



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”)<sup>1</sup> for relief from commitments that EJF made to the Board in connection with its June 2015 purchase of \$2,520,000 in liquidation amount of the preferred shares (“Citizens CPP Shares”) that were issued by Citizens Bank & Trust Company (“Citizens”), Covington, Louisiana, to the Department of the Treasury as part of the Troubled Asset Relief Program’s Capital Purchase Program. EJF provided commitments such that the Board would not consider the Citizens CPP Shares to be “voting securities” in the hands of a successful bidder for purposes of the Bank Holding Company Act of 1956 (“BHC Act”)<sup>2</sup> or the Change in Bank Control Act of 1978.<sup>3</sup> EJF also provided certain commitments on which the Board relied in determining that EJF would not exercise a controlling influence over Citizens for purposes of the BHC Act. The requested relief would completely relieve EJF from the commitments.

In June 2016, Citizens repurchased all of the shares previously held by EJF. EJF does not have either representation on the board of directors of Citizens or the right to appoint a director to or have representation on the board of directors of Citizens. Further, there are no existing or contemplated business relationships between EJF and Citizens. EJF does not have any formal or informal agreements with Citizens relating to

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<sup>1</sup> EJF includes EJF Capital LLC, BSOF Master Fund L.P., 1907 EJF Fund Ltd., and Beltway Strategic Opportunities Fund L.P.

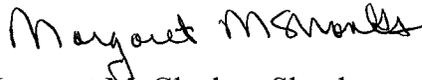
<sup>2</sup> 12 U.S.C. § 1841 *et seq.*

<sup>3</sup> 12 U.S.C. § 1817(j).

the management or policies of Citizens. In addition, EJV does not have any attributed interests in Citizens or the ability to influence Citizens through any relationships with other shareholders of Citizens. EJV has provided a written representation that it would not exercise or attempt to exercise a controlling influence over the management or policies of Citizens.

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 EJV's request for relief from the commitments provided in connection with its investment in Citizens. 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 EJV may be subject.

Sincerely yours,



Margaret McCloskey Shanks  
Deputy Secretary of the Board