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August 27, 2026

Via Email

Sebastian R. Astrada
Deputy Comptroller for Chartering, Organization and Structure
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RE: ICBA LETTER IN OPPOSITION TO DAKOTA NATIONAL TRUST BANK'S CHARTER APPLICATION (2026-CHARTER-347047)

Dear Director Astrada:

The Independent Community Bankers of America ("ICBA") submits this letter in opposition to the application filed by Dakota Ridge, Inc. ("Dakota Ridge" or "the Applicant") for a national trust bank charter, Dakota National Trust Bank ("DNTB" or the "Bank"). ICBA has significant concerns regarding the applicant's business model and the broader policy considerations raised by this application. ICBA urges the OCC to deny the application outright. At a minimum, the OCC should defer any action until full disclosure of the application materials.

If approved, DNTB would offer a digital asset custody service as a fiduciary, issue U.S. dollar-denominated stablecoins, and provide related services, including customer-directed transactional services.

ICBA opposes the Application for the following reasons:

- The proposed business model exceeds traditional trust powers and raises fundamental supervisory concerns.
- The Applicant fails to demonstrate that DNTB would be meaningfully independent from its parent.
- The Application fails to establish that that proposed board and management team have sufficient banking and trust-banking experience.
- The Public Record does not permit meaningful evaluation of DNTB's ability to satisfy the convenience and needs of the community.
- The Applicant seeks to use regulatory arbitrage to gain bank-like powers without bank-like obligations.
- The Application does not provide sufficient information to permit meaningful public review.

The Proposed Business Model Exceeds Traditional Trust Powers and Raises Fundamental Supervisory Concerns

As ICBA has raised numerous times, OCC lacks statutory authority to charter a national trust bank engaging in non-fiduciary activities. The statutory text and legislative history of the National Bank Act are clear. National Trust Banks are authorized solely to exercise fiduciary powers. They are limited purpose institutions chartered under 12 U.S.C. 27(a) to conduct the "operations of a trust company and activities

related thereto." Section 92a of the National Bank Act authorizes national banks to exercise federally recognized fiduciary powers. National trust banks may not engage in the "business of banking" that is reserved for full-service national banks.

According to the Application, DNTB will "(1) offer a digital asset custody service as a fiduciary, (2) issue U.S. dollar-denominated stablecoins, and (3) provide related services, including customer-directed transactional services."[1] This is a far broader range of activities than the classic fiduciary functions that national trust banks have historically been chartered to undertake. Notably, the Application does not define "related services, including customer-directed transactional services," leaving the public unable to determine the exact nature or legal basis of those activities. If those services extend beyond the fiduciary powers authorized by 12 U.S.C. § 92a and activities incidental thereto, they are not permissible activities for a national trust bank, and the OCC may not approve the Application without addressing that fundamental defect.

Although the OCC recently codified its 2021 Interpretive Letter #1176 in an attempt to confer traditional bank powers to trust banks, ICBA has consistently maintained that this interpretation exceeds the OCC's statutory authority. The rulemaking did not adequately address substantial public comments raising concerns about statutory overreach, safety and soundness, and the erosion of the traditional banking charter. By expanding the powers of national trust banks beyond traditional fiduciary custody activities, the OCC has opened the door for companies like DNTB to use the charter to engage in activities that exceed the limited scope of a national trust bank.

The Applicant Fails to Demonstrate that DNTB Would Be Meaningfully Independent from its Parent

DNTB's proposed governance structure raises significant questions regarding its ability to operate independently of Dakota. According to the Application, several of the proposed organizers, directors, and senior executive officers are current Dakota executives. The chair of DNTB's board, Ryan Bozarth, is Dakota's Chief Executive Officer and would also serve as DNTB's President, Chief Trust Officer, and Chair of DNTB's board of directors. Other proposed directors and officers likewise hold senior positions within Dakota.[2]

The public record provides little information regarding how DNTB's board and management would exercise independent judgment when the interests of the bank diverge from those of Dakota Ridge or its affiliates. The Application indicates that numerous aspects of DNTB's governance, operations, financial arrangements, and intercompany relationships are addressed in confidential materials that have been withheld from public review. As a result, the public is unable to evaluate whether DNTB's board and management would possess sufficient independence to oversee the bank in a manner consistent with the fiduciary obligations of a national trust bank.

These concerns are heightened because DNTB is proposed as a wholly owned subsidiary whose activities appear closely integrated with Dakota's existing business. The Application does not publicly explain how DNTB would manage conflicts of interest, oversee transactions with affiliates, or ensure that management acts primarily in the interests of the bank rather than the interests of Dakota Ridge. Absent greater transparency regarding governance and intercompany arrangements, the public cannot meaningfully assess whether DNTB would be able to operate with sufficient independence.

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[1] Application at 8.
[2] Application at 10-11.

The Application Fails to Establish that DNTB's Board and Management Have Sufficient Banking and Trust Banking Experience

The OCC's review of a charter proposal includes consideration of the composition of the board of directors, the banking and business experience of its members, and the banking experience of the proposed management team.[3]

Based on the public portion of the Application, the proposed board appears to consist primarily of individuals whose experience is concentrated in technology companies, fintech firms, digital assets, product development, and startup operations. The public record demonstrates limited experience in the operation, management, or oversight of federally regulated banking institutions and trust banks. In addition, one of the five proposed director positions remains unfilled.

These concerns are particularly relevant because DNTB proposes to engage in a combination of digital asset custody, stablecoin issuance, and customer-directed transactional services. The Application provides little information demonstrating that the proposed board or management, viewed collectively, possess sufficient experience in fiduciary administration, trust operations, and banking regulation, governance, or operations to oversee a national trust bank engaged in these activities.

Accordingly, the public record does not permit meaningful evaluation of whether the proposed board and management team satisfy the OCC's expectations regarding banking and trust banking experience for a newly chartered national trust bank.

The Public Record Does Not Permit Meaningful Evaluation of DNTB's Ability to Satisfy the Convenience and Needs of the Community

The public portion of the Application does not provide sufficient information to evaluate DNTB's ability to meet the convenience and needs of its customers and the community. DNTB proposes to operate from a single office in New York while offering fiduciary digital-asset custody, issuing U.S. dollar-denominated stablecoins, and providing unspecified "customer-directed transactional services." Yet the Application does not publicly identify the customers or markets DNTB principally intends to serve, describe the financial services needs its proposed activities would address, or explain the public benefits that would result from granting the charter. Instead, the Application refers the OCC and the public to portions of the confidential business plan for information concerning DNTB's intended markets, competitive environment, products, and services.

Because the relevant information has largely been withheld from public review, the public cannot meaningfully assess whom DNTB would serve, what identified needs it would address, or whether those asserted benefits support granting the charter.

The Applicant Seeks to Use Regulatory Arbitrage to Exercise Bank-Like Powers Without Bank-Like Obligations

If approved, the Application would allow DNTB to conduct bank-like activities through an uninsured national trust bank charter. Notably, DNTB seeks to issue U.S. dollar-denominated stablecoins, products that function much like demand deposits because they are designed to be readily transferable, redeemable at par, and integrated into payment systems. It would receive the benefits of a national bank

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[3] *See* OCC, Comptroller's Licensing Manual, (Dec. 2021), https://www.occ.gov/publications-and-resources/publications/comptrollers-licensing-manual/files/charters.pdf, at 12.

charter, such as nationwide preemption, without the corresponding supervisory and regulatory requirements that apply to community banks.

This structure would place community banks at a competitive disadvantage by allowing DNTB to compete for deposits without bearing the regulatory obligations that apply to insured depository institutions. The OCC should not approve an Application that would distort competition in this manner.

The Application Does Not Provide Sufficient Information to Permit Meaningful Public Review.

The public portion of the Application is so sparse that it is functionally impossible for the public to conduct meaningful review of DNTB's proposed operations. Aside from the three types of activities quoted above, Dakota's application does not disclose the nature or scope of DNTB's planned activities in any meaningful detail. The business plan, financial projections, and technology plans have been submitted in their entirety as confidential.

Meaningful public comment requires meaningful public disclosure by applicants. Dakota's application does not come close to satisfying this standard. Claiming confidentiality over the entirety of a charter applicant's substantive business plans, financial projections, and governance documents is inconsistent with the OCC's obligations of public accountability and the public's right to comment meaningfully on applications of this significance. Without access to sufficient information, the public cannot adequately assess and comment on the feasibility of DNTB's proposed business model, the risks it may pose, or whether the OCC has a sufficient basis to approve the application. The OCC should require substantially more information to be made available for public comment before considering approval of the application.

Conclusion

For the reasons set forth above, ICBA respectfully urges the OCC to deny the charter application for DNTB. In the alternative, the OCC should defer action until the Applicant provides sufficient public disclosure to permit meaningful review of the Application's legal, safety and soundness, and competitive implications.

If you would like to discuss these comments further, please contact me at joseph.chaves@icba.org.

Sincerely,

/s/

Joseph Chaves

Senior Director, Safety & Soundness Regulatory Policy