



**Conditional Approval #1269**  
**July 2021**

June 9, 2021

Rebecca H. Laird, Of Counsel  
K&L Gates, LLP  
1601 K Street NW  
Washington, DC 20006

Re: Application by Hightower Trust Services, LTA, Houston, Texas, to Convert to a National Trust Bank  
OCC Control Number: 2020-NE-Conversion-318720

Dear Ms. Laird:

The Office of the Comptroller of the Currency (OCC) hereby approves the application by Hightower Trust Services, LTA (Hightower LTA) Houston, Texas, to convert (the Conversion) to a national trust bank (the Application) operating under the title Hightower Trust Company, National Association (Bank). This approval is granted after a thorough review of the Application, as amended and supplemented, other materials you have supplied, and other information available to the OCC, including commitments and representations made by the applicant's representatives during the application process. This approval is also subject to the pre-conversion requirements in the separate Supplemental Letter and conditions set out herein.

**I. The Conversion**

Hightower LTA filed an application to convert to a national trust bank under 12 USC 35 and 12 CFR 5.24. A state bank, including a state trust company, may convert into a national bank under 12 USC 35 with the approval of the OCC.<sup>1</sup> Hightower LTA is a state trust company organized under Texas law and is authorized to convert to a national bank under 12 USC 35 and 12 CFR 5.24.

The OCC concludes that the Conversion meets the criteria in 12 USC 35. First, the Conversion would not be in contravention of applicable law. Hightower LTA also meets the other criteria in section 35, including shareholder approval. Thus, the Conversion is authorized under section 35. In addition, the OCC has reviewed the factors applicable to the Conversion under

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<sup>1</sup> See, e.g. OCC Conditional Approval #1170 (May 2017).

12 CFR 5.13(b) and 5.24(e)(2) and found them consistent with approval. As noted above, the Bank will be a national bank whose operations are limited to those of a trust company and activities related thereto under 12 USC 27(a).<sup>2</sup>

## **II. Fiduciary Activities**

As part of its conversion application, Hightower LTA also seeks OCC approval to exercise fiduciary powers pursuant to 12 USC 92a and 12 CFR 5.26. The OCC has reviewed the criteria set forth in 12 USC 92a(i) and the factors in 12 CFR 5.26(e)(2)(iii) for national banks seeking to exercise fiduciary powers. Based on a thorough review of all information available, including the representations and commitments made in the application and by Hightower LTA's representatives, the OCC hereby grants the Bank the authority to exercise fiduciary powers under 12 USC 92a and 12 CFR 5.26.<sup>3</sup> Post conversion, the Bank will designate Texas State as the state in which it acts in a fiduciary capacity for purposes of 12 CFR 9.7.

Upon its conversion, the Bank will solely perform the functions and activities that may be performed by a trust company, including activities of a fiduciary, agency, or custodial nature, in the manner authorized by federal and state law.

## **III. Pre-Conversion Requirements**

The following items must be satisfied on or before the effective date of the Conversion:

1. The Bank must satisfy the pre-conversion requirements outlined in the separate Supplemental Letter issued by the OCC. The OCC will advise the Bank when these pre-conversion requirements have been satisfied.
2. The Bank must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists factors the directors should consider to determine adequacy.
3. The Bank must apply for membership in the Federal Reserve System.
4. The Bank must ensure all other required regulatory approvals have been obtained.
5. The directors of the Bank must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.

Upon completion of all steps required to convert to a national banking association, the enclosed Conversion Completion Certification certifying completion should be submitted. Please provide the OCC with advance notice of the Conversion. The OCC will review and confirm that all steps have been satisfactorily completed. When the Bank has satisfactorily completed all of the above

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<sup>2</sup> See OCC Interpretive Letter #1176 (January 2021) (IL 1176).

<sup>3</sup> See IL 1176.

steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a national bank. Shortly after conversion, you will receive a charter certificate.

If the Conversion is not consummated within 6 months from the date of this approval, the approval will automatically terminate, unless the OCC grants an extension. The OCC does not grant extensions of the approval period, except under extenuating circumstances, and expects the Conversion to occur as soon as possible after approval.

#### **IV. Conditions**

Approval of the Conversion is subject to the following conditions under 12 USC 1818:

1. The Bank shall limit its business to the operations of a trust company and activities related or incidental thereto. The Bank shall not engage in activities that would cause it to be a “bank” as defined in section 2(c) of the Bank Holding Company Act.
2. Within three (3) business days after the Conversion, the Bank shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC. This condition shall remain in effect until the Operating Agreement is terminated under the provisions set forth in the Operating Agreement.
3. Within three (3) business days after the effective date of the Operating Agreement between the Bank and the OCC, the Bank shall enter into a written Capital and Liquidity Support Agreement (CSA) with HT Holding LLC, Hightower Intermediate, LLC, and Hightower Holding, LLC and the OCC on terms and conditions acceptable to the OCC, setting forth HT Holdings, LLC’s, Hightower Intermediate, LLC’s, and Hightower Holding, LLC’s obligation to provide capital and liquidity support to the Bank, if and when necessary. The Bank shall thereafter implement and adhere to the terms of the CSA.
4. Within three (3) business days after the effective date of the Operating Agreement between the Bank and the OCC, the Bank shall enter into a written Capital Assurance and Liquidity Maintenance Agreement (CALMA) with HT Holding LLC, Hightower Intermediate, LLC, and Hightower Holding, LLC on terms and conditions acceptable to the OCC, setting forth HT Holding LLC’s, Hightower Intermediate, LLC’s, and Hightower Holding, LLC’s obligation to provide capital and liquidity support to the Bank, if and when necessary. The Bank shall thereafter implement and adhere to the terms of the CALMA.

These conditions are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

## V. Conclusion

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The OCC's approval is based on the representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval, if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, please contact Senior Licensing Analyst Sandya Reddy at (212) 790-4055 or by e-mail at [Sandya.Reddy@occ.treas.gov](mailto:Sandya.Reddy@occ.treas.gov). Please include the OCC control number on any correspondence related to this filing.

Sincerely,

/s/

Marva V. Cummings  
Director for District Licensing

Enclosure: Conversion Completion Certification Form