

March 26, 2024

**Conditional Approval #1319**  
**April 2024**

sent via e-mail: [bazoff@luselaw.com](mailto:bazoff@luselaw.com)

Benjamin Azoff  
Luse Gorman, PC  
5335 Wisconsin Ave., NW, Suite 780  
Washington, DC 20015

Re: Application by Pioneer Bank, Albany, New York to Convert to a National Bank  
OCC Control Number: 2023-Conversion-335071 New Charter Number: 25324

Dear Mr. Azoff:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves your application to convert Pioneer Bank, Albany, New York (Bank) to a national bank and retain all its branches. After a thorough review of all information available, and reliance upon the representations and commitments made in the application and by the bank's representatives, we find that your conversion application meets the requirements for approval to convert to a national bank pursuant to 12 USC 35 and 12 CFR 5.24. The converted bank will operate under the title of Pioneer Bank, National Association under OCC Charter Number 25324, with its headquarters located at Albany, New York.

The OCC is granting conditional approval for the conversion application, however, authorization for the bank to commence business as Pioneer Bank, National Association will not be granted until all pre-conversion requirements and any conditions that require action prior to consummation, are met.

This conversion approval is subject to the following conditions:

- At all times, the Bank shall continue to maintain the liquidation account established upon its conversion from mutual to stock form;
- The Bank shall not declare or pay a dividend on its capital stock if the dividend would reduce the Bank's capital below the level required for the liquidation account and unless such dividend also complies with regulatory capital distribution requirements; and,
- The bank: (i) shall give the appropriate OCC 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 operations and (ii) shall obtain the OCC's written determination of no

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objection before the bank engages in any significant deviation or change from its business plan or operations.

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 condition(s) is/are enforceable under 12 USC 1818.

The OCC approves Pioneer Bank’s plans to continue the activity of Pioneer Commercial Bank, as an operating subsidiary of the Bank that offers municipal banking services to municipalities in the Pioneer Bank market area. Pioneer Commercial Bank is a New York-chartered limited-purpose commercial bank. Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank’s representatives, the OCC concludes that the activities of this operating subsidiary are legally permissible for a national bank’s subsidiary pursuant to 12 CFR 5.34.

The OCC approves Pioneer Bank’s plans to continue the activities of Pioneer Financial Service, Inc., as a financial subsidiary of the Bank. It provides wealth management services to Bank customers in partnership with LPL Financial, a registered broker dealer. Services include investment advice, brokerage, retirement income planning, estate planning, business succession employer retirement planning. Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank’s representatives, the OCC concludes that the activities of the financial subsidiary are legally permissible for a national bank subsidiary pursuant to 12 CFR 5.39.

The OCC approves Pioneer Bank’s plans to continue the activities of Anchor Agency (Anchor), as a financial subsidiary of the Bank. Anchor acts as a full-service insurance agency offering personal and commercial insurance, including homeowners, automobile, and comprehensive business insurance; offers employee benefits products; and consulting services. Based on a thorough review of all information available, including the representations and commitments made in the application and by the bank’s representatives, the OCC concludes that the activities of the financial subsidiary are legally permissible for a national bank subsidiary pursuant to 12 CFR 5.39.

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This letter constitutes official OCC authorization to operate the branches listed in the attachment to this letter. You should retain this letter as the official branch authorization. OCC branch numbers have been assigned to each of the branches. If, at some time in the future, the bank desires to close a branch, the requirements of 12 USC 1831r-1 must be met, including the submission of a 90-day advance notice of the proposed branch closing to the OCC. Following the branch closing, a final closing notice should be submitted to the OCC and the branch

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authorization must be surrendered. In the event the branch is sold, the branch authorization should also be surrendered to the OCC.

The OCC has approved your proposal to conduct fiduciary powers pursuant to 12 USC 92a. This approval constitutes a permit to conduct fiduciary powers as requested in your application pursuant to 12 CFR 5.26(e)(4).

The OCC has no objection to Joseph Geis serving as your trust officer. The OCC must approve any trust management change the bank makes prior to commencing fiduciary powers.

The board of directors should provide for the establishment and administration of the fiduciary operation through the adoption of amendments to the bylaws, through appropriate resolutions, or both. After adoption, a copy of those provisions should be furnished to the trust officer for guidance. You will note that 12 CFR 9.4 places responsibility on the board of directors for the proper exercise of the bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide for:

- A proper delineation of duties for trust officers and committee(s).
- The pledging of securities to secure trust funds on deposit in the bank as required by 12 CFR 9.10(b).
- The designation of the officers or employees responsible for custody of the trust investments in conformity with 12 CFR 9.13(a).
- The deposit of securities with state authorities where required by local law, according to 12 CFR 9.14.

The trust officers and staff should become thoroughly familiar with 12 CFR 9, "Fiduciary Activities of National Banks" and the series of Comptroller's Handbooks for Asset Management (available electronically at <https://www.occ.gov/publications/publications-by-type/comptrollers-handbook/index-comptrollers-handbook.html>).

The trust activities should begin within 18 months of this approval, unless the OCC grants an extension. You may begin exercising fiduciary powers simultaneously with your conversion to a national bank. The bank should notify this office in writing within 10 days after commencement of trust activities. If the bank decides to surrender its fiduciary powers, it should notify the OCC in accordance with 12 CFR 9.17(a).

The following pre-conversion requirements must be satisfied before the OCC will authorize the bank to commence business as a national banking association:

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1. The institution must purchase adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists four factors the directors should consider to determine adequacy.
2. If a director, officer, employee, or principal shareholder of the bank (including an entity in which such person owns an interest of 10 percent or more) is involved in the sale of credit life insurance to loan customers, the bank should ensure compliance with 12 CFR 2, which among other things, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the bank makes.
3. The board of directors must adopt policies, practices, and procedures to ensure the safe and sound operation of the bank. The board also must review those policies, practices, and procedures continually and ensure the bank's compliance with them.
4. The converting institution must apply to the Federal Reserve for membership.
5. The converting institution must ensure that all other required regulatory approvals have been obtained.
6. The directors must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.
7. If the converting institution is subject to the Home Mortgage Disclosure Act (HMDA), the bank must ensure that its reporter identification number included on its HMDA transmittal sheet is changed to reflect its new OCC charter number.
8. The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion. Any changes to the executive officers or directors must receive a "no objection" from the OCC.
9. A copy of the amended Articles of Association, with an additional provision to maintain the liquidation account.
10. As described in the application, the bank must divest of the \$2.5 million non-conforming investment in equity securities comprised of common stock of companies in the energy, health care, information technology, consumer cyclicals, industrials and utility sectors.

Upon completion of all steps required to convert to a national banking association, submit the enclosed Conversion Completion Certification certifying that you have done so. Please provide the OCC with at least 10 days advance notice of the conversion.

When the institution has satisfactorily completed all of the above steps, and has satisfied any conditions imposed by the OCC that require action prior to consummation, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the institution to commence business as a national bank. Shortly after conversion, you will receive a charter certificate.

If the conversion is not consummated within six months from the date of the decision, the approval will automatically terminate unless the OCC grants an extension. The OCC does not

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grant extensions of the approval period, except under extenuating circumstances, and expects the conversion to occur as soon as possible after approval.

OCC handbooks, manuals, bulletins, and other publications are available for download at <http://www.occ.gov/publications/index-publications.html> and <https://www.occ.gov/news-issuances/news-releases/index.html>. National banks, federal savings associations, employees, and other interested parties can subscribe to the OCC News E-mail List at [www.occ.gov/tools-forms/subscribe/occ-email-list-service.html](http://www.occ.gov/tools-forms/subscribe/occ-email-list-service.html). OCC news releases, bulletins, and alerts are also available by subscribing to the agency's four RSS news feeds at [www.occ.gov/rss/index-rss.html](http://www.occ.gov/rss/index-rss.html).

This 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 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.

A survey is enclosed requesting your feedback on how we handled the referenced application. We would appreciate your response so we may improve our service. Please include the OCC control number on any correspondence related to this filing. If you have any questions, contact Kevin Burnett at 202-655-7563 or [kevin.burnett@occ.treas.gov](mailto:kevin.burnett@occ.treas.gov).

Sincerely,

/s/

Stephen Lybarger  
Deputy Comptroller for Licensing

Enclosures: Conversion to NB Completion Certification  
Branch List  
Survey Letter (via email)