



December 16, 2020

**Conditional Approval #1255  
January 2021**

Andrew Gerlach  
Counsel  
Sullivan & Cromwell LLP  
125 Broad St.  
New York, NY 10004-2498

Re: Preliminary Conditional Approval of the Application to Charter  
American Challenger Bank, National Association  
Stamford, CT (Charter No. 25234) OCC Control No. 2020-NE-Charter-315544  
and related Director Citizenship Waiver, OCC Control No. 2020-NE-Waiver-317585

Dear Mr. Gerlach:

The Office of the Comptroller of the Currency (OCC) reviewed the application to establish a de novo national bank with the title American Challenger Bank, National Association (Bank). The OCC hereby grants preliminary conditional approval of the charter application upon determining that the proposal meets certain regulatory and policy requirements.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to modify, suspend or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following conditions:

1. The Bank shall: (i) give the New York Field Office at least sixty days prior written notice of its intent to significantly deviate or change from its business plan or operations (if such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required); and (ii) obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or

operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. This condition shall remain in effect during the Bank's first three years of operation;

2. The Bank shall maintain minimum capital levels commensurate with the prospective risk of the bank's business plan, with a Tier 1 leverage ratio of no less than 9.0 percent throughout the first three years of operation; and
3. After the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming the position. This condition shall remain in effect during the Bank's first two years of operation.

The conditions of this approval 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.

The Bank's initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$962.0 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.

Final approval will not be granted until and unless the Federal Reserve acts favorably on your Federal Reserve membership and the FDIC acts favorably on your application for deposit insurance. You must furnish the OCC with a copy of all related filings to the Federal Reserve and to the FDIC, including registration material. Please provide this information to Senior Licensing Analyst Carla Holiman.

In addition, the Bank must meet the preopening requirements outlined in a separate letter of today's date (Supplementary Letter). The requirements outlined in the Supplementary Letter must be satisfied prior to the Bank obtaining final approval to commence business.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<i>Name</i>	<i>Organizer</i>	<i>Director</i>	<i>Senior Executive Officer</i>
Raymond Quinlan	X	X	CEO
Felix Scherzer	X	X	COB and Pres
Dean Graham	-	X	CEO of Commercial Lending
Karl Roessner	-	X	-
Joshua Siegal	-	X	-
Andrew Morgan	X	-	CFO
Elizabeth Kenney Wynnick	X	-	Chief Risk Officer
Douglas McDonald	X	-	Chief of Mortgages
Eric Chacon	X	-	Chief Technology Officer

Not all background checks requested by the OCC have been received. Accordingly, the continued service of the above individuals will be dependent on satisfactory completion of the background investigation process.

The OCC also grants your request to waive the citizenship requirement of 12 USC 72 for Mr. Felix Scherzer. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and conversations, and the Bank’s representation that this waiver will not affect the board’s responsibility to direct the Bank’s operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for organizing your bank and contains all of the steps you must take to receive final approval. The booklet is located at the OCC's web site: <https://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>. 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 Senior Licensing Analyst Holiman for 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 begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

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. Our preliminary conditional approval 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 preliminary conditional 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

Andrew Gerlach, Counsel  
American Challenger Bank, National Association (Proposed)  
Stamford, CT (Charter No. 25234) CATS No. 2020-NE-Charter-315544

Please include the OCC control number on any correspondence related to this filing. If you have any questions, contact Senior Licensing Analyst Holiman at (770) 280-4428 or [carla.holiman@occ.treas.gov](mailto:carla.holiman@occ.treas.gov).

Sincerely,

/s/

Stephen A. Lybarger  
Deputy Comptroller for Licensing