



October 5, 2017

**Conditional Approval #1184
December 2017**

Lawrence D. Kaplan
Paul Hastings LLP
875 15th Street, N.W.
Washington, DC 20005

RE: Nordstrom FSB, Scottsdale, AZ (Bank)
Substantial Change in Assets
Capital Reduction
Home Office Relocation

Charter #715846
2017-WE-5.53-298998
2017-WE-Capital&Div-299001
2017-WE-Relocation-299004

Dear Mr. Kaplan:

The Comptroller of the Currency (OCC) conditionally approves the applications submitted by the Bank for a substantial change in assets and capital distribution. In addition, the OCC hereby approves the Bank's application to relocate its home office. The above referenced applications are collectively referred to as Applications. These approvals are granted after a thorough evaluation of the Applications, other materials supplied by the Bank's representatives, and other information available to the OCC, including commitments and representations made in the Applications and during the application process. The OCC's conditional approvals are subject to the conditions set out herein.

I. The Transactions

The Applications relate to a series of transactions pursuant to which the Bank's holding company proposes to exit the business of banking. The Bank is wholly owned by Nordstrom, Inc. (Nordstrom), a Washington corporation that is registered with the Board of Governors of the Federal Reserve System as a savings and loan holding company. The series of transactions includes a sale of assets to a third party, sales and transfers of assets to nonbank affiliates, a capital distribution, and a sale of the Bank to Charles Schwab Corporation (CSC). The steps are as follows:

Step 1. The Bank will sell all of its credit card accounts and related receivables (Account Transaction) to TD Bank, USA, N.A., Wilmington, DE (TD Bank).

Step 2. The Bank will sell approximately \$3.5 million in loans and certain investments to a nonbank affiliate.

Nordstrom FSB, Scottsdale, AZ
Charter #715846

Step 3. The Bank will engage in a capital distribution, pursuant to which it will distribute up to an aggregate of \$xx million in cash and non-cash assets to Nordstrom as represented in your application dated August 1, 2017.

Step 4. The Bank will relocate its home office from Scottsdale, Arizona to Henderson, Nevada.

Step 5. Nordstrom will sell 100 percent of the Bank's stock to CSC.

II. Authority

The Bank's proposed transfer of assets, in Steps 1 and 2, requires OCC approval under 12 CFR 5.53. See 12 CFR 5.53(c)(1)(i). The OCC has reviewed the relevant decision criteria under 12 CFR 5.53(d)(3) and 5.13(b) and has concluded that the transactions meet the relevant decision standards.

The Bank's proposed cash and non-cash capital distributions require OCC approval under 12 CFR 5.55(e). The OCC has reviewed the relevant decision criteria under 12 CFR 5.55(h) and 5.13(b) and has concluded that the capital distributions meet the relevant decision standards.

The Bank's proposed relocation of its home office requires OCC approval under 12 CFR 5.40. The OCC has reviewed the relevant decision criteria under 12 CFR 5.40 and 5.13(b) and has concluded that the proposed relocation is permissible under the relevant decision standards.

III. Conditions

The conditional approvals conveyed herein are subject to the following conditions:

- The proposed transactions shall occur as described in the Applications. The Bank shall not engage in any of the steps described in the Applications until CSC receives approval from the Board of Governors of the Federal Reserve System for its proposed acquisition of the Bank.
- The Bank shall not engage in the proposed capital distributions: (i) unless the Bank remains well capitalized, as defined in the OCC's Prompt Corrective Action regulations, at 12 CFR 6, upon consummation of the capital distribution; and (ii) until immediately before the consummation of the sale of the Bank to CSC.

Nordstrom FSB, Scottsdale, AZ
Charter #715846

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.

These conditional approvals are granted after a thorough review of all information available, including the representations and commitments made in the Applications and by the Bank’s representatives.

IV. Consummation Requirements

Within five (5) days of consummation of all steps described in the Applications, the Bank must furnish the following to the OCC:

- Copies of all required regulatory approvals
- Evidence of consummation of the transactions described in the Applications.

The Bank must immediately contact the OCC prior to consummating any of the steps described in the Applications if any of the steps will not occur substantially simultaneously or as described in the Applications.

If all steps of the transaction are not consummated within 12 months of this letter, these approvals shall automatically terminate, unless the OCC grants an extension of the time period.

These approvals and the activities and communications by OCC employees in connection with the Applications 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 approvals are 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 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.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service. You should include the OCC control number on any correspondence related to this filing.

Nordstrom FSB, Scottsdale, AZ
Charter #715846

If you have any questions, contact Licensing Specialist Lois Archuleta or Senior Licensing Analyst Louis Gittleman by e-mail at WE.Licensing@occ.treas.gov or by telephone at (720) 475-7650.

Sincerely,

signed

Robert G. Gaffney
Acting Director for District Licensing