



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
Licensing Division
340 Madison Avenue, 5th Floor
New York, New York 10017
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**Conditional Approval #833
February 2008**

December 4, 2007

Mr. Christopher Becker
President & Chief Executive Officer
Georgica Bank, National Association (Proposed)
34 Pantigo Road
East Hampton, NY 11937

Re: Charter application to establish Georgica Bank, National Association, Bridgehampton,
New York and to establish a branch in East Hampton, New York

OCC Control Nos.: 2007 NE 01 0010
2007 NE 05 0175

Charter No. 24825

Dear Mr. Becker:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Georgica Bank, National Association (“Bank”). On December 4, 2007 the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. Your request to establish a branch at 34 Pantigo Road, East Hampton, New York 11937 was also approved.

The preliminary conditional approval of the charter and the approval of the branch are 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 Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

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 alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition(s):

1. The Bank shall: (i) give OCC New York Metro East Field Office (“Supervisory Office”), 343 Thornall Street, Suite 610, Edison, New Jersey 08837 at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations¹ and (ii) obtain the OCC’s written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank’s notice. This condition shall remain in effect during the Bank’s first three years of operation. For the first three years of operation, the Bank also must provide a copy of such written notice of its intent to significantly deviate or change from its business plan or operations to the FDIC’s New York Regional Office.

This condition of approval is a condition “imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

The Bank’s initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$23.1 million. The manner in which capital is raised must not deviate from that described in the business plan 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.

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, or organizers as proposed in the application:

Leonard I. Ackerman	Chairman of the Board/Organizer
Leslie M. Apple	Director/Organizer
Christopher Becker	President/CEO/Director/Organizer
Ann C. Blackmore	Director/Organizer
William M. Dratel	Director/Organizer
Stuart A. Epstein	Director/Organizer
Frank C. Ginsberg	Director/Organizer
Frank S. Greenwald	Director/Organizer
Robert H. Kouffman	Director/Organizer
Sandra K. Novick	SVP/Chief Retail Banking Officer/Organizer

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

Mr. Christopher Becker
Control No. 2007 NE 01 0010
December 4, 2007
Page 3

Harvey Silverman	Director/Organizer
Peter V. Tishman	Director/Organizer
Janet T. Verneuille	Director/Organizer/EVP/Chief Financial Officer
George D. Yates	Director/Organizer

Background checks requested by the OCC have not been received yet. Although we have decided not to delay action pending receipt of those responses, the OCC may consider remedies available to it if adverse or previously withheld information is received.

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 (including the Chief Credit Officer), or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the Supervisory Office and receive a letter of no objection from the OCC prior to any new executive officer or director

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: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. The booklet contains all of the steps you must take to receive your charter.

As detailed in the booklet, you may begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Gabriel Butler, Licensing Analyst in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. 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.

After reading the instructions for the organization of a new national bank, it is suggested that the spokesperson or other designated representative consult with Gabriel Butler, Licensing Analyst at 212.790.4055 to discuss the organization process. The OCC believes that such a meeting can contribute to a more efficient and effective organization process and help avoid common mistakes that have delayed or prevented other banks from opening.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements 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.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank's request for a preopening examination and before the OCC will grant final charter approval:

1. The Bank must submit to the OCC New York Metro East Field 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. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

2. The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank out sources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:

- All access points, including the Internet, Intranet, or remote access.
- The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, refer to the *FFIEC IT Examination E-Banking Handbook*, pages 26-30, Information Security Program.

The booklet is located at the FFIEC's Web site:

http://www.ffiec.gov/ffiecinfobase/booklets/e_banking/e_banking.pdf.

3. 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.

Mr. Christopher Becker
Control No. 2007 NE 01 0010
December 4, 2007
Page 5

Under separate cover, we will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our Web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

This letter also is the OCC's authorization to establish Branch No. 141205A, to be located at 34 Pantigo Road, East Hampton, New York 11937, and to be known as the "East Hampton" branch.

The branch may not be opened until the Bank's charter is granted. Within 10 days of opening the branch, the Bank must advise this office in writing of the branch opening date, and confirm its popular name, so the OCC may complete its records. If the branch is not opened within 18 months from this approval date, the approval automatically terminates, unless the OCC grants an extension.

If the branch is subsequently closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the closing of the branch office, a final closing notice should also be submitted to this office.

These approvals 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.

Direct any questions concerning this preliminary conditional approval to Gabriel Butler, Licensing Analyst, at 212.790.4055.

Sincerely,

signed

J. Greg Parvin
Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures