



June 30, 2022

**Conditional Approval #1294
July 2022**

Mr. Michael A. Carrazza
Chairman of the Board
Ms. Judith Corprew
Chief Risk Officer
Patriot Bank, National Association
900 Bedford Street
Stamford, CT 06901

Re: Substantial Change in Asset Composition and Director Citizenship Waiver
Patriot Bank, National Association, Stamford, Connecticut
Charter Number: 22545
OCC Control Numbers: 2021-NE-5.53-324647 and 2022-NE-Waiver-326018

Dear Mr. Carrazza and Ms. Corprew:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the application of Patriot Bank, National Association, Stamford, Connecticut to change the composition of its balance sheet through the expansion of operations and acquisition of American Challenger Development Corporation (the Transaction).

The OCC also hereby grants a waiver of the citizenship requirement of 12 USC 72 for Felix Scherzer. We understand that after his election, 90 percent of the bank's board of directors will meet the citizenship requirements of 12 USC 72. The OCC reserves the right to withdraw this waiver at any time and, at our discretion, to request additional biographical and/or financial information on Mr. Felix Scherzer.

This conditional approval is granted after a thorough review of all information available, including the representations and commitments made in the application and by Bank's representatives.

I. Background and the Transaction

Patriot Bank, National Association, Stamford, Connecticut (Patriot or Bank), is a direct wholly-owned subsidiary of Patriot National Bancorp, Inc. (Bancorp), a Delaware corporation. Patriot was founded in 1994 and has eight branches in Connecticut and one in New York. The Bank offers deposit and lending products and services. As of March 31, 2022, Patriot had total assets of approximately \$1 billion and total deposits of approximately \$783 million.

On November 14, 2021, Bancorp and American Challenger Development Corporation (ACDC), a Delaware corporation, entered into a merger agreement (as subsequently amended) whereby ACDC will merge with and into Bancorp, with ACDC ceasing to exist and all employees of ACDC becoming employees of the Bank.

II. New ACDC Directors and Officers

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

<u>Name</u>	<u>Title</u>
Leonard Laufer	Director
Jarett Moyse	Director
Deborah McWhinney	Director
SoVonna Day-Goins	Director
Brian Laibow	Director
Robert Clements	Director
Joshua Siegel	Director
Karl Roessner	Director
Jill Raker	Director
Felix Scherzer	Chairman of the Board & President
Raymond Quinlan	Chief Executive Officer & Director

Some of the results of the background checks requested by this office have not yet been received. While we have decided not to delay action pending receipt of these responses, if adverse or previously withheld information is received, the OCC may consider other remedies available to us under other statutes.

Bank applied to the OCC for prior approval of a substantial change in asset composition under 12 CFR 5.53. In the proposed transaction, Bank will expand its products and services. In deciding a change in asset composition application, the OCC considers the capital level of the resulting institution; the conformity of the transaction to applicable law, regulation and supervisory policies; the purpose of the transaction; its impact on the safety and soundness of the bank; and any effect on the bank's shareholders or customers. 12 CFR 5.53(d)(3). The OCC reviewed these factors and deemed conditional approval is consistent with regulatory requirements.

III. Conditions

This approval is subject to the following condition:

1. The Bank shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC, within 45 business days of consummation of the Transaction. This condition shall remain in effect until the Operating Agreement is terminated under the provisions set forth in the Operating

Agreement.

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

Prior to consummation of the transaction

- Bancorp must contribute additional capital to the Bank of no less than \$607 million.
- The Bank must raise additional capital by issuing non-cumulative preferred stock in the amount of \$180 million. Prior to issuance of preferred stock, the Bank must submit revised and shareholder approved Articles of Association.

If all steps of the transaction are not consummated within six (6) months of the date of this letter, this approval shall automatically terminate, unless the OCC grants an extension of the time period. Within 10 days of consummating the final step in this transaction, the bank must advise the Northeastern District Office of the effective date of consummation, so the OCC may complete its records. If any of the terms, conditions, or parties to the transaction described in the application change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Substantial Asset Change application.

This 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 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 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, contact Senior Licensing Analyst Sandya Reddy at 202-445-9100 or sandya.reddy@occ.treas.gov.

Sincerely,

/s/

Stephen A. Lybarger
Deputy Comptroller for Licensing