



December 8, 2016

**Corporate Decision #2017-02
January 2017**

Emily E. Cantor
Warner Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, MI 49503-2487

Re: Amended Notice of Change in Bank Control filed by Grandquest Ventures, LLC, the Merle & Sheri DeWitt Grandchildren's Trust, and Steven Butler for the acquisition of control of Capitol National Bank, Lansing, Michigan
Control No: 2015-HQ-CBCA-145807 Charter No: 17525

Dear Ms. Cantor:

The Office of the Comptroller of the Currency (OCC) has reviewed and evaluated the Amended Notice of Change in Bank Control (Notice) filed by Grandquest Ventures, LLC (LLC), the Merle & Sheri DeWitt Grandchildren's Trust, Steven L. DeWitt, Trustee (Trust), James R. DeWitt, and Steven Butler (collectively, Notificants) for the acquisition of control of Capitol National Bank, Lansing, Michigan (Bank). The Notice requests that the OCC not disapprove the Notificants' retention of 17.69 percent of the common stock of the Bank. Based upon a thorough review of all information available, including representations and commitments made by the Notificants in connection with this Notice, and in consideration of the relevant regulatory factors, the OCC hereby determines that the Notice is technically complete and does not disapprove the Notice.

Background

On April 26, 2013, Trust purchased 23,000 shares of the Bank's common stock. On April 16, 2014, Trust acquired 7,000 additional shares of the Bank's stock, bringing its ownership level to 6.59 percent. On the same date, LLC purchased 45,000 shares or 9.89 percent of the Bank's stock through a series of transactions. Trust and LLC are both managed by the same individual, Steven L. DeWitt, who is related to the founders and the beneficiaries of the Trust. Therefore, the Bank stock holdings of those entities are attributed to him for CBCA purposes. In addition, James R. DeWitt is a co-manager of LLC and does not personally own any Bank stock. Steven R. Butler also acts as a co-manager of LLC and has stated to the OCC in his response to the OCC's request for additional information dated February 11, 2016, that through previous purchases of the Bank's stock and sales or transfers to Trust and LLC, he has acted in concert with Trust and LLC to acquire control of the Bank. Mr. Butler originally purchased Bank stock in his individual capacity in February 2013. He transferred the majority of his shares to LLC and

Trust on April 16, 2014, but retains personal ownership of 0.66 percent of the Bank's shares. In addition, he is trustee of the Thomas S. Fox Irrevocable Trust #1, which acquired 2,500 shares or approximately 0.55 percent of the Bank's shares on April 16, 2014. These shares are attributed to Mr. Butler as trustee. LLC's 9.89 percent is attributed to Steven L. DeWitt, James R. DeWitt, and Mr. Butler, since they are each co-managers. As a result of the foregoing transactions and relationships, the Notificants hold an aggregate of 17.69 percent of the Bank's outstanding stock.

Based upon the facts available to the OCC at this time, the Notificants acquired control of the Bank pursuant to 12 CFR 5.50 in 2014 when they collectively acquired more than 10 percent of the Bank's stock. To the best of our knowledge, there is no other person, or group of persons acting in concert, that has the power to vote a greater proportion of the same class of the Bank's stock. Upon the basis of these facts, the Notificants were required to file a change in bank control notice with the OCC before their acquisition of control, but did not do so. The Notificants have now filed the Notice, seeking the OCC's non-disapproval for the retention of the Notificants' stock.

Processing of the Change in Bank Control Notice

The OCC processes change in control notices in accordance with the requirements set forth in 12 USC 1817(j)(7) and 12 CFR 5.50(f). The OCC may disapprove a notice if the OCC finds that: (1) the proposed acquisition of control would result in a monopoly or would further any monopoly or conspiracy to monopolize the business of banking anywhere in the United States; (2) the effect of the proposed acquisition may substantially lessen competition or tend to create a monopoly or in any other manner restrain trade and the anticompetitive effects are not clearly outweighed by benefits to the convenience and needs of the community to be served; (3) either the financial condition of any acquiring party or the future prospects of the bank is such as might jeopardize the stability of the bank or prejudice the interests of its depositors; (4) the competence, experience, or integrity of the acquiring party or of any of the proposed management indicate that it would not be in the interests of the depositors and the public for such persons to control the bank; (5) the acquiring party does not provide the OCC with all required information; or (6) the proposal would result in an adverse effect on the Deposit Insurance Fund.

After carefully considering the facts presented in the Notice and the representations made in connection with the Notice, the OCC does not disapprove the Notice.

Conclusion

This decision 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 decision is based on your and your representatives' representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this decision if it discovers a material change in the information on which the OCC relied in making this decision. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Change in Bank Control
Capitol National Bank, Lansing, Michigan
Control No: 2015-HQ-CBCA-145807

If you have any questions, please contact Senior Licensing Analyst Patricia Roberts at 202-649-6260 or Patricia.Roberts@occ.treas.gov.

Sincerely,

signed

Beverly L. Evans
Director for Licensing Activities