



December 14, 2015

**Conditional Approval #1144  
January 2016**

Robert A. Schwartz, Esq.  
Windels Marx Lane & Mittendorf, LLP  
120 Albany Street Plaza  
New Brunswick, NJ 08901

Re: Applications for Prepayment of Subordinated Debt and  
Issuance of Subordinated Debt for Inclusion in Tier 2 Capital filed by  
Grand Bank, National Association, Hamilton, New Jersey – Charter No.: 24268  
Control Nos.: 2015-NE-Capital&Div-144460 and 144461

Dear Mr. Schwartz:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the applications filed by Grand Bank, National Association, Hamilton, New Jersey (Bank) to (i) prepay subordinated debt totaling \$5 million, and (ii) issue new subordinated debt, in the principal amount of \$3 million. In connection with the new issuance, the Bank requests that the subordinated debt be included in its Tier 2 capital (collectively, as amended and supplemented, Applications). The \$5 million in subordinated debt to be prepaid was issued on July 26, 2007 and matures on September 15, 2017. The new \$3 million subordinated debt will have a 10-year maturity at a fixed interest rate of 8.5 percent for the first five years and a floating rate thereafter equal to 3-month LIBOR plus 530 basis points. The prepayment and issuance will occur on the same date.

The Applications were filed pursuant to 12 CFR 5.47. In accordance with 12 CFR 5.47(f), a national bank must obtain prior approval from the OCC before prepaying and issuing subordinated debt. This conditional approval is granted based on a thorough review of all the information available, including the representations and commitments made in the Applications and by the Bank's representatives.

OCC approval of the Applications is subject to the following condition:

- Prior to consummation of the transaction, the Bank must confirm (i) that there were no changes to the October 23, 2015 list of subscribers previously provided to the OCC, or if there were changes, the OCC must provide written nonobjection to the revised list of subscribers, and (ii) that subscribers who are not directors or officers of the Bank, or affiliated interests thereof, received first priority to purchase the subordinated debt.

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This condition of approval is a condition “imposed in writing by a Federal Agency in connection with any action on any application, notice or other request” within the meaning of 12 USC 1818. As such, this condition is enforceable under 12 USC 1818.

Within 10 days following the completion of the transactions, the Bank must notify the OCC that it completed the transactions and complied with all requirements of 12 CFR 5.47. Additionally, please submit to the OCC a copy of the subordinated debt note promptly after execution thereof.

This conditional approval and the activities and communications by OCC employees in connection with the filings 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 approval is based on the Bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend, or rescind this approval, if a material change in the information on which the OCC relied occurs prior to the date of the transactions to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled the referenced applications. We would appreciate your response so we may improve our service. If you have any questions concerning this matter, please contact Meisha M. Bootman, Licensing Specialist, at (212) 790-4055 or by e-mail at [meisha.bootman@occ.treas.gov](mailto:meisha.bootman@occ.treas.gov).

Sincerely,

*signed*

Marva V. Cummings  
District Director for Licensing

Enclosure