



**Federal Deposit Insurance Corporation**

550 17<sup>th</sup> Street NW, Washington, D.C. 20429-9990

Division of Supervision and Consumer Protection

October 31, 2008

**VIA FACSIMILE AND CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Board of Directors  
Greenfield Co-operative Bank  
63 Federal Street  
Greenfield, Massachusetts 01301

Dear Board Members:

The Notice of Intent (Notice) to effect a mutual holding company reorganization through the organization of an interim institution and merger, to facilitate a conversion from mutual form to stock form filed on behalf of Greenfield Co-operative Bank, Greenfield, Massachusetts (Bank), has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.160-303.163 and other pertinent FDIC regulations. Based on the information presented and representations made, we do not object to the proposal.

Enclosed is our Order and Basis for Corporation Approval (Order) for the applications filed on behalf of Greenfield Co-operative Bank in conjunction with the conversion transaction, including considerations of deposit insurance and proposed merger. Our approval is subject to the conditions stated in the Order, some of which must be met on an ongoing basis. Pursuant to section 4(d) of the FDI Act, the converted Bank will be an insured institution.

In connection with the Notice, the Bank has requested, in accordance with 12 C.F.R. Section 333.4(a), a limited waiver of certain provisions of the FDIC's regulations pertaining to mutual-to-stock conversions. Specifically, the bank has requested that the depositor voting requirement imposed by 12 C.F.R. Section 333.4(c)(2) be waived in part. The FDIC acknowledges the Bank's efforts to inform depositors about the special meeting and the purpose of the special meeting. For these reasons, the FDIC has granted the limited waiver pursuant to 12 C.F.R. Section 303.162(a)(2).

Please notify the Boston Area Office in writing when the proposed transaction has been consummated. If an extension of the time limit included in the Order is required, a letter requesting a specific extension of the limitation, including the reasons therefore, should be submitted to the Boston Area Office.

Sincerely,

**/S/**

Christopher J. Spoth  
Senior Deputy Director

Enclosure

cc: Stephen J. Coukos  
Esquire  
Chu, Ring & Hazel LLP  
241 A Street  
Boston, Massachusetts 02110

Honorable Stephen L. Antonakes  
Commissioner  
Massachusetts Division of Banks

FEDERAL DEPOSIT INSURANCE CORPORATION

Greenfield Co-operative Bank  
Greenfield, Franklin County, Massachusetts

Application for Federal Deposit Insurance and Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act ("FDI Act"), an application has been filed on behalf of Greenfield Co-operative Bank, Greenfield, Massachusetts ("Mutual Institution"), currently a state-chartered mutually-owned Deposit Insurance Fund member with total resources of \$242,271,000 and total deposits of \$198,960,000 as of June 30, 2008, for the FDIC's consent to merge with GCB Interim Stock Bank (Stock Bank), Greenfield, Massachusetts, a proposed new state-chartered stock co-operative bank. In addition, an application has been filed for Federal deposit insurance for Stock Bank and GCB Interim Mutual Bank (a de novo mutual cooperative bank to be subsequently organized into a mutual holding company) and GCB Interim Stock bank.

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- the bank to establish a de novo Massachusetts chartered mutual co-operative bank, to be known as "GCB Interim Mutual Bank" ("Interim Mutual");
- the Interim Mutual to reorganize into a Massachusetts chartered mutual holding company to be known as "Greenfield Bancorp MHC" ("MHC"); and simultaneously establish a wholly-owned stock co-operative bank to be known as "GCB Interim Stock Bank" ("Stock Bank"); and
- the bank will immediately merge with and into Stock Bank, with Stock Bank being the surviving entity under the name of "Greenfield Co-operative Bank," which will be a Massachusetts stock co-operative bank ("Resultant Bank").

Upon conclusion of the reorganization, the deposits of the Resultant Bank will continue to be insured under the Deposit Insurance Fund. On the effective date of the reorganization, Resultant Bank will be a stock cooperative bank that is wholly-owned by MHC. An Application for the establishment of a Mutual Holding Company has been approved by the Federal Reserve Bank of Boston and the Massachusetts Division of Banks. Following the consummation of the merger, Resultant Bank will operate the same business, with the same management, at the same locations now being served by Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by Mutual Institution. Resultant Bank's principal office will continue to be located at 63 Federal Street, Greenfield, Franklin County, Massachusetts.

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 Resultant Institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the applications, the FDIC has taken into consideration the financial and managerial resources and prospects of the proponent banks and Resultant Bank, the convenience and needs of the community to be served and the competitive posture of the proposed transaction. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities. In connection with the application for deposit insurance, the FDIC has taken into consideration the financial history and condition, adequacy of the capital structure, earnings prospects, general character and fitness of management, risk to the insurance fund, convenience and needs of the community, and consistency of corporate powers. Having found favorably on all statutory factors and having considered other relevant information, it is the FDIC's judgment that the applications should be and hereby are approved, subject to the following conditions:

1. That, except for the proposed transfer of stock to Greenfield Bancorp MHC, no shares of stock of Greenfield Co-operative Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from the FDIC;
2. That, prior to a sale, transfer or other disposition of any shares of Greenfield Co-operative Bank by Greenfield Bancorp MHC to any person (including any Employee Stock Ownership Plan), or a conversion of Greenfield Bancorp MHC to stock form, Greenfield Co-operative Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with the State and Federal banking and/or securities regulators in connection with any such sale, transfer, disposition or conversion;
3. That, should any shares of the stock of Greenfield Co-operative Bank be issued to persons other than Greenfield Bancorp MHC, any dividends waived by Greenfield Bancorp MHC must be retained by Greenfield Co-operative Bank and segregated, earmarked, or otherwise identified on its books and records. Such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of Greenfield Bancorp MHC, to stock form. Such amounts shall not be available for payment to, or the value thereof transferred to, minority shareholders, by any means, including through dividend payments or at liquidation;

4. That, any change in proposed management, including the board of directors or proposed ownership (ten percent or more of the stock and new acquisitions of, or subscriptions to, ten percent or more of the stock), will render this approval null and void unless such proposal is approved by the FDIC prior to the consummation of the proposed transaction;
5. That the proposed transaction may not be consummated unless and until Resultant Bank has the authority to conduct banking business, and that its establishment and operation as a stock co-operative bank has been fully approved by appropriate Commonwealth of Massachusetts officials;
6. That the transaction shall not be consummated later than six months after the date of this Order, unless such period is extended for good cause by the FDIC; and
7. That until the proposed transaction is 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 Board of Directors.

Dated at Washington, D.C. this 31<sup>st</sup> day of October, 2008.

**/s/**

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Christopher J. Spoth  
Senior Deputy Director  
Division of Supervision and Consumer Protection