

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: GS&L Municipal Bank
(In Organization)
Gouverneur, St. Lawrence County, New York

Application for Federal Deposit Insurance

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") 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 with membership in the Deposit Insurance Fund for GS&L Municipal Bank ("Bank"), a proposed state non-member institution to be located at 42 Church Street, Gouverneur, St. Lawrence County, New York 13642, 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 is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$2,500,000 will be provided.
- (2) That the Leverage ratio, as defined in the FDIC's capital regulation, will be maintained at not less than eight percent throughout the first three years of operation.
- (3) That any changes in proposed management or proposed ownership to the extent of 10 percent or more of stock, including new acquisitions of or subscriptions to 10 percent or more of stock, shall be approved by the FDIC prior to the opening of the institution for business.
- (4) That prior to opening, the Bank shall obtain non-objection from the FDIC to any proposed change in the composition of the Board of Directors and executive officers of the Bank.
- (5) That an accrual accounting system be adopted for maintaining the books of the institution in accordance with U.S. Generally Accepted Accounting Principles.
- (6) That deposit insurance will not become effective until the applicant has been granted a charter as a depository institution and has authority to conduct such business, and its establishment and operation have been fully approved by the New York State Department of Financial Services.
- (7) That any proposed contracts, leases, or agreements relating to construction or rental of permanent quarters will be submitted to the FDIC Regional Director for review and comment.

- (8) That prior to the effective date of deposit insurance, adequate fidelity coverage will be obtained.
- (9) That the institution will obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective and submit to the FDIC Regional Director (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (iii) written notification within 15 days when a change in the institution's independent auditor occurs.
- (10) That the depository institution shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the institution shall seek the prior non-objection of the FDIC Regional Director for any proposed major deviation or material change from the submitted business plan.
- (11) That if the transaction does not take effect within one year from the date of this **ORDER** or unless a request for an extension of time has been approved, then the consent granted shall expire at the end of the time period.
- (12) That until the FDIC's conditional commitment becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment if warranted.

Dated at New York, New York, this 29th day of July, 2022.

FEDERAL DEPOSIT INSURANCE CORPORATION
Jessica A Kaemingk
Acting Regional Director
New York Region

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: GS&L Municipal Bank (Proposed)
Gouverneur, St. Lawrence County, New York

Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. §1815), the Federal Deposit Insurance Corporation ("FDIC") received an application for Federal Deposit Insurance for GS&L Municipal Bank (the "Bank"), a proposed new state non-member bank, to be located at 42 Church Street, Gouverneur, St. Lawrence County, New York 13642. The organizers have concurrently applied to the New York State Department of Financial Services for a state bank charter.

Notice of the Federal Deposit Insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on March 11, 2022.

The Bank will be a wholly owned subsidiary of Gouverneur Savings and Loan Association, Gouverneur, New York. Gouverneur Savings and Loan Association is a New York state-chartered savings and loan association. The opening capital of the Bank will be \$2,500,000. The Bank is offering 1,000,000 common stock shares at a subscription price of \$2.50 per share. The subscription proceeds will be allocated \$1,000,000 to capital stock and \$1,500,000 to surplus.

The Bank's business plan is to operate as a commercial bank, with the sole purpose of gathering deposits from municipalities. The Bank will not have any retail operations, and will not offer deposits or loans to retail customers.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals in the business plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a leverage ratio of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Projected growth and earnings appear attainable, and the investment in fixed assets is reasonable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purpose of the FDI Act, and no undue risk to the Deposit Insurance Fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the New York Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**ACTING REGIONAL DIRECTOR
DIVISION OF RISK MANAGEMENT SUPERVISION
FEDERAL DEPOSIT INSURANCE CORPORATION**