



July 19, 2018

**Conditional Approval #1202  
August 2018**

Mark E. Plotkin, Partner  
Covington & Burling LLP  
One CityCenter  
850 Tenth Street, NW  
Washington, DC 20001

Re: Notice of Change in Bank Control - Marks Moskvins and Maksims Jarosevskis to acquire control of Colorado National Bank, Palisade, CO  
OCC Control Number 2017-WE-CBCA-300812

Dear Mr. Plotkin:

The Office of the Comptroller of the Currency (OCC) has reviewed and evaluated the Notice of Change in Bank Control (Notice) filed by Marks Moskvins and Maksims Jarosevskis, to acquire control of Colorado National Bank, Palisade, CO. Based upon a thorough review of all information available, including representations and commitments made by Messrs. Moskvins and Jarosevskis and their representatives in the Notice, the OCC does not intend to disapprove the proposed change in control. The OCC deemed the Notice to be technically complete on May 17, 2018, and on July 12, 2018, extended the 60-day review period for 30 days.

The OCC has determined that the statutory and regulatory factors, as set forth in 12 USC 1817(j)(7) and 12 CFR 5.50(f)(5) are consistent with this decision. The OCC may disapprove a notice if the OCC finds that: (1) the proposed acquisition of control would result in a monopoly or would further any monopoly or conspiracy to monopolize the business of banking anywhere in the United States; (2) the effect of the proposed acquisition may substantially lessen competition or tend to create a monopoly or in any other manner restrain trade and the anticompetitive effects are not clearly outweighed by benefits to the convenience and needs of the community to be served; (3) either the financial condition of any acquiring party or the future prospects of the bank is such as might jeopardize the stability of the bank or prejudice the interests of its depositors; (4) the competence, experience, or integrity of the acquiring party or of the proposed management indicate that it would not be in the interests of the depositors and the public for such persons to control the bank; (5) the acquiring party does not provide the OCC with all required information; or (6) the proposal would result in an adverse effect on the Deposit Insurance Fund.

The OCC's non-disapproval is subject to the following conditions, requiring Marks Moskvins and Maksims Jarosevskis (each, the Acquiring Person and together, the Control Group) to take certain actions and make certain commitments to their ownership interest in parallel-owned

banking organizations and other foreign affiliates. These conditions are intended to address regulatory concerns raised by parallel banking organizations.<sup>1</sup>

1. The Acquiring Person agrees to provide all information, without regard to whether such information is located within or without the United States, when requested, relating to:
  - a. enforcement or possible enforcement of, or any proceeding under, any U.S. law pertaining to the Acquiring Person or any of his related businesses
  - b. the direct or indirect ownership or control of Colorado National Bank (the Bank); and
  - c. the operations or activities of the Bank, or any institution-affiliated parties (IAP) regarding each thereof under U.S. law, including any unsafe or unsound practice or breach of fiduciary duty by the Bank, or by any IAP with respect to each thereof.
2. The Acquiring Person agrees to provide the OCC and its staff access, to permit the OCC and its staff to examine, and to provide the OCC and its staff with copies of, all books and records; access to electronic records that accurately reflect the information in the books and records; and any other information, of or concerning the Bank, as requested by the OCC or its staff, without regard to whether such books and records or other information are located within or without the United States.

“Books and Records” shall consist of audited financial statements, quarterly unaudited financial statements, composition of loan portfolio and loan loss reserve, composition of the investment portfolio, examination reports issued by applicable Latvian regulatory agencies, customary regulatory reports submitted to Latvian banking authorities, any and all notices of pending or threatened adverse regulatory action and any and all notices of pending or threatened action relating to or in connection with breach of fiduciary duty, fraud or violation of applicable securities laws. Books and Records may be redacted to remove references to personal data of individual customer information, personally identifiable financial information, and unique personal identifiers such as identity or account numbers.

3. Based on the opinions of counsel in the foreign jurisdictions where the Acquiring Person is a citizen, and where person resides, Acquiring Person understands and represents that there are no statutory or regulatory requirements of, or judicial interpretations in, these jurisdictions that would preclude or limit examination in such jurisdictions, or use in the United States, of the books and records of the Acquiring Person by the OCC and its staff. In addition, based on the opinion of counsel, the Acquiring Person understands and

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<sup>1</sup> The documents referenced in these conditions shall be provided to the OCC by the Control Group, translated into English and U.S. dollars by a certified translator, and with a certification that such translation is fair and accurate.

represents that there are no statutory or regulatory requirements of, or judicial interpretations in, these jurisdictions that otherwise would limit the ability of the Acquiring Person to comply fully with the commitments or representation Nos. 1 and 2 above, except to the extent that waivers of confidentiality by the Acquiring Person would be necessary to permit such examination or use of the Acquiring Person's books and records, which waivers the Acquiring Person hereby grants and agrees to grant on a continuing basis. The Acquiring Person understands and represents that there are no statutory or regulatory requirements of any jurisdiction that preclude, limit, or make ineffective in whole or in part any waiver of confidentiality as described in this commitment or representation.

4. The Acquiring Person consents and submits to the personal jurisdiction of any U.S. federal court of competent jurisdiction and of any Federal Banking Authority<sup>2</sup> for purposes of any investigation or possible investigation, action, subpoena, examination, or proceeding by any Federal Banking Authority, the U.S. Department of Justice, or the U.S. Department of the Treasury, relating to the administration or enforcement of any U.S. law or pursuant to any U.S. law, including, in particular, section 8 of the Federal Deposit Insurance Act. For purposes of this commitment or representation, the Acquiring Person shall at all times maintain in the United States a designated agent, acceptable to the OCC, to accept service on the Acquiring Person's behalf, including service of any process, notice, order, or subpoena. The Acquiring Person, as of this date, designates Covington & Burling LLP, c/o Randy Benjenk, Esq., located at 850 Tenth Street NW, Washington, DC, 20001, as agent to accept such service. The person will not change this designation without notice to, and consent of, the OCC or its staff.
5. The Acquiring Person agrees to submit the following documents to the OCC prior to the OCC's consideration of the proposal in connection with which these commitments or representations are submitted:
  - a. a notarized and authenticated or certified document, designating the agent(s) specified in commitment or representation No. 4 above to accept service on behalf of the Acquiring Person;
  - b. an opinion of independent counsel in the jurisdiction where the Acquiring Person is a U.S. citizen and, if different, where the Acquiring Person resides (i) that each of the commitments or representations is enforceable under the laws of the relevant jurisdiction, and (ii) that there are no statutory or regulatory requirements of, or judicial interpretations in, the relevant jurisdiction that would limit the ability of the Acquiring Person to comply fully with commitments or representations Nos. 1 and 2 above, subject to the need for a waiver of confidentiality as provided in commitment or

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<sup>2</sup> A Federal Banking Authority includes the OCC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.

- representation No. 3 above, or that would preclude, limit, or make ineffective in whole or in part any such waiver of confidentiality that is granted; and
- c. properly executed written documentation to effect a full waiver of confidentiality under the law of the relevant jurisdiction, as provided in commitment or representation No. 3 above.
6. No later than the time of consummation of the transaction, the Acquiring Person will provide to the Bank a list of his “related interests” (as defined in section 215.2 of Regulation O, 12 CFR 215.2) and a list of the Bank’s affiliates (as defined in 12 USC 371c(b)(1)) to be maintained by the Bank. The Acquiring Person will update these lists annually or more frequently as changes occur in “related interests” or affiliates. The Acquiring Person and each company that from time to time is controlled directly or indirectly by the Acquiring Person, acting alone or in concert with one or more other persons, will be deemed to be “insiders” of the Bank in all dealings with the Bank for purposes of Regulation O (12 CFR 215).
  7. The Acquiring Person commits or represents that dealings between the Bank and any company that is an “affiliate” of the Bank, which may include certain companies in which the Acquiring Person holds an interest, will be subject to the restrictions in 12 USC 371c and 371c-1, as implemented by Regulation W. For purposes of this commitment or representation, an extension of credit also includes a deposit by the Bank with an affiliate.
  8. The Acquiring Person and the Bank commit or represent that they will notify the OCC if the Bank engages in the following types of affiliate transactions: (1) transactions that will materially affect the Bank’s capital, (2) transactions that will materially affect the affiliate’s financial position, and (3) any back-to-back loan transactions between the Bank and any person (including affiliates) that benefit members of the Control Group.
  9. The Acquiring Person or the Bank will notify the OCC of any loan or deposit made by the Bank to an affiliate that has deposited or loaned funds to the Bank, provided the funding for the loan or deposit by the Bank is directly or indirectly linked to the affiliate’s funds on loan or deposit with the Bank.
  10. The Acquiring Person or the Bank will notify the OCC of any increase in permanent capital when the capital funds invested were received from any person who has obtained a loan or a deposit from the Bank or any affiliate, provided the funds for the increase in capital are directly or indirectly linked to the funds from the loan or deposit from the Bank.

11. The Acquiring Person will notify the OCC of any loan received by a member of the Control Group from any person who has obtained a loan or a deposit from the Bank, provided the funding for the Control Group loan is directly or indirectly linked to the funds from the loan or deposit from the Bank.
12. While a change in control notice is pending, the Acquiring Person will promptly notify the OCC of any changes or pending changes in affiliation.
13. The Acquiring Person and the Bank agree that the Bank will not engage in the international transfer, remittance, or payment of customer or Bank funds except in compliance with safe and sound formally adopted internal control procedures and operational safeguards, which shall include in all cases written documentation of all relevant information concerning each such transfer, remittance and payment, as adopted as a policy of the Bank and in compliance with all laws, regulations, orders, and directives applicable to the Bank and its officers, directors, and affiliates.
14. The Acquiring Person represents that the funds being used to establish or purchase the Bank are not derived directly or indirectly from SIA Transact Pro or its affiliates except to the extent that these funds are derived from usual profits and dividends from SIA Transact Pro or its affiliates.
15. Neither the Acquiring Person nor the Bank will incur any additional debt (other than small amounts incurred in the ordinary course of business) to any third party without the prior approval of the OCC.
16. None of the capital stock or debt of the Bank will be transferred or pledged to any third party without the prior approval of the OCC.
17. The Acquiring Person commits that the Bank will maintain capital ratios so that the Bank is at all times considered well-capitalized under 12 CFR 6.4(c)(1)(i)-(iv) (or any successor regulation required for well-capitalized institutions).

The conditions included in this non-disapproval constitute 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.

Mark E. Plotkin, Partner  
OCC Control Number 2017-WE-CBCA-300812

The transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause our decision to lapse and require the filing of a new notice by the acquiring parties if the acquirers wish to proceed with the change in bank control.

The date of consummation of this change in control must be provided to the Western District Office within 10 days after consummation. The transaction must be consummated as proposed in the Notice. If any of the terms, conditions, or parties to the transaction described in the Notice change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

The Control Group is reminded that prior to substantially changing the asset composition and activities the Bank will be conducting, the Bank must file an application and obtain OCC's approval, as required by 12 CFR 5.53.

This decision 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. Our decision is based on the Bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this decision 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.

You should include the OCC Control Number on any correspondence related to this filing. If you have any questions, contact Senior Licensing Analyst David Finnegan at 720-475-7650 or email at david.finnegan@occ.treas.gov.

Sincerely,

/s/

Stephen L. Lybarger  
Deputy Comptroller for Licensing