

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Greystone Bank (Proposed)
Raleigh, Wake County, North Carolina

Application for Federal Deposit Insurance
(Bank Insurance Fund)

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 relating to the application for Federal deposit insurance for Greystone Bank (the Bank), a proposed new State nonmember bank to be located at 4700 Falls of Neuse Road, Suite 190, Raleigh, Wake County, North Carolina, and has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be and the same hereby is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$10,000,000 be provided;
- (2) That the Tier 1 capital to assets ratio as defined in Part 325 of the FDIC's Rules and Regulations be maintained at not less than eight percent during the first three years of operation and that an adequate allowance for loan and leases losses will be provided;
- (3) That any changes in proposed management or proposed ownership (10% or more of outstanding stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to the bank's opening;
- (4) That prior to opening for business, the Bank shall hire and retain, subject to the prior written non-objection of the Atlanta Regional Director, a qualified Chief Financial Officer;
- (5) That an accrual accounting system be adopted for maintaining the Bank's books;
- (6) That sufficient fidelity coverage on the bank's active officers and employees to conform with generally accepted banking practices be obtained prior to opening for business;

- (7) That the Bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective and submit to the Atlanta Regional Office (i) a copy of the audited financial statements and the independent public auditor's report thereon within 90 days after the end of the Bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days of receipt, and (iii) written notification within 15 days when a change in its independent auditor occurs;
- (8) That the Bank shall operate within the parameters of the business plan submitted to the Federal Deposit Insurance Corporation (FDIC), and, furthermore, during the first three years of operations, the Bank shall notify the Atlanta Regional Director of the FDIC of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
- (9) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter as a depository institution, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the North Carolina Commissioner of Banks;
- (10) That until the Bank is established, the FDIC shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,
- (11) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.

Dated at Washington, D.C. this 23RD day of September 2005.

FEDERAL DEPOSIT INSURANCE CORPORATION

BY: /s/
Lisa K. Roy
Associate Director

Division of Supervision and Consumer Protection

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Greystone Bank (Proposed)
Raleigh, Wake County, North Carolina
Application for Federal Deposit Insurance
(Bank Insurance Fund)

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 Greystone Bank (the Bank), a proposed new state nonmember bank to be located at 4700 Falls of Neuse Road, Suite 190, Raleigh, Wake County, North Carolina.

The Bank will be affiliated via common control of proposed principal shareholder and Chairman of the Board Stephen J. Rosenberg with Greystone & Co., Inc. and its affiliates, a private investment banking group specializing in providing and servicing commercial real estate loans for multi-family residential and healthcare facility properties.

The Bank will focus on commercial real estate loans, collateralized by multi-family residential properties, healthcare facilities, and other commercial properties. The Bank is expected to serve customers nationwide via referrals from affiliate companies. In addition to formal written operating policies, the Bank will ensure that all transactions with affiliates are arms length and within regulatory statutes and guidelines.

The Bank will operate from a single office that will not offer traditional deposit taking facilities. Deposits will be limited in the early stages of operation to time deposits generated through brokers and internet deposit aggregators with money market deposit accounts to be added at a later date.

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 Associate Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**ASSOCIATE DIRECTOR
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**