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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Conditional Approval #570**  
**February 2003**

January 7, 2003

Richard A. Schaberg, Esq.  
Thacher Proffitt & Wood  
1700 Pennsylvania Avenue, NW Suite 800  
Washington, DC 20006

Re: Application of Oswego County Savings Bank, Oswego County, Oswego, New York  
to convert to a national bank.

Application Control No. 2002 NE 01 0006

Dear Mr. Schaberg:

The Office of the Comptroller of the Currency (OCC) has reviewed the application filed on behalf of Oswego County Savings Bank, Oswego County, Oswego, New York (OCSB); a New York state chartered stock savings bank to convert to a national bank charter with the title of Oswego County National Bank. After a thorough evaluation of all information available, including the representations and commitments made in the application and by bank's representatives, we find that the application meets the requirements for a conditional approval for OCSB to convert to a national bank pursuant to 12 U.S.C. § 35 and 12 C.F.R. § 5.24 as follows:

Title: Oswego County National Bank  
Charter No.: 24386  
Location: 44 East Bridge Street, Oswego, New York 13126

This conditional approval is subject to the following "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The Bank:

- 1) As part of the conversion to a national bank, Oswego County National Bank (the "Bank") will establish a liquidation account, which will preserve the interests of the depositors of the Bank in the event of any liquidation of the Bank.

- 2) For a period of three years following the conversion and reorganization, officers or directors of the Bank or any of their Associates may purchase stock of Bridge Street Financial, Inc. (the "Company") only from a broker-dealer registered with the SEC, provided that officers or directors of the Bank or any of their Associates may purchase stock of the Company (1) in negotiated transactions involving more than one percent (1%) of the outstanding stock of the Company and (2) through any management or employee stock benefit plan of the Company.
- 3) Directors and officers of the Bank who purchase conversion shares of the Company may not sell the shares for one year after the date of purchase, except that in the event of the death of the officer or director, the successor in interest may sell the shares.
- 4) For three years following conversion, no person shall, directly or indirectly, offer to acquire or acquire the beneficial ownership of more than ten percent of any class of equity security of the Bank or the Holding Company without the prior written approval of the OCC, or of the Federal Reserve, respectively, subject to the standards at 12 C.F.R. 563b.525. If such acquisition of more than ten percent of the securities occurs, without the prior approval of the OCC or the Federal Reserve, as applicable, the securities in excess of ten percent shall not be counted as shares entitled to vote and shall not be voted by any person or counted as voting shares in connection with any matter submitted to the stockholders for a vote.
- 5) That the Bank shall not declare or pay a dividend on its capital stock if the dividend would reduce the Bank's capital below the level required for the liquidation account and unless such dividend also complies with applicable regulatory capital distribution requirements.
- 6) The Bank must seek and obtain prior written approval of the OCC if it proposes to return any capital, other than ordinary dividends, to purchasers during the term of the business plan submitted in conjunction with the conversion.
- 7) For three years following the completion of the conversion, neither the Holding Company nor the Bank may, without the prior written consent of the OCC or the Federal Reserve, respectively take any action with a view toward a transaction that would require stockholder approval for an acquisition or merger.

You are reminded that the following are required before, or as of, the effective date of conversion:

1. The Bank must become a member of the Federal Reserve System.
2. The Bank must have in force adequate fidelity bond coverage in accordance with 12 C.F.R. § 7.2013 which lists four factors the directors should consider to determine adequacy of coverage.

3. If a director, officer, employee, or principal shareholder of the Bank (including an entity that the person owns an interest of ten per cent or more) is involved in the sale of credit life insurance to loan customers, the Bank should ensure compliance with 12 C.F.R. § 2, which, among other matters, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the Bank makes.
4. The Board of Directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the Bank. The board also must review those policies, practices, and procedures continually and ensure Bank compliance with them. We are enclosing the minimum policies and procedures applicable to national banks.
5. The Bank must obtain any other required regulatory approvals.
6. The Bank must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion.

The OCC poses no objection to the following individuals serving as Directors of the converting bank and for Gregory J. Kreis as an Executive Officer. These individuals may assume their director and/or officer positions upon conversion.

Executive Officer:

Gregory J. Kreis – President and Chief Executive Officer

Directors:

Bruce P. Frassinelli	Paul J. Heins
Gregory J. Kreis	Paul W. Schneible
Lowell A. Seifter	Deborah Stanley
Carl K. Walrath	

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a bilateral contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or an 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.

Our approval of the conversion expires if the conversion does not occur within six months from today's date. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

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

The conditions imposed in writing in connection with the granting of this conditional approval are not to be superseded by the attached minimum policies and procedures.

Upon conversion, please submit a letter certifying that the Bank has completed all steps required to convert to a national banking association (sample enclosed). You should direct any questions concerning this matter to Licensing Analyst Gabriel Butler or to Licensing Manager Anthony P. DosSantos who may be reached at (212) 790-4055.

Sincerely,

*Anthony P. DosSantos*

Anthony P. DosSantos  
Licensing Manager