

Press Releases

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OTS 99-72 - Fidelity Granted Federal Thrift Charter by OTS

Office of Thrift Supervision

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For further information

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OTS 99-72

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Fidelity Granted Federal Thrift Charter by OTS

WASHINGTON, D.C., Oct. 26, 1999 - FMR (Fidelity) Corp., the Boston-based mutual fund giant, has received a federal thrift charter from the Office of Thrift Supervision (OTS) to organize a savings bank to offer personal trust services to customers. The new institution, Fidelity Personal Trust Company, will be based in Boston. FMR becomes a thrift holding company.

The nation's largest mutual fund company currently conducts corporate and personal trust activities through its Fidelity Management Trust Company (FMTC), a Massachusetts-chartered organization. FMTC manages approximately \$950 million in personal trust services through a division set up in 1993. The division will retain its current accounts, but personal trust services will be offered to new accounts through the savings bank.

The thrift will serve as an investment advisor for a fee, trustee, and custodian for revocable and living trusts and irrevocable trusts; as a managing agent for individuals; executor and agent for executors of assets; guardian and conservator; and custodian and trustee of IRAs. These services will be offered nationwide through the savings bank's main office.

Any material change to its approved business plan will require OTS approval, and the institution is required to develop a "functioning oversight program" that consists of comprehensive audit, compliance management and risk management programs. These programs must be in place before thrift operations begin.

The institution is subject to anti-tying restrictions, regulations pertaining to conflicts of interest, corporate opportunity and interagency policies governing the sale of insured and noninsured products. OTS reserves the authority to have examiners, without identifying themselves, check the appropriateness of the institution's marketing disclosures. At least 40 percent of the thrift's directors must be individuals who are not officers or employees of the holding company or affiliates, and at least one member is to be independent of the thrift, holding company and affiliates.

[Approval Order](#)

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.