

(717) 783-8240

March 27, 2002

Dear:

This letter responds to the notification letter submitted by you on behalf of **[redacted]** (the "Bank"), Doylestown, Pennsylvania, a Pennsylvania State-chartered bank, to the Department of Banking (the "Department") regarding the Bank's proposal to issue capital securities in the form of a \$2 million unsecured, 15-year note, pursuant to the authority granted by Section 201(c) of the Banking Code of 1965 (7 P.S. § 201(c)). Specifically, the bank intends to utilize 12 CFR § 3.100 and § 5.47 to engage in the aforementioned proposed activity. Although Section 1105 of the Banking Code of 1965 allows for the issuance of capital securities, Section 1105(c) requires a provision for amortization. The above-cited federal regulations do not require amortization.

Please be advised that the Department does not object to the Bank utilizing 12 CFR § 3.100 and § 5.47 to issue the above-noted capital securities. The Department's non-objection is based on the facts and representations as stated in the Bank's notice provided to the Department in its March 13, 2002, letter and attached notice form. Any changes in the facts could result in an amendment or reversal of the Department's non-objection.

Please feel free to contact me if you have any questions regarding this matter.

Very truly yours,

Richard S. DeMartino
Director - Bureau of
Supervision & Enforcement

RSD:JAM:kse

cc: William L. Gaunt
FRB - Philadelphia
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