



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

May 2, 2014

Mr. Neal J. Wilson
Chief Operating Officer
EJF Capital LLC
2107 Wilson Boulevard, Suite 410
Arlington, Virginia 22201

Dear Mr. Wilson:

This letter responds to your request of November 26, 2013, on behalf of EJF Capital LLC (“EJF”), Arlington, Virginia, for relief from passivity commitments that EJF made to the Board in connection with its purchase of an aggregate principal amount of \$1.4 million of the preferred shares (collectively, the “Layton CPP shares”) that were issued by Layton Park Financial Group, Inc. (“Layton”), West Allis, Wisconsin, to the Department of the Treasury (“Treasury”) as part of the Troubled Asset Relief Program’s Capital Purchase Program (“CPP”). EJF’s purchase amounted to 45 percent of the total Layton CPP shares outstanding as of the purchase date and 13.4 percent of Layton’s total equity. The requested relief would completely relieve EJF from commitments that the Board relied on in determining that EJF would not be able to exercise a controlling influence over Layton for purposes of the Bank Holding Company Act.¹

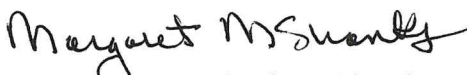
In 2009, as part of its effort to support the banking system and promote new lending, Treasury invested \$3.0 million in Layton by purchasing the Layton CPP shares. In 2012 and 2013, as it proceeded to wind down and recover its investments under the CPP, Treasury sold the CPP shares of a number of banking organizations through an auction process. On November 29, 2012, EJF acquired its Layton CPP shares from Treasury through this process, and in that connection, provided the commitments to the Board.

¹ 12 U.S.C. § 1841 et seq.

On May 29, 2013, EJV consummated a transaction to sell all of its Layton CPP shares back to Layton. Since EJV no longer has any ownership of voting securities of Layton, EJV is presumed not to control Layton. In addition, EJV does not have the right to appoint a director to the board of directors of Layton or have representation on the board. Further, there are no existing business relationships between the two firms. EJV has also provided a written representation that it will not exercise or attempt to exercise a controlling influence over the management or policies of Layton.

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 passivity commitments provided in connection with the investment in Layton. 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 EJV may be subject.

Very truly yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board

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