

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: **MOXY Bank**
(In Organization)
Washington, D.C.

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 with membership in the Deposit Insurance Fund for **MOXY Bank** to be located at **1301 Pennsylvania Avenue, SE, Washington, D.C., 20003**, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by **MOXY 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 \$25 million be provided;
2. That the Tier 1 capital to assets leverage ratio (as defined in the Federal Deposit Insurance Corporation's capital regulations) be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses be provided from the date insurance is effective;
3. Any changes in the proposed management or proposed ownership of ten percent or more of stock, including new acquisitions of or subscriptions to ten percent or more of the stock be approved by the FDIC prior to opening;
4. Prior to the effective date of deposit insurance, a complete shareholder list shall be provided to the Regional Director, which shall include the following for each beneficial owner or control party: name, number of shares owned or controlled directly or indirectly, dollar amount of shares owned or controlled directly or indirectly, and percentage of shares owned or controlled directly or indirectly. The shareholder list shall also identify any related direct or indirect interest in shares, whether such interests are held as owner, control party, beneficiary, trustee, or investment advisor, or whether due to another similar relationship that following the offering and when aggregated, will equal or exceed 10 percent of the institution's shares;

5. The applicant will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles;
6. 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, furnish a copy of any reports by the independent auditor (including any management letters) to the appropriate FDIC regional office within 15 days after their receipt by the depository institution and notify the appropriate FDIC regional office within 15 days when a change in its independent auditor occurs;
7. That prior to the effective date of deposit insurance, adequate fidelity coverage be obtained;
8. Obtain non-objection of the FDIC to any proposed change, prior to the bank's opening, in the composition of the Board and executive management;
9. Prior to executing final employment agreements and compensation arrangements for any senior executive officer, and prior to the institution commencing operations, the institution shall submit copies of, and obtain the Regional Director's written non-objection to the final employment agreements and compensation arrangements (including a written description of salary, benefits, deferred compensation, stock compensation, or incentives, and bonus and severance payments, as applicable) for the institution's senior executive officers. The institution shall also submit copies of the compensation analyses, studies, or other documentation supporting the reasonableness of the proposed compensation. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101;
10. That the Bank will submit any proposed contract, lease, or agreement relating to the construction or rental of permanent quarters during the first three years of operations to the FDIC Regional Director for review;
11. That during the first three years of operations, the Bank shall notify the FDIC Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility;
12. That the bank shall operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the bank shall notify the Regional Director, of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
13. That the Bank will develop and implement a Community Reinvestment Act plan appropriate for the Bank's business strategy;

14. That deposit insurance will not become effective until the applicant has been granted a charter, has authority to conduct a banking business, and its establishment and operation as a depository institution has been fully approved by the appropriate state supervisory authority;
15. That until the conditional commitment of the FDIC becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed to warrant such action; and
16. That if Federal deposit insurance has not become effective within one year 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 time period.

Dated at New York, New York, this 22nd day of January, 2019.

/S/

John F. Vogel
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: MOXY Bank (Proposed)
Washington, D.C.

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 Interagency Charter and Federal Deposit Insurance Application on behalf of MOXY Bank (the "Bank"), a proposed new District of Columbia chartered nonmember bank with a main office located at 1301 Pennsylvania Avenue, SE, Washington, D.C., 20003. The organizers concurrently applied to the DC Department of Insurance, Securities, and Banking (DISB) for a District of Columbia commercial bank charter.

Notice of the Federal deposit insurance application, in a form approved by the FDIC, was published pursuant to the FDI Act on July 14, 2018.

The Bank will be a wholly owned subsidiary of MOXY Holdings, Inc., ("BHC") a Delaware corporation. The organizers intend to apply with the Federal Reserve Bank of Richmond for approval to form the BHC as a regulated bank holding company. The opening capital of the Bank will be realized from a private placement offering. A minimum of \$25,000,000 of the proceeds from the common stock offering will capitalize the Bank in exchange for 100% of the voting stock of the Bank. Net of organizational expenses, the Bank's opening capital will approximate a minimum of \$22,850,000.

The Bank's business plan is for a bank that provides banking services primarily throughout Wards 7 and 8 of Washington, D.C. and Charlotte, North Carolina through a loan production office. The Bank will offer traditional products and services and will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors, who is committed to serving the local community.

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 Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, 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 purposes 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, as well as in consideration of the Community Reinvestment Act, the National Historic Preservation Act, and the National Environmental Protection Act, the New York Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

REGIONAL DIRECTOR
DIVISION OF RISK MANAGEMENT SUPERVISION
FEDERAL DEPOSIT INSURANCE CORPORATION