



December 6, 2018

**Conditional Approval #1207  
January 2019**

Ms. Wendy Cai-Lee  
Manager  
Ivy Financial Development, LLC  
110 West 40<sup>th</sup> Street, Suite 1103  
New York, New York 10018

Re: Preliminary Conditional Approval of the De Novo Charter Application for the Proposed  
Piermont Bank, National Association, New York, New York  
OCC Control No.: 2018-NE-Charter-304699 Charter No.: 25168

Dear Ms. Cai-Lee:

The Office of the Comptroller of the Currency (OCC) reviewed your application to establish a new national bank with the title of Piermont Bank, National Association, New York, New York (Bank). The OCC hereby grants preliminary conditional approval of your charter application having determined that your proposal meets certain regulatory and policy requirements.

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

The OCC has 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 modify, suspend or rescind 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. The Bank shall: (i) give the New York Field Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan or operations,<sup>1</sup> and (ii) 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. This condition shall remain in effect during the Bank's first three years of operation.

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

2. The Bank shall maintain minimum capital levels commensurate with the prospective risk of the Bank’s business plan, with a tier 1 leverage ratio of no less than 8.0 percent throughout the first three years of operation; and
3. 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. This condition shall remain in effect during the Bank’s first two years of operation.

The conditions of this approval are a 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 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

The Bank’s initial paid in capital, net of all organizational and preopening expenses, shall be no less than \$89,915,000<sup>2</sup>. The manner in which capital is raised must not deviate from that described in the application, 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.

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>
Wendy Cai-Lee	President, Chief Executive Officer, Director, & Organizer
San Juanita Barrera	Director & Organizer
Julia Gouw	Director & Organizer
Clarence Kwan	Director & Organizer
Charles Roff	Director & Organizer
Frank Fusco	Chief Financial Officer
Steve LaFredo	Chief Banking Officer
Byeongyong Seo	General Counsel & Chief Risk Officer
Robert De Stefano	Chief Information Officer
Robert Tolomer	Chief Credit Officer

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.

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: <https://www.occ.gov/publications/publications-by-type/licensing-manuals/charters.pdf>. The booklet contains all of the steps you must take to receive final approval.

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<sup>2</sup> The original preliminary conditional approval letter is being reissued to reflect initial paid-in capital of \$89,915,000. The original letter dated December 6, 2018 reflects initial paid-in capital of \$94,850,000.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Senior Licensing Analyst Sandya Reddy for our review and acceptance. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. 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.

**The Bank must also comply with the following requirements:**

1. The Bank must submit to the New York Field 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 diagram 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.

2. 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 Web site:  
[http://www.ffiec.gov/ffiecinfobase/html\\_pages/it\\_01.html](http://www.ffiec.gov/ffiecinfobase/html_pages/it_01.html)

3. 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.

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. The OCC may modify, suspend or rescind this preliminary conditional approval, if a material change in the information on which the OCC relied occurs prior to the date of the transaction 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

Please include the OCC Control Number on any correspondence related to this filing.

If you have any questions, please contact Senior Licensing Analyst Sandya Reddy by telephone (212) 790-4055 or via email [sandya.reddy@occ.treas.gov](mailto:sandya.reddy@occ.treas.gov).

Sincerely,

*signed*

Marva V. Cummings  
Director District Licensing