adequate bond coverage that complies with Section 183.112 of the Code.

Due to the limited scope of the business to be conducted by Bolton Trust Company, L.T.A., I hereby grant the family limited trust association the following exemptions pursuant to Section 182.011 of the Code and 7 TAC § 21.24, all other requests for exemptions pursuant to Section 182.011 or the related regulation being specifically denied:

1. Bolton Trust Company, L.T.A. may acquire its own shares or participation shares, as long as restricted capital, adjusted for negative capital amounts, remains at least \$500,000. Provided that restricted capital, adjusted for any negative capital amounts, does not decrease below \$500,000, Bolton Trust Company, L.T.A. shall be deemed to be operating in accordance with Section 184.102 of the Code and this Order;
2. Bolton Trust Company, L.T.A. may operate with a Board of not less than three or more

than 25 directors, managers, or managing participants. Provided that Bolton Trust Company, L.T.A. operates within these limits, it shall be deemed to be operating in accordance with Sections 182.002(a)(11) and (c) and 183.103 of the Code and this Order; and

3. Bolton Trust Company, L.T.A. may operate with a Board upon which sits at least one member who is a resident of Texas. Provided that Bolton Trust Company, L.T.A. has at least one Texas resident on its Board, it shall be deemed to be operating in accordance with Section 183.103(a) of the Code and this Order.

IT IS THEREFORE ORDERED that the application for a Texas family limited trust association for Bolton Trust Company, L.T.A., Dallas, Texas, subject to the conditions set forth above and under Charter Number 1051-38, be and hereby is **APPROVED**.

Signed in triplicate original this 28th day of January, 2019.

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