



**Conditional Approval #1210  
March 2019**

February 8, 2019

Jeffrey L. Hare, Esq.  
DLA Piper LLP (US)  
500 8th Street, NW  
Washington, D.C. 20004

Re: Application to charter ADP Trust Company, National Association, Wilmington, Delaware  
Director Citizenship and Residency Waivers  
OCC Control Numbers: 2018-NE-Charter-305362, 2018-NE-Waiver-305438 and  
2018-NE-Waiver-305439  
National Charter Number: 25173

Dear Mr. Hare:

The Office of the Comptroller of the Currency (“OCC”) hereby grants preliminary conditional approval for the application to charter ADP Trust Company, National Association, Wilmington, Delaware, an uninsured national bank limited to the activities of a trust company and activities related thereto. The OCC also grants the director citizenship waiver request and the request for waiver of director residency requirements. This preliminary conditional approval is granted after a thorough review of the application, other materials supplied by the applicant’s representatives, and other information available to the OCC, including commitments and representations made in the application and during the application process. This approval is subject to the pre-opening requirements and conditions set out herein.

The OCC’s decision to grant preliminary conditional approval is based on our determination that the charter application meets certain regulatory and policy requirements. This decision is also made with the understanding that the Bank will apply for Federal Reserve membership.

The OCC has granted preliminary conditional approval only. Final conditional approval and authorization for the Bank to open will not be granted until pre-opening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval if the OCC deems that any interim development warrants such action.

**The Proposed Bank**

An application was made to the OCC, under 12 U.S.C. §§ 21 through 27, 92a and 12 C.F.R. § 5.20, to charter ADP Trust Company, National Association, Wilmington, Delaware (“Bank”). The Bank would be an uninsured national bank whose operations would be limited to those of a

Jeffrey L. Hare, Esq.

February 5, 2019

OCC Control Nos. 2018-NE-Charter-305362, 2018-NE-Waiver-305438, 2018-NE-Waiver-305439

Page 2 of 5

trust company and activities related thereto. *See* 12 U.S.C. § 27(a) (last sentence). The application was made on behalf of Automatic Data Processing, Inc. (ADP) and certain direct and indirect wholly-owned subsidiaries of ADP, including ADP Pacific, Inc. (ADP Pacific), ADP Tax Services, Inc., ADP, LLC, and ADP Atlantic, LLC (ADP Tax Services, Inc., ADP, LLC, and ADP Atlantic, LLC, collectively the ADP Intermediate Subsidiaries). The Bank will be a direct wholly-owned subsidiary of ADP Pacific and an indirect wholly-owned subsidiary of ADP and the ADP Intermediate Subsidiaries. The Bank will serve as trustee of a single omnibus trust that will hold funds impounded periodically from clients of ADP for purposes of providing human capital management services and related payment obligations.

This preliminary conditional approval also constitutes the OCC's grant to the Bank of authority to conduct fiduciary powers, under 12 U.S.C. § 92a and 12 C.F.R. § 5.26.

### **Organizers, Directors and Officers**

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, and/or organizers as proposed in the application:

Name	Title
Michael Bonarti	Organizer, Director
Tom Corrigan	Organizer, Director
Michael Eberhard	Organizer, Director
William R. Herbert	Director
Mun Yee (Miranda) Ko	Organizer, Director, President
Yervant Manavian	Organizer
Leizl Mendiola	Organizer
Robert Laiacona	Chief Financial Officer

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position.

Background checks requested by the OCC have not been received yet for Mun Yee Ko and William R. Herbert. Accordingly, the continued service of Mun Yee Ko and William R. Herbert will be dependent on satisfactory completion of the background investigation process.

As indicated above, the OCC also grants your request to waive the citizenship requirement for one director and the residency requirements of 12 U.S.C. § 72 for three of the five members of the Bank's board of directors. The waivers are granted based upon a review of all available information and the Bank's representation that the waivers will not affect the board's ability to direct the Bank's operations in a safe, sound, and legal manner. The OCC reserves the right to

Jeffrey L. Hare, Esq.

February 5, 2019

OCC Control Nos. 2018-NE-Charter-305362, 2018-NE-Waiver-305438, 2018-NE-Waiver-305439

Page 3 of 5

withdraw or modify the waivers and, at its discretion, to request additional information at any time in the future.

### **Organizing Steps and Pre-opening Requirements**

The Bank's initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$14 million. The manner in which capital is raised must not deviate from that described in the application without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

The "Charters" booklet in the Comptroller's Licensing Manual provides guidance for organizing your bank. The booklet is located at the OCC's web site:

<https://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>. The booklet contains all of the steps you must take to receive final approval.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to the Northeastern District Licensing office for the OCC's review and acceptance. As a body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not engage in fiduciary activities until it fulfills all requirements for a bank in organization and the OCC grants final approval.

### **Conditions**

This approval is subject to following conditions:

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 opening the Bank shall enter into a written Operating Agreement with the OCC on terms and conditions acceptable to the OCC. The Bank shall thereafter implement and adhere to the terms of 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 ADP, the ADP Intermediate Subsidiaries, ADP Pacific and the OCC on terms and conditions acceptable to the OCC, setting forth ADP's, the

Jeffrey L. Hare, Esq.

February 5, 2019

OCC Control Nos. 2018-NE-Charter-305362, 2018-NE-Waiver-305438, 2018-NE-Waiver-305439

Page 4 of 5

ADP Intermediate Subsidiaries', and ADP Pacific'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 ADP, the ADP Intermediate Subsidiaries and ADP Pacific on terms and conditions acceptable to the OCC, setting forth ADP's, the ADP Intermediate Subsidiaries' and ADP Pacific'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 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

### **Other Requirements**

Within thirty (30) days of receipt of this preliminary conditional approval letter, organizers must provide to the OCC for its written non-objection, a written program that addresses training for the Board and management. The training must be specific to fiduciary operations, asset management, fiduciary laws and regulations (12 CFR 9), and operating a nationally chartered bank. The action plan must establish deadlines and monitor progress towards completion, with periodic updates provided to the OCC. The OCC expects training to be completed prior to the Bank's planned opening. The effectiveness of the training will be evaluated at the preopening examination.

### **Conclusion**

This preliminary conditional 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.

This preliminary conditional approval is based on the applicant's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this preliminary conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the any final approval. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Jeffrey L. Hare, Esq.

February 5, 2019

OCC Control Nos. 2018-NE-Charter-305362, 2018-NE-Waiver-305438, 2018-NE-Waiver-305439

Page 5 of 5

If you have any questions, please contact Wai-Fan Chang, Senior Licensing Analyst, Northeastern District Licensing at (212) 790-4055 or by e-mail at Wai-Fan Chang@occ.treas.gov. Please include the OCC Control Number listed above in all written correspondence.

Sincerely,

/s/

Stephen A. Lybarger  
Deputy Comptroller for Licensing