



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 21, 2014

Ms. Julie Kunetka  
Kirkland & Ellis LLP  
300 North LaSalle Street  
Chicago, Illinois 60654

Dear Ms. Kunetka:

This is in response to your letter dated July 2, 2014, on behalf of Mr. Jay D. Bergman (“Notificant”), Joliet, Illinois, to Colette A. Fried, Assistant Vice President, Federal Reserve Bank of Chicago, requesting an extension of time to fulfill certain commitments made by Notificant in connection with his notice filed pursuant to the Change in Bank Control Act of 1978, 12 U.S.C. § 1817(j), and the Board’s Regulation Y, 12 CFR 225.41, to acquire up to 94.65 percent of the shares of Community Holdings Corporation (“Community Holdings”) and thereby indirectly control FirstSecure Bank and Trust Co. (“Bank”), both of Palos Hills, Illinois (the “CIC Notice”). On April 24, 2014, the Board issued its determination not to disapprove the CIC Notice, permitting Mr. Bergman to acquire up to 94.65 percent of the shares of Community Holdings.<sup>1</sup> The transaction was consummated on May 5, 2014.

In issuing its letter of non-objection to the CIC Notice, the Board relied on certain commitments made by Mr. Bergman. Specifically, Notificant committed that, within 60 days following the date of consummation of the proposed transaction, he would cause Community Holdings and Bank to designate individuals with suitable experience, expertise, and with proven records of success to serve in key management positions at Community Holdings and Bank. Notificant further committed that, within 60 days following the date of

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<sup>1</sup> See Letter dated April 24, 2014, from the Board to Edwin S. del Hierro, P.C., approving the notice filed by Jay D. Bergman, Joliet, Illinois, to acquire up to 94.65 percent of Community Holdings Corporation.

consummation of the proposed transaction, he would review the directorate composition of Community Holdings and Bank and cause Community Holdings and Bank to make such member designations as to ensure suitable board member qualifications and independence, including adequate representation from outside directors. These commitments were designed to ensure that appropriate steps would be taken expeditiously to provide Community Holdings and Bank with capable personnel that would work to improve the management of Community Holdings and Bank in the near future.

Notificant requests a 30-day extension of the 60-day time period provided for in the commitments to allow him to complete the process of identifying those individuals that he intends to designate to key management and director positions at Community Holdings and Bank.

Notificant already has taken significant steps to comply with the commitments. Notificant has designated one management official and is in the process of designating another one and interviewing a third. In addition, Notificant has reviewed the directorate composition of Community Holdings and Bank. Mr. Bergman has been added as a director of Community Holdings and anticipates becoming a director of Bank. In addition, Mr. Bergman has determined that three additional outside directors should be added to the boards of each of Community Holdings and Bank. He expects that at least one of the three new board positions will be filled within the requested 30-day extension of time and that the other positions will be filled by the end of the year.

Based on the foregoing and all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to delegated authority, and after consultation with the General Counsel, has determined (1) to grant a 30-day extension of time, until August 4, 2014, to designate individuals with suitable experience, expertise, and with proven records of success to serve in key management positions at Community Holdings and Bank, and (2) to grant an extension of time, until December 31, 2014, to cause Community Holdings and Bank to make such designations as to ensure suitable board member qualifications and independence, including adequate representation from outside directors.

This action is based on the representations made in your letter of July 2 and in related communications and on the facts described above. Any change in the facts presented could result in a different conclusion and should be

reported immediately to Board staff. This determination should not be construed as granting relief from any other commitments Notificant has previously made.

Very truly yours,

  
Margaret McCloskey Shanks  
Deputy Secretary of the Board

cc: Colette A. Fried,  
Federal Reserve Bank of Chicago