

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Harmony Bank  
Jackson, Ocean County, New Jersey  
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 Harmony Bank, a proposed new state nonmember bank to open temporarily at 2110 West County Line Road, Jackson, Ocean County, New Jersey and to be permanently located to be located at 2120 West County Line Road, Jackson, Ocean County, New Jersey, and has concluded that the application should be approved.

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

- (1) That gross capital proceeds of not less than \$12,000,000 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 operate within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operations, the bank shall notify the appropriate FDIC Regional Director of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
- (5) That an accrual accounting system be adopted for maintaining the bank's books;
- (6) That sufficient fidelity insurance coverage be obtained;
- (7) That the Bank shall appoint a qualified Bank Secrecy Act Officer acceptable to the FDIC prior to opening;
- (8) That the bank obtain an audit of financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective, furnish a copy of any reports by the independent auditor (including any management letter) to the appropriate FDIC Regional Director within 15 days of their receipt by the bank and notify the appropriate FDIC Regional Director within 15 days when a change in its independent auditor occurs;
- (9) That the Federal deposit insurance shall not become effective unless and until the applicant has been established as a state nonmember 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 state authority;

- (10) 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,
- (11) 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 Braintree, Massachusetts, this 12th day of May, 2008.

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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 Harmony Bank, a proposed new state nonmember bank to be located at 2110 West County Line Road, Jackson, Ocean County, New Jersey. The organizers intend to focus on providing traditional banking products primarily to residential and commercial customers in the Township of Jackson, and secondarily to residents and businesses in Howell, Freehold, and Lakewood Townships.

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. The prospects for meeting the convenience and needs of the community are favorable. 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**