

November 18, 2009

To friends of the Mutual Private Bank project:

This is the seventh monthly project update to friends of the [Mutual Private Bank project](#). If you were not on the mailing list for previous monthly reports, you can view past reports, as well as see project background and additional material on the [project website](#).

[Last month](#), I reported on our meeting with the FDIC and its implications for our plan. I described the challenges we would encounter if we proceed with a de novo application, and told you of our determination to continue to pursue the vision of Mutual Private Bank with the most cost-effective and expedient plan possible. Over the past month, we researched our options and developed an approach that retains the key elements of the mutual business model while also giving us the ability to proceed with acquiring a bank charter.

This month, we report on:

- Our revised plan
- Building our team
- Honing our message and getting it out
- Attracting founders
- Travel

Revised Plan

We will form a client-owned, membership-driven company (non-stock corporation or LLC) to serve as a holding company, which will be named Mutual Private Financial Holdings. By proceeding as a financial holding company, we have more latitude to design our mutual to suit our particular goals than we otherwise would have as a de novo Federal Mutual Savings Association.

We had discussions with the Federal Reserve-NY and legal counsel to confirm that our revised approach is viable. The feedback we received was extremely positive: the bank regulators are very interested in management-led strategic bank transactions, in contrast to the private equity applications that they have been seeing.

We are planning to file papers for the holding company legal entity in the near future. Our team will serve as the officers, and three of us will form an interim board until founding members join, approve the by-laws, and form a larger permanent board (comprised of members, management, and independent directors).

Please contact me to request a copy of a brief presentation that describes the plan in more detail and outlines the terms of membership and the proposed bylaws.

Building our team

While, our business model will provide our clients numerous benefits, our team will be essential to ensuring that the promise is realized. To be ultimately successful, we are seeking some of the best asset management and fiduciary professionals available. Our professionals must have experience managing multi-generational wealth, patience and attentiveness working with wealthy families with complex needs, and understand and value the client-ownership model.

I welcome introductions to qualified candidates, and will assure complete discretion in our communications.

Honing our message and getting it out

We have a fairly unique challenge in communicating with the market place. We are working on attracting prospective clients who are also prospective owners. Our prospects, therefore, will make this decision based on the potential for high quality and un-conflicted asset management and fiduciary service, at a great price, as well as based on the appeal of committing their capital to ownership. The message is best delivered in person and through dialogue so that questions can be thoughtfully asked and answered.

You will recall that George and I submitted an article to Family Office Exchange (FOX) for publication in their client newsletter. It was published this week in their [FOXConnects International Edition](#) (click to view) and will be published next month in their U.S. Edition. FOX has extensive membership, and we expect this to generate interest among a number of families who we have not yet heard of our efforts.

Attracting founders

We are now ready to obtain commitments. I started to contact the families that have previously expressed interest, and I am asking for introductions to others. I am asking these groups to make a commitment, and explaining that time is of the essence to secure our position in acquiring the right target bank, and to attract and secure the team they will need.

Please share this project with other parties that might qualify or provide leads, and let me know if they would like to speak with us. Please feel free to share this email with others.

Travel

I was really pleased to see a number of you at our happy hour on September 28 in New York. I have no immediate plans to be back in New York, but will let you know my travel plans as they develop. And, I am happy to schedule a trip anywhere in the U.S. to meet prospective members.

Many thanks and have a happy Thanksgiving,

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See Mutual Private Bank project website:
www.mutualprivatebank.com

Read about Mutual Private Bank project in CNBC European Business magazine:
<http://cnbceb.com/banking-managed-funds-and-investments/bank-balancers/968/>

Review Mutual Private Bank proposed services; vote and comment, add your ideas:
www.mpb.slinkset.com