

October 15, 2025

Wendy M. Goldberg, Counsel
Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, NY 10001

Re: Application to Charter Erebor Bank, National Association, Columbus, Ohio (Proposed),
OCC Control No. 2025-Charter-342076, Proposed Charter No. 25357
Application for Residency Waivers, OCC Control No. 2025-Waiver-342510

Dear Ms. Goldberg:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Erebor Bank, National Association (proposed Bank). The OCC hereby grants preliminary conditional approval of your charter application upon determining that your proposal meets certain regulatory and policy requirements. Your request for residency waivers is also conditionally approved.

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 stock in a Federal Reserve Bank in accordance with 12 USC 222¹ and will obtain deposit insurance from the Federal Deposit Insurance Corporation.

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 rescind this preliminary conditional approval should the OCC deem any interim development to warrant such action.

Proposed Bank

Directors and controlling shareholders of Erebor Group, Inc. (EGI), a Delaware corporation, acting as the organizing group,² submitted an application to the OCC, pursuant to 12 USC 21 through 27 and 12 CFR 5.20 to establish a full-service national bank.

¹ See also 12 CFR 209.2.

² An organizing group consists of five or more natural persons acting on their own behalf, or serving as representatives of a sponsoring holding company, who apply to the OCC for a national bank or Federal savings association charter. See 12 CFR 5.20(d)(8). The organizers are identified below.

The Bank will be a full service insured national bank that plans to target its products and services to technology companies and ultra-high-net-worth individuals that utilize virtual currencies. The Bank plans to offer a variety of lending and deposit products and other related services. The Bank plans to hold non-asset backed virtual currencies on balance sheet to pay transaction fees (commonly referred to as “gas fees”) pursuant to 12 USC 24(Seventh). Twelve USC 24(Seventh) provides that national banks have the power “[t]o exercise...all such incidental powers as shall be necessary to carry on the business of banking...” Under 12 CFR 7.1000(d)(1), “[a]n activity is authorized for a national bank as incidental to the business of banking if it is convenient or useful to an activity that is specifically authorized for national banks or to an activity that is otherwise part of the business of banking.” Holding limited amounts of crypto-assets as principal to pay gas fees³ is convenient or useful to a bank’s permissible crypto-asset custody services.⁴ Thus, such activity is permissible as incidental to the business of banking.⁵

Merger

EGI intends to merge with and into the Bank (Merger) during the in-organization phase of the Bank under 12 USC 215a-3 and 12 CFR 5.33(g)(4). A merger between affiliates, including a merger under 12 USC 215a-3, is considered a purchase of assets by a bank from an affiliate, and a covered transaction, for purposes of Section 23A of the Federal Reserve Act⁶ and 12 CFR 223 (collectively, Regulation W).⁷ Twelve CFR 223.42(i) provides an exemption from Regulation W for the purchase of assets from an affiliate by a newly formed bank if the appropriate Federal banking agency approves the asset purchase in writing in connection with its review of the formation of the bank.⁸ In reviewing the Bank’s application, and consistent with the factors for approval of the Merger outlined below and the purpose of Section 23A of the Federal Reserve

³ EGI projects that the Bank would hold an average of \$1 million in gas fee related virtual currencies on balance sheet during the Bank’s first three years of operation.

⁴ See, e.g., OCC, Interpretive Letter 1170 (July 20, 2020) (IL 1170) (affirming that banks may provide crypto-asset custody services, which may include services such as facilitating the customer’s cryptocurrency and fiat currency exchange transactions, transaction settlement, trade execution, [recordkeeping], valuation, tax services, reporting, or other appropriate services); Interpretive Letter 1174 (Jan. 4, 2021) (IL 1174) (affirming that banks may act as nodes on a DLT network to verify customer payments and engage in certain stablecoin activities to facilitate payment transactions on a DLT network); and Interpretive Letter 1184 (May 7, 2025) (IL 1184) (affirming that banks may buy and sell assets held in custody at the custody customer’s direction and may outsource bank-permissible crypto-asset activities, including custody and execution services to third parties, subject to appropriate third-party risk management practices). Holding limited amounts of crypto-assets would “facilitate[] the production or delivery of a bank’s products or services, enhance[] the bank’s ability to sell or market its products or services, or improve[] the effectiveness or efficiency of the bank’s operations, in light of risks presented, innovations, strategies, techniques and new technologies for producing and delivering financial products and services.” 12 CFR 7.1000(d).

⁵ As it is not necessary to determine for purposes of the OCC’s actions herein, the OCC did not analyze whether holding non-asset backed virtual currencies on balance sheet to pay transaction fees is also part of the business of banking.

⁶ 12 USC 371c.

⁷ See 12 CFR 223.3(dd) (defining purchase of asset).

⁸ See 12 CFR 223.42(i) (exempting new bank transactions from the qualitative limits, collateral requirements, and low-quality asset prohibitions of Section 23A); 12 CFR 223.52(a)(1) (exempting new bank transactions from the market terms requirements of Section 23B). The transaction remains subject to Regulation W’s safety and soundness requirement, set forth in 12 CFR 223.13.

Act,⁹ the OCC is approving EGI's merger with and into the Bank, and approves the asset purchase, as exempt from Regulation W under 12 CFR 223.42(i).

Prior to consummation of the Merger, the Bank and EGI must ensure they respectively comply with all requirements and procedures to consummate the Merger under 12 USC 215a-3 and 12 CFR 5.33(g)(4), as applicable. The OCC regulations governing mergers and other business combinations generally set out policy considerations applicable whenever the OCC evaluates any business combination. These considerations are: the capital level of any resulting national bank, the conformity of the transaction to applicable law, regulation, and supervisory policies, the purpose of the transaction, the impact of the transaction on the safety and soundness of the national bank, and any effect of the transaction on the national bank's shareholders, depositors, other creditors, and customers.¹⁰ The OCC has considered these factors and found them consistent with approval of the Merger. Following the Merger, EGI's existing subsidiary Atticus Digital, Inc. will become a wholly owned subsidiary of the Bank. The Bank will not have a holding company.

Merger Consummation Requirements

The OCC must be advised in writing in advance of the desired effective date for the Merger, so it may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when it receives:

1. A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved.
2. An executed merger agreement.
3. A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.
4. Executed amended Articles of Association for the Bank, if applicable.
5. Documentation that all other required regulatory approvals have been obtained.

Conditions

This preliminary conditional approval is subject to the following conditions:

1. The proposed Bank: (i) shall give the Novel Bank Supervisory Office at least sixty (60) days prior written notice of the proposed Bank's 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) shall obtain the OCC's written determination of no objection before the proposed Bank engages in any significant deviation or change from its business plan or operations. For

⁹ 12 USC 371c.

¹⁰ 12 CFR 5.33(e)(1)(i).s

the avoidance of doubt, a material deviation includes changes to the proposed Bank's risk and operating limits, as detailed in its business plan, including those established to ensure that the Bank will maintain a highly liquid balance sheet. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the proposed Bank's notice. This condition shall remain in effect throughout the Bank's in organization period and during the Bank's first three years of operation;

2. Erebor must maintain a minimum 12% Tier 1 Leverage ratio. This condition shall remain in effect during the Bank's first three years of operation; and
3. Prior to the appointment of any individual to the position of "senior executive officer," as defined in 12 CFR 5.51(c)(4), which includes the appointment of the Bank Secrecy Act Officer and the Chief Information Security Officer, or the appointment of any individual to the board of directors, the proposed Bank shall submit to the OCC the information described in the "Changes in Directors and Senior Executive Officers" booklet of the Comptroller's Licensing Manual, and receive a letter of no objection from the OCC. This information is required by the authority of 12 USC 1818(b) and 12 CFR 5.20(g) and does not require the OCC to review or act on any such information within ninety (90) days. This condition shall remain in effect throughout the Bank's in organization period and during the first three years of operations.

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.

In addition, the proposed Bank must also meet the following requirements prior to requesting its preopening examination and before the OCC will grant final charter approval:

1. The Bank must engage an independent, external auditor to perform an audit according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank taken as a whole. The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the Bank opens. The OCC expects that such audits will be performed annually for at least three years following commencement of operations. Engagement of an auditor will be verified during the preopening examination (see the "Charters" booklet, Internal and External Audits discussion).
2. The Bank's financial statements must be prepared on an accrual basis according to generally accepted accounting principles.
3. The President must serve as a member of the board of directors.
4. Each person who, together with his or her related interests, subscribe to 10 percent or more of the initial stock offering must submit a biographical and financial report for review to the Chartering, Organization & Structure staff prior to acquisition of the shares

and staff must have no objection to each person before purchasing the shares. After opening the Bank, requirements of the Change in Bank Control Act (12 USC 1817(j)) will apply. Changes in the composition of members or trustees of a voting trust or voting agreement also may be subject to the requirements of the Change in Bank Control Act.

5. The Bank must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists four factors the directors should consider to determine adequacy (see the “Charters” booklet, Fidelity and Other Insurance discussion).
6. Management and the Board must maintain policies and procedures that address all OCC regulations and will guide the Bank’s operations in a safe and sound manner. These policies and procedures must establish and guide the operation of a BSA/AML/OFAC program and a credit risk management program (reflecting appropriate guidance on risk rating and accounting for loans accrual status and ensuring a satisfactory allowance for credit losses methodology and balance). Those policies must be completed no later than the date of the applicant’s request for a preopening examination. In addition, the board of directors must review and adopt the policies and procedures at its first meeting. The board of directors is responsible for regular review and modification of policies and procedures and for assuring continuous compliance with them;
7. The Bank must have a security program in place that complies with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information” specified at 12 CFR 30, Appendix B (Appendix B);
8. The Bank must submit to the Novel Bank Supervision Office for review, and prior written determination of no supervisory objection, a complete description of the Bank’s final information systems and operations architecture as well as the information systems risk assessment and management plan, inclusive of the bank’s proprietary core processing system, which should be fully developed within the stated timelines and in compliance with Appendix B requirements. This should include a schematic drawing; and
9. A letter must be submitted to the Chartering, Organization and Structure staff at least 60 days before the Bank is scheduled to open, notifying the OCC that all conditions and requirements necessary to receive a national bank charter have been met, requesting a preopening examination, and providing the anticipated opening date.

The Bank’s initial paid-in capital, net of all organizational and preopening expenses, shall be common equity shares at \$100 total, representing non-cash, intangible benefits in the form of services provided to the Bank by the founders.¹¹ The organizers have also issued and will issue stock options to Bank employees under the Equity Incentive Plan, in consideration for ongoing and future services.¹² Additionally, the organizers have represented that no later than 30 days

¹¹ The Comptroller’s Handbook, “Capital and Dividends” provides that a national bank may issue common stock for noncash consideration, such as services, and that this issuance may qualify as regulatory capital provided it meets the criteria set forth in 12 CFR 3.20(b).

¹² The Comptroller’s Handbook, “Capital and Dividends” states that once earned, employee stock ownership plan shares may qualify as common equity tier 1 capital.

following the OCC’s preliminary conditional approval or five days following the closing of EGI’s Series A fundraising round, the Bank will enter a binding commitment in substantially the same form as the executed term sheet for a sufficient committed line of equity capital to the Bank. The Bank will elect to be subject to the CBLR framework and expects to maintain a Tier 1 Leverage Ratio of no less than 12 percent during the Bank’s first three years of operation. Under the CBLR framework, the Bank must maintain a 9 percent Tier 1 Leverage Ratio to be “well-capitalized.”¹³

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.

Organizers, Directors and Officers

The OCC does not object to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Owen Rapaport	Organizer, Chief Executive Officer, Director, Principal Shareholder
Jacob E. Hirshman	Organizer, Chief Strategy Officer, Director, Principal Shareholder
Michael Hagedorn	Organizer, President, Director
Richard E. Grant	Organizer, Chief Financial Officer
Trevor Capozza	Organizer, Independent Director
Palmer Luckey	Director, Principal Shareholder
Diogo Mónica	Independent Director
Michael Mosier	Independent Director
Vlad Dubinsky	Chief Credit Officer
Joshua Rosenberg	Chief Risk Officer
Aaron Pelz	Chief Technology 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.

The OCC also grants your request to waive the residency requirements of 12 USC 72 for Trevor Capozza, Michael Hagedorn, Jacob Hirshman, Palmer Luckey, Michael Mosier, and Owen Rapaport to serve as members of the Board of Directors of the Bank. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the Bank’s representation that this waiver will

¹³ 12 CFR 3.12(a)(1).

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.

Organizing Steps and Pre-Opening Requirements

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-and-resources/publications/comptrollers-licensing-manual/files/licensing-booklet-charters.htm>

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 Director for Licensing Activities in the Washington, DC Office for the OCC's review and acceptance. Once those documents are accepted, the proposed Bank will be deemed a "body corporate" or legal entity, and you may begin taking the steps necessary for obtaining final approval.

As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. ***"In Organization" should follow the bank's name in all official documents, stationery, advertisements, and other references to the bank until it opens for business.*** 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.

Enclosed are minimum policies and procedures checklist and a pre-opening checklist for new national banks. The Bank must meet the conditions and requirements above before it is allowed to commence business, and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

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. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

The OCC's 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 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, including failure to adhere to representations regarding the committed line of equity capital to the Bank.

A separate letter is enclosed requesting your feedback on how we handled the referenced applications. We would appreciate your response so we may improve our service. Please include the OCC control numbers on any correspondence related to these filings.

Sincerely,

//signed//

Stephen A. Lybarger
Senior Deputy Comptroller
Chartering, Organization and Structure

cc: Jacob E. Hirshman
Owen Rapaport
Erebor Group, Inc.