



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

June 15, 2016

John M. Geiringer, Esq.
Barack Ferrazzano Kirschbaum & Nagelberg LLP
200 West Madison Street, Suite 3900
Chicago, Illinois 60606

Dear Mr. Geiringer:

This is in response to your request on behalf of Marquette National Corporation (“Marquette”), Chicago, Illinois, for an exemption from the prohibitions of the Depository Institution Management Interlocks Act (“Interlocks Act”)¹ and Regulation L² to permit Mr. Michael D. Devlin to become a director of Marquette while at the same time serving as a director on the boards of OceanFirst Financial Corp. (“OceanFirst”) and its subsidiary savings association, OceanFirst Bank, both of Toms River, New Jersey.

The Interlocks Act and Regulation L prohibit a management official of a depository institution or a depository holding company with total assets exceeding \$2.5 billion (or of any affiliate of such an organization) from serving at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or of any affiliate of such an organization), regardless of the location of the two depository organizations (“major assets prohibition”).³ Marquette, OceanFirst, and OceanFirst Bank each have assets that exceed the applicable thresholds of the major assets prohibition.

Mr. Devlin became a director of Marquette in 1998. In 2008, Mr. Devlin also became a management official of Cape Bancorp, Inc. (“Cape Bancorp”) and of its subsidiary state savings bank Cape Bank, both of Cape May Court House, New Jersey. In January 2016, OceanFirst agreed to acquire Cape Bancorp and to merge Cape Bank with OceanFirst Bank, with OceanFirst Bank as the surviving entity. As part of the acquisition agreement,

¹ 12 U.S.C. § 3201 *et seq.*

² 12 CFR part 212.

³ 12 U.S.C. § 3203; 12 CFR 212.3(c).

Mr. Devlin was to become a director of OceanFirst and OceanFirst Bank after consummation of the acquisition. To comply with the prohibitions of the Interlocks Act and the Board's Regulation L, in April 2016, Mr. Devlin resigned his position as a director of Marquette before consummation of the acquisition, which occurred in May 2016. Mr. Devlin seeks a general exemption under Regulation L to rejoin the board of Marquette.

Under the general exemption provision of Regulation L, the Board may permit an interlock that otherwise would be prohibited by the Interlocks Act if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.⁴ While the Board applies a strong presumption against granting a general exemption, the Board has allowed exemptions to be granted in certain limited situations. The Board has delegated to its General Counsel, in consultation with the Director of the Division of Banking Supervision and Regulation ("Director"), authority to grant exemptions under this provision of Regulation L.

The proposed interlocks would not result in a monopoly or in a substantial lessening of competition. The subsidiary depository institutions of Marquette and OceanFirst do not operate in the same local banking markets. The interlocks also would not have any substantial effect on competition with respect to the nonbanking activities of Marquette and OceanFirst.

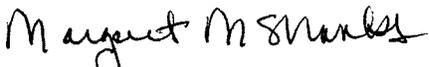
In addition, the proposed interlocks would not present safety and soundness concerns. Mr. Devlin's service as a director of Marquette should provide managerial continuity to a community banking organization. In addition, Mr. Devlin's service as a director of OceanFirst and OceanFirst Bank should augment the managerial resources of these organizations and assist in the integration of Cape Bancorp and Cape Bank.

Based on all the facts of this case and for the reasons discussed above, the General Counsel, acting pursuant to authority delegated by the Board and after consultation with the Director, has granted an exemption to allow Mr. Devlin to serve as a director of Marquette while also serving as a director of OceanFirst and as a director of OceanFirst Bank.

⁴ 12 CFR 212.6(a).

The Board reserves the right to revoke the exemption should any of the interlocks result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board