



**Federal Deposit Insurance Corporation**

15 Braintree Hill Office Park, Braintree, Massachusetts 02184-8701

Boston Area Office

September 16, 2021

Matthew D. Hanaghan, Esq.  
Nutter McClennen & Fish LLP  
155 Seaport Boulevard  
Boston, Massachusetts 02210

**Subject:        Mutual to Stock Conversion Notice;  
                  Merger Application for Adams Community Bank to Merge into  
                  Adams Subsidiary Bank (in organization); and  
                  Request for Waiver of Depositor Vote Requirements  
                  Adams Community Bank, Adams, Massachusetts  
                  Application Tracking Numbers 20210608, 20210609, and 20210610**

Dear Mr. Hanaghan:

The Federal Deposit Insurance Corporation (FDIC) has reviewed the notice submitted by Adams Community Bank, Adams, Massachusetts (Bank), to convert from a mutual to stock form and reorganize into a mutual holding company structure (Notice), pursuant to the FDIC's regulations at 12 C.F.R. §§ 303.160-163 and 333.4 (Conversion Regulations), and other pertinent regulations. The FDIC has also reviewed the Bank Merger Act application filed in connection with the reorganization. The Bank will effect the reorganization through a multi-step process that will result in a de novo interim stock bank merging with the Bank, with the stock bank as the surviving entity. Concurrent with the merger, the surviving stock bank will change its name to Adams Community Bank. The process will also include the creation of a two-tier holding company structure with the top-tier parent company operating as a mutual holding company under the name of Community Bancorp of the Berkshires, MHC, and the mid-tier entity operating as a stock company under the name Community Bancorp of the Berkshires, Inc.

Based on the information provided and representations made, the FDIC poses no objection to the Notice, subject to conditions (certain of which must be met on an ongoing basis) detailed in the enclosed Order and Basis (Order) approving the Bank Merger Act application filed in connection with the reorganization. We also reviewed the request for a waiver from the depositor vote requirement and concluded that the results of the Bank's corporator vote and the Massachusetts Division of Bank's approval of the corporator vote under Massachusetts law constitute good cause to approve the Bank's depositor vote waiver request pursuant to 12 C.F.R. § 303.162(a)(2) of the Conversion Regulations. Therefore, the request for a waiver is granted.

Assuming all conditions of the Order are met, the federal deposit insurance held by the Bank prior to the reorganization will continue by operation of law to insure the deposits held by Adams Community Bank, Adams, Massachusetts (the bank resulting from the merger of the Bank with the newly formed Adams Subsidiary Bank) upon consummation of the reorganization.

Pursuant to 12 U.S.C. § 1814(d), the deposits of Adams Community Bank, Adams, Massachusetts, the resulting bank, will continue to be insured by the Deposit Insurance Fund following the reorganization under the same Certificate of Deposit Insurance that was originally issued to the Bank.

The Bank, as the transferring insured depository institution, is required to file with this office, within 30 days after the transfer of all deposit liabilities from the Bank, a Certification of Total Assumption of Deposits pursuant to Part 307 of the FDIC's Rules and Regulations, 12 C.F.R. § 307.

If an extension of the time limitation prescribed in the Order is required, a letter application requesting a specified extension should be submitted to this office. If you have any questions, please contact Case Manager Christine K. Viola at (781) 794-5513 or [cviola@fdic.gov](mailto:cviola@fdic.gov).

Sincerely,  
Marianne Hatheway  
Deputy Regional Director

Enclosure

cc: Board of Trustees  
Adams Community Bank

Mary L. Gallagher  
Commissioner of Banks  
Massachusetts Division of Bank

Scott Chu  
Lead Risk Analyst  
Supervision, Regulation & Credit  
Federal Reserve Bank of Boston

# **FEDERAL DEPOSIT INSURANCE CORPORATION**

**RE: Adams Community Bank**  
Adams, Berkshire County, Massachusetts

Application for Consent to Merge

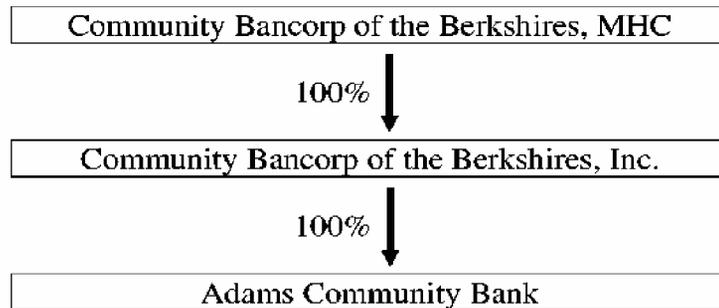
## **ORDER AND BASIS FOR APPROVAL**

Pursuant to Section 18(c) of the Federal Deposit Insurance (FDI) Act, Adams Community Bank (“Bank”), Adams, Berkshire County, Massachusetts, currently a state-chartered, mutually-owned Deposit Insurance Fund (DIF) member with total assets of \$839,024,000 and total deposits of \$737,089,000 as of June 30, 2021, has filed an application for the FDIC’s consent to merge with Adams Subsidiary Bank, Adams, Massachusetts, a proposed new interim state-chartered stock savings bank. The application is intended to facilitate the reorganization of the Bank into a mutual holding company structure with a mid-tier stock holding company and a Massachusetts-chartered, subsidiary stock savings bank.

Pursuant to the Plan of Reorganization, the Bank will undertake the following steps:

1. The Bank will cause a new mutual savings bank to be chartered, to be known as Adams Interim Mutual Bank (the “Interim Mutual Bank”);
2. Immediately following its formation, Interim Mutual Bank will promptly amend and restate its charter to become a mutual holding company known as Community Bancorp of the Berkshires, MHC (the “MHC”);
3. The MHC will simultaneously establish Adams Subsidiary Bank (“Subsidiary Stock Bank”) as a new, wholly owned, Massachusetts-chartered subsidiary savings bank in the stock form of organization;
4. The MHC will also immediately establish a new, wholly owned, Massachusetts-chartered subsidiary holding company to be known as Community Bancorp of the Berkshires, Inc. (the “Stock Holding Company”) as a separate wholly-owned subsidiary;
5. Immediately thereafter, the Bank will merge with and into Subsidiary Stock Bank, with Subsidiary Stock Bank surviving the merger as the Resulting Bank. The assets and liabilities, including all of the deposit liabilities of the Bank, will be transferred to Resulting Bank, to be named Adams Community Bank, and the charter of the mutual bank will terminate by operation of law as a result of the merger.
6. The MHC will immediately thereafter contribute 100% of the issued and outstanding shares of stock of the Resulting Bank to the Stock Holding Company (the “Contribution”), resulting in the Stock Holding Company owning 100% of the issued and outstanding stock of the Resulting Bank. MHC will continue to hold 100% of the stock of Community Bancorp of the Berkshires, Inc., the mid-tier Stock Holding Company.

Following the merger and Contribution, the Resulting Bank will be a direct, wholly owned subsidiary of the Stock Holding Company, which in turn will be a direct, wholly owned subsidiary of the MHC. The corporate structure will be as follows:



Upon consummation of the proposed transaction, the deposits of Resulting Bank will be insured by the DIF. Resulting Bank will utilize the same branch offices and provide the same services as the Bank, and continue to be governed by the current management team. Neither the Interim Mutual Bank nor the Subsidiary Stock Bank will conduct any banking business during the brief period of time that they remain in existence as separate banks.

Related and necessary applications for the Plan of Reorganization were filed with the Board of Governors of the Federal Reserve System and the Division of Banks of the Commonwealth of Massachusetts. Decisions by the Federal Reserve and the Division of Banks on these applications are pending.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the proponent, disclosed no inconsistencies with the purposes of the CRA. Resultant Bank is expected to meet the credit needs of its community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the effect on competition, financial and managerial resources and future prospects of the proponent bank and the resultant bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the effectiveness of the insured depository institution involved in the proposed merger transaction in combating money-laundering activities, and the risk posed by the transaction to the stability of the U.S. banking or financial system.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application for consent to merge should be and is hereby approved subject to the following conditions, some of which are continuing in nature:

1. Except for the issuance of all of the shares of Adams Subsidiary Bank (Subsidiary Stock Bank) to Community Bancorp of the Berkshires, MHC (Mutual Holding Company) and the contribution of that stock to Community Bancorp of the Berkshires, Inc. (Stock Holding Company), no shares of stock of the Subsidiary Stock Bank shall be sold, transferred, or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior written notice is provided to, and written non-objection is received from, the FDIC's New York Regional Director.

2. Prior to a sale, transfer or other disposition of any shares of the Stock Holding Company by the Mutual Holding Company to any person (including any Employee Stock Ownership Plan) or a conversion of the Mutual Holding Company to stock form, the Subsidiary Stock Bank shall provide prior written notice to the FDIC's New York Regional Director and include copies of all documents filed with the state and Federal banking and/or securities regulators in connection with any sale, transfer, disposition, or conversion.
3. Should any shares of stock of either the Subsidiary Stock Bank or the Stock Holding Company be issued to persons other than the Stock Holding Company and the Mutual Holding Company, any dividends waived by the Mutual Holding Company shall be retained by the Stock Holding Company or the Subsidiary Stock Bank and must be segregated, earmarked or otherwise identified on its books and records. Such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of the Mutual Holding Company to stock form. Such amounts shall not be available for payment to, or the value thereof transferred to, minority shareholders by any means, including through dividend payments or upon liquidation.
4. Any change in proposed senior executive officers or the board of directors, prior to the consummation of the proposed transactions, will render this approval null and void unless the Bank submits prior written notice to, and receives written non-objection from, the FDIC's New York Regional Director prior to the consummation of the proposed transactions.
5. During the three-year period after the close of the proposed transactions, the Subsidiary Stock Bank shall operate within the parameters set forth in the business plan submitted with the Notice and must provide prior written notice to and receive written non-objection from, the FDIC's New York Regional Director prior to implementing any material deviation or change from the business plan (including, but not limited to, any merger, acquisition, or business combination).
6. The Subsidiary Stock Bank shall provide 30 days written notice to the FDIC's New York Regional Director prior to implementing any policy or executing any agreement with the Mutual Holding Company or any of the Subsidiary Stock Bank's affiliates related to the allocation and sharing of costs with the Subsidiary Stock Bank. A copy of the proposed policy or agreement shall be provided with the written notice. The Subsidiary Stock Bank shall not implement any such policy or execute such agreement if the FDIC's New York Regional Director objects in writing to such policy or agreement within the 30-day notice period.
7. The Bank shall provide written evidence that all necessary and final approvals regarding the proposed transactions have been received from the appropriate Federal and state authorities.
8. The proposed transactions may not be consummated later than six months after the date of the FDIC's non-objection unless such period is extended for good cause by the FDIC.
9. The Bank acknowledges that any letter of non-objection from the FDIC is conditioned on the facts and circumstances as currently known to the FDIC, and the Bank shall notify the FDIC's New York Regional Director as soon as the Bank becomes aware of any material changes in the facts and circumstances prior to the consummation of the proposed transactions.

10. Until the proposed transactions are consummated, the FDIC has the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Dated at Braintree, Massachusetts on this 16th day of September, 2021.

Marianne Hatheway  
Deputy Regional Director