



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

Licensing Department (212) 790-4055
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Conditional Approval #514 February 2002

January 24, 2002

Mr. Thomas L. Gray, Jr., Spokesperson
Grand Bank, National Association (Proposed)
P.O. Box 561
Kingston, New Jersey 08528

Re: Application to establish a new national bank, with the title of Grand Bank,
National Association to be located at One Edinburg Road, Hamilton, New Jersey
Control Number: 2001 NE 01 0013

Dear Mr. Gray:

The Comptroller of the Currency (OCC) has reviewed the application to establish a new national bank with the title of **Grand Bank, National Association** (hereinafter, "Bank"). On January 22, 2002, after a thorough evaluation of all data available to the OCC, we found that the proposal met the requirements for preliminary conditional approval. The bank also may offer credit life, health, and accident insurance in accordance with 12 CFR 2.

This conditional approval is based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

The bank shall obtain prior written non-objection from the OCC's District Deputy Comptroller for the Northeastern District before any significant deviation or change from the proposed operating plan occurs within the Bank's first three years of operation. The bank must notify the District Deputy Comptroller for the Northeastern District at least sixty (60) days prior to any proposed significant deviation or change. This condition is enforceable under 12 USC § 1818. The bank must also provide a copy of such notice to the FDIC's New York Regional Office.

The bank's initial paid-in capital, net of organizational and preopening expenses, shall be no less than \$7,812,500. The manner in which capital is raised must not deviate from that described in the operating plan without prior OCC notification. If the capital for the new bank is not raised within 12 months or if the new bank is not opened for business within 18 months from the preliminary conditional approval date, the OCC will withdraw approval. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC

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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.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary approval should any interim development be deemed by the OCC to warrant such action.

Please refer to the "Corporate Organization" booklet (enclosed) in the Comptroller's Corporate Manual for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to the following persons serving as directors and officers as follows:

<u>Name:</u>	<u>Position:</u>
Thomas L. Gray, Jr.	Director and CEO
Harry L. Still, Jr.	Director, COO and CFO
Theodore H. Dolci, Jr.	Director
Peter L.A. Pantages	Director
Paul Fischer	Director

All other executive officers and directors are subject to the OCC's prior review and clearance. You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director prior to that person assuming such position.

The results of background checks requested by this Office might not have all been received. While we have decided not to delay action pending receipt of these responses, if adverse information is received, this Office may consider other remedies available to us under other statutes.

This 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 U.S., any agency or entity of the U.S., or an officer or

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employee of the U.S., 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 U.S.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

You should direct any questions concerning this preliminary approval to Linda Leickel, Licensing Analyst, Northeastern District Office, at (212) 790-4055.

Sincerely,

/s/ Anthony P. DosSantos

Anthony P. DosSantos
Licensing Manager

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements