



February 4, 2021

Greg Gilman  
Founder & Executive Chair  
Audaces Fortuna Inc.  
4741 42<sup>nd</sup> Ave, # 601  
Seattle, Washington 98116

Re: Application by Protego Trust Company, Seattle, Washington, to Convert to a National Trust Bank  
Application for Director Residency Waiver

OCC Control Numbers: 2020-HQ-Conversion-318271  
2021-HQ-Waiver-319182

Dear Mr. Gilman:

The Office of the Comptroller of the Currency (OCC) hereby approves the application by Protego Trust Company (Protego Trust) of Seattle, Washington, to convert (the Conversion) to a national trust bank (the Application) operating under the title Protego Trust Bank, National Association (PTBNA or the Bank).<sup>1</sup> This approval is granted after a thorough review of the Application, as amended and supplemented, other materials you have supplied, and other information available to the OCC, including commitments and representations made by the applicant's representatives during the application process. This approval is also subject to the requirements and conditions set out herein.

## **I. Introduction**

Protego Trust was originally formed as Glacier Formation, LLC, a Washington limited liability company. On June 29, 2020, the Washington State Department of Financial Institutions (Washington DFI) filed Protego Trust's organizational formation documents with the Washington Secretary of State to convert Glacier Formation, LLC, to Protego Trust, a Washington banking corporation, and issued a Washington State trust company charter. In order to engage in trust company activities under the state charter, Protego Trust must still receive a Certificate of Authority from the Washington DFI.

---

<sup>1</sup> Additionally, the OCC also approves the request for waiver of director residency requirements for PTBNA pursuant to 12 USC 72.

PTBNA would be a wholly-owned subsidiary of the to-be-formed Protego Corporation, a Washington State Corporation. Protego Corporation would be a partially-owned subsidiary of Science TC Investments, LLC (Science TC), a Delaware corporation.<sup>2</sup>

Protego Trust is a trust company and planned to engage in the activities of a trust company as authorized by the laws of Washington state. PTBNA plans to engage in the same activities that Protego Trust would engage in, that is activities in which Washington state trust companies are authorized to engage. Thus, PTBNA will be a national bank whose operations are limited to those of a trust company and activities related thereto under 12 USC 27(a).

PTBNA will provide nationwide services to its customers through a main office in Seattle, sales offices in Boston and New York, and through the internet. PTBNA will initially offer its services exclusively to institutional investors, corporate digital asset issuers, protocol digital asset issuers, digital asset exchanges, and high net worth individuals.

As its core product offering, PTBNA will provide cryptocurrency custody services in a fiduciary capacity for its clients by holding the unique cryptographic keys associated with Bitcoin and Ethereum. PTBNA anticipates expanding to support additional cryptocurrencies after launch. Eventually, PTBNA plans to offer custody services for additional types of digital assets beyond cryptocurrencies, including platform tokens, utility tokens, security tokens, commodities tokens, crypto-collectables, stable coins, and data.

Ancillary to its custody services, PTBNA will offer the following services in a fiduciary capacity:

- (1) determining whether a customer should claim forked assets,
- (2) staking its customers' assets to earn rewards, and
- (3) participating in the governance of certain blockchains that permit participants to use their digital assets to cast votes for decisions regarding blockchain protocols.

PTBNA plans to expand its business eventually to include:

- (1) a client-to-client trading platform for assets under custody with PTBNA,
- (2) a client-to-client lending platform whereby PTBNA will act as a financial intermediary,<sup>3</sup> and

---

<sup>2</sup> Prior to the conversion, a share exchange will occur whereby each share in Protego Trust will be exchanged for the same number/type of shares in Protego Corporation (the "Share Exchange"). The conversion of Protego Trust to PTBNA will occur after the completion of the Share Exchange.

<sup>3</sup> PTBNA will act solely as agent in these transactions and will not engage in lending directly.

- (3) a platform for the origination and issuance of new digital assets whereby asset owners can digitize existing and prospective assets.

## **II. The Conversion**

Protego Trust has filed an application to convert to a national trust bank under 12 USC 35 and 12 CFR 5.24. A state bank, including a state trust company, may convert into a national bank under 12 USC 35 with the approval of the OCC.<sup>4</sup> Protego Trust is a state trust company organized under Washington law and is authorized to convert to a national bank under 12 USC 35 and 12 CFR 5.24.

The OCC concludes that the Conversion meets the criteria in 12 USC 35. First, the Conversion would not be in contravention of applicable law. Protego Trust also meets the other criteria in section 35, including shareholder approval. Thus, the Conversion is authorized under section 35. In addition, the OCC has reviewed the factors applicable to the Conversion under 12 CFR 5.13(b) and 5.24(e)(2) and found them consistent with approval. As noted above, PTBNA will be a national bank whose operations are limited to those of a trust company and activities related thereto under 12 USC 27(a).<sup>5</sup>

## **III. Fiduciary Activities**

As part of its conversion application, Protego Trust also seeks OCC approval to exercise fiduciary powers pursuant to 12 USC 92a and 12 CFR 5.26.<sup>6</sup> The OCC has reviewed the criteria set forth in 12 USC 92a(i) and the factors in 12 CFR 5.26(e)(2)(iii) for national banks seeking to exercise fiduciary powers. Based on a thorough review of all information available, including the representations and commitments made in the application and by PTBNA's representatives, the OCC hereby grants PTBNA the authority to exercise fiduciary powers under 12 USC 92a and 12 CFR 5.26.<sup>7</sup> PTBNA will designate Washington State as the state in which it acts in a fiduciary capacity for purposes of 12 CFR 9.7 post-conversion.

Upon its conversion, PTBNA will solely perform the functions and activities that may be performed by a trust company, including activities of a fiduciary, agency, or custodial nature, in the manner authorized by federal and state law.

---

<sup>4</sup> See, e.g. OCC Conditional Approval #1170 (May 2017).

<sup>5</sup> See OCC Interpretive Letter #1176 (January 2021) (IL 1176).

<sup>6</sup> PTBNA amended its application to request full fiduciary powers. E-mail from Greg Gilman to David Finnegan, "conversion application amendment," January 7, 2021.

<sup>7</sup> See IL 1176.

#### **IV. Pre-Conversion Requirements**

The following items must be satisfied on or before the effective date of the Conversion:

1. PTBNA must have in place systems, policies, practices, procedures, and other measures, acceptable to the OCC, to ensure the safe and sound operation of the Bank. The board must also review those systems, policies, practices, procedures, and other measures continually and ensure the Bank's compliance with them. The OCC will advise the Bank when this pre-conversion requirement has been satisfied.
2. PTBNA must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists factors the directors should consider to determine adequacy.
3. PTBNA must apply for membership in the Federal Reserve System.
4. PTBNA must ensure all other required regulatory approvals have been obtained.
5. The directors of PTBNA must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.

Upon completion of all steps required to convert to a national banking association, the enclosed Conversion Completion Certification certifying completion should be submitted. Please provide the OCC with advance notice of the Conversion. The OCC will review and confirm that all steps have been satisfactorily completed. When the Bank has satisfactorily completed all of the above steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a national bank. Shortly after conversion, you will receive a charter certificate.

If the Conversion is not consummated within 18 months from the date of this approval, the approval will automatically terminate unless the OCC grants an extension. The OCC does not grant extensions of the approval period, except under extenuating circumstances, and expects the Conversion to occur as soon as possible after approval.

Background checks and other reviews for the senior executive officers and directors are still in process. The Bank may appoint the individuals and have them commence their duties before the Conversion, but their continued service after the Conversion is dependent on satisfactory completion of the background investigation process. The OCC will inform the Bank if it would have any objection to an individual continuing to serve after the Bank converts.

## **V. Conditions**

Approval of the Conversion is subject to the following conditions under 12 USC 1818:

1. PTBNA shall limit its business to the operations of a trust company and activities related or incidental thereto. PTBNA 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. PTBNA shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC, within three (3) business days after the Conversion. This condition shall remain in effect until the Operating Agreement is terminated under the provisions set forth in the Operating Agreement.
3. Within three (3) business days after the effective date of the Operating Agreement between PTBNA and the OCC, PTBNA shall enter into a written Capital and Liquidity Support Agreement (“CSA”) with Protego Corporation, Science TC, and the OCC on terms and conditions acceptable to the OCC, setting forth Protego Corporation’s and Science TC’s obligation to provide capital and liquidity support to PTBNA, if and when necessary. PTBNA 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 PTBNA and the OCC, PTBNA shall enter into a written Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) with Protego Corporation and Science TC on terms and conditions acceptable to the OCC, setting forth Protego Corporation’s and Science TC’s obligation to provide capital and liquidity support to PTBNA, if and when necessary. PTBNA 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 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

## **VI. Conclusion**

This 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 OCC’s approval is based on the 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.

Mr. Greg Gilman  
February 4, 2021  
Page 6 of 6

If you have any questions, please contact Senior Licensing Analyst David Finnegan at (720) 475-7650 or by e-mail at [David.Finnegan@occ.treas.gov](mailto:David.Finnegan@occ.treas.gov). Please include the OCC control number on any correspondence related to this filing.

Sincerely,

/signed/

Stephen A. Lybarger  
Deputy Comptroller Licensing

cc:

Ryan J. Straus  
Counsel  
Fenwick & West LLP  
1191 Second Avenue, 10<sup>th</sup> Floor  
Seattle, WA 98101