



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

October 17, 2013

Mr. Stanley B. Dickson Jr.
15621 Windmill Pointe Drive
Grosse Pointe, Michigan 48230

Dear Mr. Dickson:

This is in response to your letter dated September 18, 2013, and related correspondence, on behalf of Moross Limited Partnership (“Moross LP”), Pacesetter Management, Inc. (“Pacesetter”), and Windmill Trust, each of Grosse Pointe Park, and Riddle Limited Partnership (“Riddle LP”), Howell (collectively, the “Moross Group”)¹, requesting relief from the commitments that the group made to the Board in connection with the group’s investments in FNBH Bancorp, Inc. (“FNBH”), the parent company of First National Bank in Howell (“Bank”), both of Howell, all of Michigan. Contemplated transactions, described below, will reduce or eliminate the Moross Group’s ownership stakes in FNBH.

On March 5, 2010, the Federal Reserve Bank of Chicago, acting pursuant to delegated authority, approved the Moross Group’s notice pursuant to the Change in Bank Control Act² to acquire 12.4 percent of FNBH. In connection with this notice, the Moross Group provided certain commitments to the Board similar to those that the Board had previously relied on to determine that an organization would not exercise a controlling influence over a bank or bank holding company or any of its subsidiaries (“Passivity Commitments”). Among other provisions, the Passivity Commitments restricted the Moross Group’s ability to have more than one representative serve on each of FNBH’s and Bank’s board of directors, or enter into any other banking or nonbanking transactions with FNBH or any of its subsidiaries, other than deposit accounts with Bank in an aggregate amount not exceeding \$500,000 and conducted on market terms.

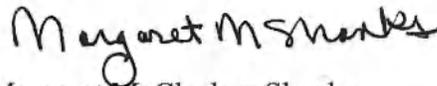
¹ Pacesetter, a company wholly owned and controlled by Stanley Dickson, serves as Moross LP’s general partner and holds 1 percent of Moross LP’s nonvoting partnership interests. Windmill Trust, an estate planning trust that would be considered a company under the Bank Holding Company Act, has only family members of Stanley Dickson as its beneficiaries and has an independent third-party trustee; the trust holds the other 99 percent of the nonvoting partnership interests of Moross LP. Kathryn Dickson, mother of Stanley Dickson, is Riddle LP’s general partner, and Stanley Dickson holds a 17 percent limited partnership interest in Riddle LP.

² 12 U.S.C. § 1817(j).

We understand that you intend to become the single largest shareholder of FNBH by acquiring 44 percent of FNBH's outstanding common stock in your personal capacity, partly by acquiring all of the shares held by Moross LP and partly by acquiring newly issued shares in a private placement.³ Upon consummation of the contemplated transactions, Moross LP, Pacesetter, and Windmill Trust would no longer hold any ownership stakes in FNBH and Riddle LP would hold approximately 0.02 percent of FNBH's outstanding voting stock, a level well within the rebuttable presumption of non-control.⁴ No member of the Moross Group would finance your acquisition or retention of shares of FNBH or would otherwise own any equity shares of FNBH or have any business relationships with FNBH. You serve on the board of directors of both FNBH and Bank and, as part of the contemplated transactions, would obtain the right to appoint two additional directors to each board.⁵

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority,⁶ and after consulting with the General Counsel, has approved Moross Group's request for relief from the Passivity Commitments. This action is based on the representations and commitments set forth in your September 18 submission and all related correspondence. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately.

Very truly yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Colette Fried, Assistant Vice President
Federal Reserve Bank of Chicago

³ Your brother would acquire another 7 percent of FNBH's voting shares in his personal capacity as part of the private placement.

⁴ 12 CFR 225.31(e)(1).

⁵ The Federal Reserve Bank of Chicago approved your proposal under delegated authority on October 13, 2013.

⁶ 12 CFR 265.7(a)(2).