November 4, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Board of Directors
Bogota Savings Bank
819 Teaneck Road
Teaneck, New Jersey 07666

RE: Notice of Intent to Convert and Interim Merger Application

Dear Members of the Board:

The Federal Deposit Insurance Corporation (FDIC) reviewed the Notice of Intent to Convert (Notice), filed on behalf of Bogota Savings Bank, Teaneck, New Jersey (Bank), pursuant to the FDIC’s regulations at 12 C.F.R. sections 303.160 – 303.163 and 333.4, and other pertinent regulations. The Notice was filed in connection with the Bank’s Plan of Mutual Holding Company Reorganization and Minority Stock Issuance, whereby the Bank proposes to: (i) convert to a New Jersey-chartered stock bank; (ii) establish a mid-tier Maryland stock holding company, Bogota Financial Corp. (BFC), which will own 100 percent of the Bank’s common stock; and (iii) establish a top-tier New Jersey mutual holding company, Bogota Financial, MHC, which will own 55 percent of BFC’s common stock.

Concurrently with the conversion, BFC intends to issue and offer for sale common stock on a priority basis to (i) eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least $50.00 at the close of business on December 31, 2017; (ii) the Bank’s tax-qualified employee benefit plans (including the employee stock ownership plan and 401(k) plan); (iii) supplemental eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least $50.00 at the close of business on September 30, 2019); (iv) other depositors (depositors who had accounts at the Bank on the voting record date; (v) community offering (with a preference towards persons residing in Bergen County, New Jersey); and (vi) syndicated offering. BFC also intends to establish Bogota Savings Bank Charitable Foundation and contribute 2 percent of BFC common stock sold in the offering, plus up to $250,000. The FDIC has also reviewed the Interim Merger Application (Merger Application) application filed in connection with the reorganization.

The FDIC has relied on information provided in the Bank’s Notice and Merger Application, the accompanying materials, and subsequent responses to information requests in reaching its decision. Based on the information provided and representations made, the FDIC poses no objection to the Notice, subject to the conditions (certain of which must be met on an ongoing basis) detailed in the enclosed Order and Basis approving the Merger Application filed in connection with the Notice.
Please provide documentation to the FDIC’s New York Regional Office (NYRO) to support satisfaction of the conditions in the Order and Basis. Also, please notify the NYRO in writing when the proposed transactions have been consummated. Should you have any questions, contact Case Manager Kalem Kopf at (917) 320-2778.

If an extension of the time limit in the Order and Basis is required, a letter requesting a specific extension, and the reasons for the extension, should be submitted to Regional Director Frank R. Hughes at 350 Fifth Avenue, Suite 1200, New York, New York 10118.

Sincerely,

/s/

Patricia A. Colohan
Associate Director

Enclosure

cc:  Joseph Coccaro
     President and Chief Executive Officer
     Bogota Savings Bank
     819 Teaneck Road
     Teaneck, New Jersey 07666

     Scott A. Brown, Esq.
     Luse Gorman, P.C.
     5335 Wisconsin Avenue, NW, Suite 780
     Washington, D.C. 20015

     Richard Mumford
     Acting Director of the Division of Banking
     New Jersey Department of Banking and Insurance
     20 West State Street
     Trenton, New Jersey 08625

     Ivan J. Hurwitz
     Senior Vice President, Bank Applications Function
     Federal Reserve Bank of New York
     33 Liberty Street
     New York, New York 10045-0001
FEDERAL DEPOSIT INSURANCE CORPORATION

Bogota Savings Bank
Teaneck, New Jersey

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to section 18(c) of the Federal Deposit Insurance (FDI) Act, Bogota Savings Bank (Savings Bank), Teaneck, Bergen County, New Jersey, currently a state-chartered, mutually owned Deposit Insurance Fund (DIF) member with total assets of $663,984,000 and total deposits of $508,632,000 as of June 30, 2019, filed an application (Merger Application) for the FDIC’s consent to merge with Bogota Interim Bank II, Teaneck, Bergen County, New Jersey, a proposed new interim state-chartered stock savings bank. The Merger Application was filed in conjunction with a Notice of Intent to Convert (Notice) pursuant to sections 303.160 – 303.163 and 333.4 of the FDIC’s regulations and other pertinent regulations.

The proposed transaction is to effect the Savings Bank’s reorganization from a mutual savings bank to a mutual holding company pursuant to the Savings Bank’s Plan of Mutual Holding Company Reorganization and Minority Stock Issuance (the Plan of Reorganization), which, solely to facilitate such an undertaking, provides for the following:

(i) Savings Bank will organize a New Jersey-chartered interim stock savings bank as a wholly owned subsidiary (Bogota Interim Bank I);

(ii) Bogota Interim Bank I will organize a New Jersey-chartered interim stock savings bank as a wholly owned subsidiary (Bogota Interim Bank II);

(iii) Bogota Interim Bank I will organize a Maryland stock corporation to be known as Bogota Financial Corp. (Stock Holding Company) as a wholly owned subsidiary;

(iv) Savings Bank will convert to stock form by exchanging its mutual savings bank charter for a stock savings bank charter and thereby become Bogota Savings Bank (Bank) and Bogota Interim Bank I will become the wholly owned subsidiary of the Bank;

(v) The shares of common stock of Bogota Interim Bank I will be cancelled, and Bogota Interim Bank I will exchange its articles of incorporation for New Jersey mutual holding company articles of incorporation to become a New Jersey-chartered mutual holding company to be known as Bogota Financial, MHC (Mutual Holding Company);

(vi) Simultaneously with steps (iv) and (v), Bogota Interim Bank II will merge with and into the Bank (Interim Merger), with the Bank as the resulting subsidiary of the Mutual Holding Company, and all of the initially issued stock of the Bank will be transferred to Mutual Holding Company in exchange for membership interests in Mutual Holding Company; and
Bogota Savings Bank
Order and Basis for Corporation Approval

(vii) Mutual Holding Company will contribute the capital stock of the Bank to Stock Holding Company, and the Bank will become a wholly owned subsidiary of Stock Holding Company.

Upon consummation of the proposed transaction, the deposits of the Bank will be insured by the DIF. The Bank will be a stock bank that will be wholly owned by Bogota Financial Corp., which in turn will be majority-owned by Bogota Financial, MHC.

Following the consummation of the proposed transaction, the Bank will operate the same banking business with the same management at the same locations now being served by the Bank, including its main office at 819 Teaneck Road, Teaneck, New Jersey. The proposed transaction will not alter the competitive structure of banking in the market served by the Bank.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the proponent, disclosed no inconsistencies with the purposes of the CRA. The Bank is expected to continue to meet the credit needs of its community, consistent with the safe and sound operation of the institution.

In connection with the Merger Application, the FDIC has taken into consideration the financial and managerial resources and future prospects of the proponent bank and the resultant bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the effectiveness of the insured depository institution involved in the proposed transaction in combating money-laundering activities, and the risk posed by the transaction to the stability of the U.S. banking or financial system.

Having found favorably on all statutory factors, the FDIC hereby approves the Merger Application, subject to the following conditions, some of which are continuing in nature:

1. The Bank shall provide written evidence that the Plan of Reorganization was approved by a vote of at least a majority of the depositors who are entitled to vote on the transaction.

2. Any change in proposed senior executive officers or the Bank’s Board of Directors prior to the consummation of the proposed transaction will render this approval null and void, unless the Bank submits prior written notice to and receives written non-objection from the FDIC New York Regional Director prior to consummation of the proposed transaction.

3. The Bank will provide 60 days’ prior written notice to and obtain written non-objection from the FDIC New York Regional Director prior to implementing any policy or executing any agreement relating to the allocation and sharing of costs with the Bank.

4. During the one-year period after the close of the conversion offering, the Bank shall provide at least 60 days’ prior written notice to the FDIC New York Regional Director of any repurchase of shares and include copies of all documents filed with other regulators.

5. Except for the issuance of the Bank’s stock to Bogota Financial, MHC, and the contribution of that stock to Bogota Financial Corp., no shares of the Bank’s stock shall be sold, transferred, or
Bogota Savings Bank
Order and Basis for Corporation Approval

otherwise disposed of, to any person (including any Employee Stock Ownership Plan or the Foundation) unless prior written notice is provided to, and non-objection is received from, the FDIC New York Regional Director.

6. During the one-year period after the close of the conversion offering, shares issued to directors and executive officers (insiders) in the conversion offering are restricted from resale without the prior written approval of the FDIC New York Regional Director, except for the following, which shall not require such prior approval: (1) in the event of the death of an insider, the successor in interest may sell the shares; (2) if the insider is no longer employed by or is a trustee or director of the Bank and Bogota Financial Corp., he or she may sell the shares; and (3) the insider may transfer the shares to his or her lineal descendant(s) or spouse, or into a trust or retirement vehicle for the benefit of the insider or such descendants or spouse.

7. Prior to the sale, transfer, or other disposition of any shares of Bogota Financial Corp. by Bogota Financial, MHC, to any person (including any Employee Stock Ownership Plan or the Foundation), or prior to a conversion of Bogota Financial, MHC, to stock form, the Bank shall provide written notice to the FDIC New York Regional Director and include copies of all documents filed with the state and Federal banking or securities regulators in connection with any such sale, transfer, disposition, or conversion.

8. During the three-year period after the close of the proposed transaction, the Bank shall operate within the parameters set forth in the Business Plan submitted with the Notice and Merger Application, including the revised pro forma financial statements submitted on October 15, 2019, and must provide at least 60 days’ prior written notice to and receive written non-objection from the FDIC New York Regional Director prior to implementing any proposed material deviation or material change from the Business Plan (including, but not limited to, any merger, acquisition, or business combination) involving the Bank.

9. The Bank’s conversion into a stock bank and merger with Bogota Interim Bank II shall only be consummated on the same date as the consummation of all of the other steps of the Plan of Reorganization, as proposed in the Notice and Merger Application submitted to the FDIC.

10. The Bank shall submit copies of all final disclosure materials to the FDIC’s Division of Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429.

11. The Bank shall advise the FDIC of the results of the conversion offering (and the community offering and syndicated offering, as applicable), and deliver an updated appraisal that takes the results of the conversion offering into account, discusses any material events or changes during the subscription period, and explains any securities purchase orders that have been rejected (including the reason(s) for rejection).

12. The Foundation’s Board of Directors shall commit to the following:

a) Bogota Financial Corp. common stock held by the Foundation will be voted in the same ratio as all other shares voted on each and every proposal considered by the shareholders, excluding the shares voted by the MHC;
b) The Foundation will be subject to examination by the FDIC and must comply with all supervisory directives imposed by the FDIC;

c) The Foundation will operate in accordance with written policies adopted by its Board of Directors, including the adoption of a conflict-of-interest policy that is acceptable to the FDIC;

d) The Foundation will not engage in self-dealing, and must comply with all laws necessary to maintain its tax-exempt status under the Internal Revenue Code;

e) The Foundation will provide to the FDIC New York Regional Director a proposed operating plan prior to the completion of the conversion offering, and within six months following completion of the offering, a three-year operating plan for the Foundation that contains pro forma financial statements, including a balance sheet and income statement; and

f) Following completion of the conversion offering, the Foundation will provide to the FDIC New York Regional Office annual reports describing grants made and grant recipients.

13. The Bank shall provide written evidence that all necessary final approvals regarding the proposed transactions have been obtained from the appropriate Federal and state authorities.

14. The proposed transactions may not be consummated later than six months after the date of this Order unless such period is extended in writing by the FDIC New York Regional Director.

15. The Bank shall notify the FDIC New York Regional Director as soon as it becomes aware of any material change in the facts and circumstances prior to the consummation of the proposed transactions.

16. Until the proposed transactions are consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Pursuant to the delegated authority of the FDIC Board of Directors.

Dated at Washington, D.C. this 14th day of November, 2019.

/s/

Patricia A. Colohan
Associate Director
Division of Risk Management Supervision