



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

July 27, 2016

Mr. Emanuel J. Friedman
Chief Executive Officer
EJF Capital LLC
2107 Wilson Boulevard, Suite 410
Arlington, Virginia 22201

Dear Mr. Friedman:

This letter responds to your request dated June 14, 2016, on behalf of EJF Capital LLC, Arlington, Virginia, and certain related entities (collectively, “EJF”)¹ for relief from commitments that EJF made to the Board in connection with EJF’s investment in Franklin Financial Network, Inc. (“Franklin”), the parent of Franklin Synergy Bank (“Bank”), both of Franklin, Tennessee. The requested relief would completely relieve EJF from commitments on which the Board relied in determining that EJF would not be able to exercise a controlling influence over Franklin for purposes of the Bank Holding Company Act of 1956, as amended.²

EJF acquired 7.7 percent of Franklin’s voting shares in November 2013. EJF sold all of its shares of Franklin through a series of transactions between November 2015 and June 2016. EJF does not have either representation on the board of directors of Franklin or its affiliates, or the right to appoint a director to or have representation on the

¹ EJF includes EJF Capital LLC; EJF Financial Opportunities Master Fund, LP; EJF Financial Opportunities Offshore Fund, Ltd.; EJF Financial Opportunities GP, LLC; EJF SideCar Fund, Series LLC – Series D; EJF Sidecar Fund Offshore (D), Ltd.; 8267561 Canada Inc.; and 1907 EJF Fund Ltd.

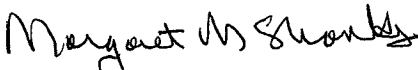
BSOF Master Fund LP was a party to the commitments but requested relief separately from EJF. The Director of Banking Supervision and Regulation, acting under delegated authority, granted BSOF Master Fund LP’s request for complete relief from the commitments by letter dated September 15, 2015. Board letter to Mark Chorazak, Esq. (September 15, 2015).

² 12 U.S.C. § 1841 *et seq.*

board of directors of Franklin or its affiliates. Further, there are no existing or contemplated business relationships between EJP and Franklin or any of its affiliates, including Bank. EJP does not have any formal or informal agreements with Franklin or its affiliates relating to the management or policies of Franklin or its subsidiaries. In addition, EJP does not have any attributed interests in Franklin or the ability to influence Franklin through any relationships with other shareholders of Franklin. EJP has provided a written representation that it would not exercise or attempt to exercise a controlling influence over the management or policies of Franklin.

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 EJP's request for relief from the commitments provided in connection with its investment in Franklin. This action is based on the representations and commitments set forth in all of your communications 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 EJP may be subject.

Sincerely yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board