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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Conditional Approval #726**  
**January 2006**

December 21, 2005

Mr. Christopher J. Adam  
Senior Counsel  
Wells Fargo & Company  
Law Department  
800 Walnut Street  
Des Moines, IA 50309

Dear Mr. Adam:

This addresses your application, pursuant to 12 C.F.R. 5.34(e)(5)(i), for Wells Fargo Bank, National Association (the Bank), to hold two entities as operating subsidiaries.

The two entities were created as part of a transaction entered into in 2003 between Wells Fargo Bank Nevada, N.A. (now merged into the Bank) and an unaffiliated financial services company in the United Kingdom as part of a mechanism to provide an additional source of funding for the Bank. One entity, referred to as Denali, is a limited partnership formed in the Cayman Islands. The Bank, through an operating subsidiary, holds a limited partnership interest in Denali. The other entity, referred to as Everest, is a special purpose entity formed under the laws of Luxembourg. Everest is owned by several foreign investors.

You have now advised the OCC that this transaction is being unwound and in the course of unwinding the transaction, the Bank, directly or indirectly, will become the sole general partner and sole limited partner of Denali and will acquire all of the ownership interests in Everest. Following the unwinding, all third party financing arrangements will be terminated and the sole purpose of Denali and Everest will be to hold bank-eligible assets.<sup>1</sup>

In this regard, you represent that the functions of Denali after the unwinding will be limited to the following and that it will engage in no new business activities: continuing to hold equity securities that it acquired from Everest as part of the original transaction; maintaining a registered office in the Cayman Islands and such statutory registers and records as required by local law or as the Bank or its operating subsidiaries may deem reasonably necessary or

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<sup>1</sup> You have advised the OCC that the transaction is being unwound because of changes in United States tax law. Following the unwinding, no unrelated third parties will be involved in the transaction except that a third party asset manager and a third party collateral services manager will continue to provide asset management and collateral management/custodial services with respect to the asset-backed securities and assets held by Everest. You advise that Wells will retain the ability at any time and for any reason upon 60 days' notice, or upon a shorter notice period if certain events occur, to terminate the services of these entities.

advisable; and such other bank-permissible activities that the Bank deems necessary or advisable to carry out either of the foregoing.

Similarly, following the unwinding, the Bank represents that the activities of Everest will be limited to the following and that it will engage in no new business activities: holding asset-backed notes that it originally acquired from Denali and the foreign investors in exchange for equity securities; maintaining and investing proceeds from the asset-backed securities and bank-eligible investments that it holds; maintaining a registered office in Luxembourg and such statutory registers and company records as required by local law or as the board of directors, as designated by the Bank, may deem reasonably necessary or advisable; and such other bank-permissible activities that the board of directors may reasonably deem necessary or advisable for the carrying out of any of the foregoing.

You represent that, assuming timely completion of the restructuring in 2005, the Bank anticipates that the activities of Denali and Everest will terminate in the normal course before the end of 2006 and, upon cessation of activities, proceedings to liquidate Denali and Everest will begin, if not already begun.

The activities of Denali and Everest, holding bank-eligible assets, are permissible activities for an operating subsidiary of a national bank.<sup>2</sup> Moreover, the Bank's ownership interest in Denali and Everest is consistent with treatment of those entities as operating subsidiaries.<sup>3</sup>

Consequently, based upon a through review of the information and representations contained in your application and supplementary materials, we conclude that the Bank may acquire Denali and Everest, as described, as operating subsidiaries, subject to the following conditions that are consistent with the Bank's representations in the application:

1. Denali and Everest will engage only in activities permissible for a national bank and its operating subsidiaries and will not engage in any activities not otherwise described in the application.
2. Duplicate copies of the books and records of Denali and Everest will be located at facilities of the Bank or of an operating subsidiary of the Bank in the United States.
3. Denali and Everest will be subject to OCC examination, supervision and regulation and the Bank will ensure prompt OCC access to all books and records of Denali and Everest.
4. The Bank will not take any action to cause any partnership or equity interests in either Denali or Everest to be transferred, sold, or otherwise issued to any third-party not

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<sup>2</sup> 12 C.F.R. § 5.34(e)(5)(v)(A).

<sup>3</sup> *Id.* at § 5.34(e)(2). Everest is wholly owned indirectly by the Bank. With respect to Denali, we note that the OCC has recognized that a limited partnership in which a national bank, directly or indirectly, is the sole general partner and sole limited partner, may be considered to be an operating subsidiary. OCC Corporate Decision 2004-16 (September 10, 2004).

affiliated with the Bank (other than in connection with a complete sale of all such partnership or equity interests or in connection with the liquidation or dissolution of such entities), or otherwise transfer voting control of Denali or Everest, without first submitting a new application to the OCC under 12 C.F.R. § 5.34 (notwithstanding the provisions of § 5.34(e)(5)(iv) or (vi), § 5.36 or other applicable law or regulation) or seeking a legal opinion from the OCC as appropriate.

5. The activities of Denali and Everest will be wound up in the normal course before the end of 2006 and, upon the winding up of the activities, if not already begun, the Bank will begin liquidation proceedings with respect to both Denali and Everest.

The conditions of this approval are conditions imposed in writing by the agency in connection with the granting of an application or other request within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The 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 foregoing may not be waived or modified by any employee or agent of the OCC or the United States. In the event of questions, please contact Ramah Chansen, Senior Licensing Analyst, at (202) 874-5060 or by e-mail: [largebanks@occ.treas.gov](mailto:largebanks@occ.treas.gov).

Sincerely,

*/s/ Lawrence E. Beard*

Lawrence E. Beard  
Deputy Comptroller, Licensing

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