

**OFFICIAL ORDER OF
THE BANKING COMMISSIONER
ORDER NO. 2023-033**

IN THE MATTER OF:

CHARTER APPLICATION FOR	§	BEFORE THE BANKING
	§	
HHW PTC, L.T.A.	§	COMMISSIONER OF TEXAS
	§	
DALLAS, TEXAS	§	AUSTIN, TRAVIS COUNTY, TEXAS

ORDER APPROVING FAMILY 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 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, Commissioner, hereby grants and approves the charter application of HHW PTC, L.T.A. 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. 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 position for a period of three years after approval of its charter, 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 for the first three years of operation without receiving prior written approval from the Commissioner if the dividend would cause the 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, a pro forma

financial statement that measure the impact of the change to actual results and to the original plan, and the Board's risk assessment of the change. Such change in or deviation from the Business Plan submitted in the charter application must be approved in writing by the Commissioner before implementing any such change;

- E. For the calendar years ending December 31, 2023, December 31, 2024, and December 31, 2025, 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 family trust company's Board of Directors will adopt a Statement of Trust Principles prior to opening; and,
- H. The family trust company will obtain, prior to accepting any fiduciary appointments, adequate bond coverage that complies with TFC §183.112.

Due to the limited scope of the business to be conducted, I hereby grant the family trust company the following exemptions pursuant to Sections 182 and 184 of the Code and 7 TAC § 21.24, all other requests for exemptions pursuant to the noted Sections or the related regulation being specifically denied:

1. The family trust company is granted a partial exemption from the restrictions of Section 182.008(a) of the Code regarding a state trust company must have and maintain restricted capital of no less than \$2 million in capital. The family trust company is permitted to maintain no less than \$1 million in capital of which no less than \$500,000 is in the form

of restricted capital;

2. The family trust company is granted a partial exemption from the restrictions of Section 184.102(1)(2) of the Code regarding transactions in its own shares of stock. The family trust company may engage in transactions involving its own stock, provided that the amount of restricted capital remains at or above the minimum restricted capital of \$500,000 as a result of the transaction. The Commissioner's prior written approval must be obtained for any transaction that results in a minimum restricted capital level of less than \$500,000; and,
3. 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 limited trust association for HHW PTC, L.T.A., Dallas, Texas, subject to the conditions set forth above and under Charter Number 1057-37, be and hereby is **APPROVED**.

Signed in triplicate original this 31st day of October, 2023.

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