

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Empire National Bank
Islandia, Suffolk County, New York
Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for Federal deposit insurance for Empire National Bank, a proposed new national bank to be located at 1707 Veterans Highway, Islandia, Suffolk County, New York, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Empire National Bank for Federal deposit insurance be approved subject to the following conditions:

- (1) That beginning paid-in capital funds, net of organizational and pre-opening expenses, of not less than \$23,500,000 be provided;
- (2) That Tier 1 Capital/Assets ratio shall be maintained at not less than 8.0 percent throughout the first three years of operation and that an adequate allowance for loan and lease losses be provided;
- (3) That any changes in the proposed management or proposed ownership (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, will render this commitment null and void unless such proposal is approved by the Corporation prior to opening the bank;
- (4) That the Bank shall appoint a qualified Bank Secrecy Act Officer acceptable to the FDIC prior to opening;
- (5) That the Bank shall comply with the policy of the FDIC regarding stock option plans, as set forth in the FDIC Statement of Policy on Applications for Deposit Insurance;
- (6) That the Bank shall develop and the Board shall approve all operating policies and procedures specific to Empire National Bank. Such policies and procedures shall be acceptable to the Office of the Comptroller of the Currency (OCC) prior to opening and shall include, but not be limited to, written investment, loan, funds management, liquidity, audit, security, compliance, and Bank Secrecy Act policies;
- (7) That sufficient fidelity insurance coverage be obtained;
- (8) That the Federal deposit insurance shall not become effective unless and until the applicant has been established as a national bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank has been fully approved by the OCC;
- (9) That until the conditional commitment herein ORDERED becomes effective, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,

- (10) That if deposit insurance has not become effective within one year from the date of the Order, or unless, in the meantime, a request for an extension of time has been approved by the Corporation, the consent granted shall expire on said date.

Dated at New York, New York, this 3rd day of October, 2007

/s/

Doreen R. Eberley
Regional Director
Division of Supervision and Consumer Protection

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. §1815), an application for Federal deposit insurance has been filed for Empire National Bank (the Bank), a proposed new federally-chartered commercial bank, to be located at 1707 Veterans Highway, Islandia, Suffolk County, New York.

The Bank plans to offer a full line of commercial and consumer bank products and services in the towns of Islandia and Shirley as well as the contiguous western townships of Suffolk County: Babylon, Brookhaven, Huntington, Islip, and Smithtown, New York.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**NEW YORK REGIONAL DIRECTOR
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**