

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Freedom Bank
Oradell, Bergen 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 Freedom Bank, a proposed new state nonmember bank to be located at 550 Kinderkamack Road, Oradell, Bergen County, New Jersey, and has concluded that the application should be approved.

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

- (1) That beginning paid-in capital funds, net of organizational and pre-opening expenses, of not less than \$10,000,000 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 the Bank shall comply with the policy of the FDIC regarding stock option plans, as set forth in the FDIC Statement of Policy on Applications for Deposit Insurance, for any stock option plan adopted during the first three years of operations;
- (7) That sufficient fidelity insurance coverage be obtained;
- (8) 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;
- (9) 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;

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 Freedom Bank (the Bank), a proposed new state-chartered commercial bank, to be located at 550 Kinderkamack Road, Oradell, Bergen County, New Jersey.

The Bank plans to provide a traditional range of financial products and services to meet the deposit and credit needs of individual customers, small businesses, and professionals in its local market area, which includes Oradell Borough in its entirety, as well as contiguous portions of Emerson, Haworth, New Milford, Paramus and River Edge Boroughs.

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 convenience and needs of the community were considered and favorably resolved. 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**