InRe: New Valley Bank & Trust (In Organization)  
Springfield, Massachusetts  
Application for Federal Deposit Insurance and to Establish a Domestic Branch  
(Modification of Conditions)

AMENDED ORDER AND BASIS FOR APPROVAL

WHEREAS, on November 2, 2018, the Federal Deposit Insurance Corporation ("FDIC") approved an application submitted on behalf of New Valley Bank & Trust ("Proposed Bank"), a proposed new state non-member bank located in Springfield, Hampden County, Massachusetts, for Federal deposit insurance with membership in the Deposit Insurance Fund, and for consent to establish a domestic branch at 1930 Wilbraham Road, Springfield, Hampden County, Massachusetts, and issued a Deposit Insurance Order (the "Original Order"), subject to a number of conditions; and

WHEREAS, on March 26, 2019, J. Jeffrey Sullivan, President and Chief Executive Officer of the Proposed Bank, filed a request with the FDIC on behalf of the Proposed Bank, requesting a modification of condition #1 of the Original Order, which would reduce the minimum amount of required paid-in capital (also known as "initial capital") from $25,000,000 to not less than $23,500,000;

WHEREAS, the undersigned, acting on behalf of the Board of Directors of the 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 request to modify condition #1 of the Original Order; and

NOW THEREFORE, the FDIC hereby consents to a modification of the Original Order (the "First Modification"), such that the First Modification of the Original Order now provides:

1. That beginning paid-in capital funds of not less than $23,500,000 shall be provided (initial capital).

2. That the Bank's initial capital is sufficient to maintain a Tier 1 leverage ratio (as defined in the appropriate capital regulations of the FDIC) of not less than eight percent (8.00%) throughout the first three years of operation.

3. That an adequate allowance for loan and lease losses be provided from the date insurance is effective.

4. That prior to the Bank's opening and during the first three years of operations, the Bank shall obtain the non-objection of the appropriate FDIC Regional Director for any proposed change in the composition of the Board of Directors and senior executive officers (as defined in 12 CFR § 303.101) of the Bank.
5. That during the Bank's first three years of operation, the Bank must obtain the written non-objection of the appropriate FDIC Regional Director prior to the implementation of any employment agreements and compensation arrangements (including salary, benefits, deferred compensation, stock options and/or incentives, and bonus and severance payments) for the Bank's senior executive officers that were not previously reviewed by the FDIC as part of the application for Federal deposit insurance.

6. 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 seek the prior written non-objection from the appropriate FDIC Regional Director for any proposed major deviation or material change from the submitted plan, before implementation of such major deviation or material change.

7. That during the first three years of operations, the Bank shall notify the appropriate FDIC Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.

8. That prior to the effective date of obtaining Federal deposit insurance, the Bank must obtain adequate fidelity coverage.

9. 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 appropriate FDIC Regional Director for review.

10. The Bank will adopt an accrual accounting system for maintaining the financial records of the Bank in accordance with U.S. Generally Accepted Accounting Principles.

11. That the Bank will obtain an audit of its financial statements by an independent public accountant annually for the first three fiscal years after Federal Deposit Insurance is effective, and submit to the appropriate FDIC office (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 fifteen (15) days after their receipt by the Bank, and (iii) written notification within 15 days after a change in the Bank's independent auditor occurs.

12. That the Bank will identify and hire a qualified Bank Secrecy Act Officer prior to commencing operations.

13. That the Bank will develop and implement a Community Reinvestment Act plan appropriate for the Bank's business strategy.

14. That any proposed ownership of ten percent (10.00%) or more of the Bank's stock, including new acquisitions of or subscriptions to ten percent or more of
stock, must be approved by the FDIC prior to the Bank's opening. The Bank must provide a complete shareholder list 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 interests in shares, whether such interests are held as owner, control parity, 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 Bank's holding company shares. The complete shareholder list shall be provided to the FDIC prior to the Bank's opening.

15. That prior to opening, the Bank has made or will make full disclosure to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and terms and costs involved. An "insider" is a person who: (i) is or is proposed to be a director, officer, or incorporator of the Bank; (ii) is a shareholder who directly or indirectly controls ten percent (10.00%) or more of any class of the Bank's outstanding voting stock; or (iii) is an associate or related interest of any such person.

16. That Federal deposit insurance will not become effective until the Bank has been granted a charter as a depository institution; has authority to conduct a banking business; and its establishment and operation have been fully approved by the appropriate State supervisory authority.

17. That until Federal deposit insurance becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed by the FDIC to warrant such action.

18. That if Federal deposit insurance has not become effective within one year from the date of this ORDER, or unless, in the meantime, a written request for an extension of time by the Bank has been approved by the FDIC, the consent granted shall expire at the end of this time period on said date.

Dated at New York, New York, this 23rd day of April 2019.

FEDERAL DEPOSIT INSURANCE CORPORATION

/S/

John F. Vogel
Regional Director
Division of Risk Management Supervision