



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
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Licensing Division
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Conditional Approval #889
February 2009

January 14, 2009

Carol Hempfling Pratt
Foley Hoag LLP
155 Seaport Boulevard
Boston, Massachusetts 02210

Re: De Novo Charter Application
First Commons Bank, National Association, Newton, Massachusetts

Control Number: 2008 NE 01 0013

Dear Ms. Pratt:

Today, I granted preliminary conditional approval to the organizer's application to establish a new national bank with the title of "First Commons Bank, National Association" ("the Bank"). I reached this decision after a determination that your proposal met certain regulatory and policy requirements.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the Office of the Comptroller of the Currency ("OCC"), including the representations and commitments made in the application and by the Bank's representatives. I also made my decision to grant preliminary conditional approval with the understanding that the Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation ("FDIC").

I have 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 conditions:

1. During its first three (3) years of operation, the Bank: (i) shall give the OCC Boston Field Office (the “supervisory office”) at least sixty (60) days prior written notice of the Bank’s intent to significantly deviate or change from its business plan or operations¹ and (ii) shall 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. For the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC’s Boston Regional Office.
2. Prior to opening, the Bank must hire an experienced and qualified individual to fill the Chief Financial Officer position. The Bank must submit information on the qualifications of the proposed individual, file an Interagency Biographical Report with the OCC and obtain prior OCC written determination of no objection before the individual is to assume such position.
3. Prior to opening, the Bank must retain a qualified individual(s) to serve as BSA and compliance officer(s) for the Bank. The bank must submit information on the individual(s) to the OCC for review and obtain written no objection.
4. Prior to opening, the Bank must develop a comprehensive plan, subject to supervisory office approval, that provides for ongoing education and training of board members with respect to compliance, board processes, risk management, credit and national banking laws, rules and regulations. The Bank must implement the comprehensive plan and ensure compliance on an ongoing basis.

These conditions of approval are conditions imposed in writing by a Federal banking agency in connection with any action on any application, notice 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’s initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$11,655,000. 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.

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

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Anthony Gerald Nuzzo	Organizer/President/CEO/Chairman of the Board
Arnold Duane Scott	Organizer/Director
Craig Douglas Divino	Director
Joseph Bernard Doherty, Jr.	Director
Jules Marc Fried	Director
Peter Neal Gordon	Director
Peter F. Mawn	Director
Matthew Kern Miller	Director
Georgia Murray	Director
Shannon Patricia O' Brien	Director
John William Vaughn	Chief Credit Officer

Background checks requested by the OCC have not been received from several sources. While we have decided not to delay action pending receipt of these responses, the continued service of these individuals will be dependent on satisfactory completion of the background investigation process. Additionally, 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, 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 OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

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.

The OCC has reviewed and accepted the Bank's Articles of Association and Organization Certificate on January 14, 2009. Accordingly, we confirm that the organizers have established the corporate existence of the Bank. The Bank in organization can commence raising capital when the OCC declares effective the registration statement. Under 12 CFR 16, OCC's District Counsel will provide notification of this declaration to the contact person. Enclosed is a copy of the accepted Articles of Association and Organization Certificate.

As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. “In Organization” should follow the Bank’s name in all official documents, stationery, advertisement and other references to the Bank until it opens for business. 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.

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 pre-opening examination and before the OCC will grant final charter approval:

1. The Bank must develop a compliance and BSA/AML program, including policies for identification, measuring and monitoring of compliance, BSA/AML risk, subject to the review and approval by the supervisory office.
2. The Bank must develop a capital plan, which outlines for the first three (3) years of operations, events or conditions that would trigger additional capital requirements and strategies for meeting ongoing capital needs, subject to the review and approval by the supervisory office.
3. The Bank must submit to the supervisory 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.
4. 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 outsources 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 website:

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

5. 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.

Under separate cover, the OCC 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 preliminary 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 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. Our preliminary conditional approval is based on the bank's representations, submissions, and information available to the OCC as of this date. Any material change in the information on which the OCC has relied, may result in modification, suspension or rescission of this approval. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Carol Pratt Hempfling
First Commons Bank, National Association (In Organization)
Control Number: 2008 NE 01 0013
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Please direct any questions concerning this preliminary conditional approval to Wai-Fan Chang,
Licensing Analyst, at (212) 790 - 4055.

Sincerely,

signed

J. Greg Parvin
Director for District Licensing

Enclosures: Articles of Association
 Organization Certificate
 Standard Requirements
 Minimum Policies and Procedures
 Survey