

**OFFICIAL ORDER OF  
THE BANKING COMMISSIONER  
ORDER NO. 2020-007**

**IN THE MATTER OF:**

<b>CHARTER APPLICATION FOR</b>	<b>§</b>	<b>BEFORE THE BANKING</b>
	<b>§</b>	
<b>KETTLEMAN TRUST COMPANY LTA</b>	<b>§</b>	<b>COMMISSIONER OF TEXAS</b>
	<b>§</b>	
<b>MIDLAND, TEXAS</b>	<b>§</b>	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

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**ORDER APPROVING FAMILY TRUST COMPANY CHARTER**

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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 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 state trust company will operate in compliance with law and that success of the family trust company is probable;
5. Each principal shareholder has sufficient experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the family trust company will be free

from improper or unlawful influence or interference with respect to the family 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 grants and approves the charter application of Kettleman Trust Company LTA upon the following conditions:

- A. The family trust company 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 three years after approval of the charter, the family 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 and will not make the noticed change if the Commissioner objects within 30 days of receipt of the notice;
- C. For a period of three years following the opening, the family trust company will not declare or pay any dividend without the prior written approval of the Commissioner if the dividend would cause family trust company's restricted capital to decline below \$500,000;
- D. From the date of this Order through the first three years of operation, the family 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 the original plan, and the Board's risk assessment of the change.

- E. For the calendar years ending December 31, 2020, December 31, 2021, and December 31, 2022, the family 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;
- F. The family trust company will obtain annual unqualified audits of the corporate financial statements and agreed upon procedures audits for its fiduciary activities;
- G. The Board will adopt a Statement of Trust Principles acceptable to the Commissioner prior to the opening of the family trust company; and
- H. The family trust company will obtain and maintain adequate fiduciary bonding coverage.

Due to the limited scope of the business to be conducted, I hereby grant the family trust company 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. The family trust company may operate with a Board of not less than three or more than 25 directors, managers, or managing participants. Provided that the family trust company 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.

**IT IS THEREFORE ORDERED** that the application for a Texas family trust company for Kettleman Trust Company LTA, Midland, Texas, subject to the conditions set forth above and under Charter Number 1053-13, be and hereby is **APPROVED**.

Signed in triplicate original this 27<sup>th</sup> day of February, 2020.

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