



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

December 23, 2013

Mr. Ryan Zacharia
Chief Operating Officer
Jacobs Asset Management, LLC
11 East 26th Street, Suite 1900
New York, New York 10010

Dear Mr. Zacharia:

This letter responds to your request of November 25, 2013, on behalf of JAM Consolidation Fund, LP; JAM Special Opportunities Fund II, LP; JAM Managers, LLC; JAM Equity Partners, LLC; and Jacobs Asset Management, LLC (collectively, "JAM"), all of New York, New York, for relief from passivity commitments that JAM made to the Board in connection with JAM's purchase of an aggregate principal amount of \$3.0 million of 7.7 percent senior subordinated securities due 2039 (the class collectively, "FTC CPP shares") that were issued by First Trust Corporation ("FTC"), New Orleans, Louisiana, to the Department of the Treasury ("Treasury") as part of the Troubled Asset Relief Program's Capital Purchase Program ("CPP"). JAM's purchase amounted to 16.5 percent of the outstanding FTC CPP shares and 5.6 percent of FTC's total equity. The requested relief would completely relieve JAM from commitments that the Board relied on in determining that JAM would not be able to exercise a controlling influence over FTC for purposes of the Bank Holding Company Act.¹

In 2009, as part of its effort to support the banking system and promote new lending, Treasury invested \$18 million in FTC by purchasing the FTC CPP shares. In 2013, as part of its efforts to wind down and recover its investments under the CPP, Treasury sold the CPP shares of a number of banking organizations through an auction process. On February 20, 2013, JAM acquired its

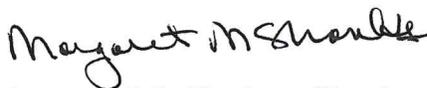
¹ 12 U.S.C. § 1842. See 12 CFR 225.15.

FTC CPP shares from Treasury through this process, and in that connection, provided the commitments to the Board.

On November 21, 2013, FTC, exercising its rights under the terms of the securities, redeemed in full the FTC CPP shares that JAM had purchased from Treasury. Since JAM no longer has any ownership of voting securities of FTC, JAM is presumed not to control FTC. In addition, JAM does not have the right to appoint a director to the board of directors of FTC or have representation on the board. Further, there are no existing or contemplated business relationships between the two firms. JAM has also provided written representation that it will not exercise or attempt to exercise a controlling influence over the management or policies of FTC.

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 (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved JAM's request for relief from the passivity commitments provided in connection with the investment in FTC. This action is based on the representations and commitments set forth in all of your communications and in correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which JAM may be subject.

Very truly yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Kathy Haney, Director of Examinations
Federal Reserve Bank of Atlanta