

Investor Group Completes Recapitalization of Northern State Bank

Tuesday, November 30, 2010

Lakewood and Closter, New Jersey – An investor group lead by Abraham S. Opatut and C. Herbert Schneider has completed its previously-announced recapitalization of Northern State Bank, a New Jersey chartered commercial bank based in Closter, Bergen County, New Jersey. As part of the recapitalization, Northern State has received regulatory approval to establish a new office in Lakewood, New Jersey. This office, which is expected to open late in the first quarter of 2011, will become the headquarters of the Bank, and the Bank will change its name to First Commerce Bank. It will continue operating in the Bergen County market under the Northern State Bank name.

The investment group raised over \$16 million in new capital for Northern State Bank, and as a result of the transaction, the Bank now has total equity of approximately \$21 million. The Bank's capital ratios exceed, by a significant amount, all minimum capital levels required to be deemed "well capitalized" under FDIC regulations.

Under the terms of the Recapitalization Agreement, the final purchase price for stock sold in the recapitalization was to be determined based on Northern State Bank's book value per share as of November 30, 2010, calculated under the terms of the Recapitalization Agreement. The final purchase price in the offering was \$2.63 per share.

Although the recapitalization has closed, the offering of common stock remains open until December 28, 2010.

Abraham S. Opatut, Chairman of the Board and one of the lead investors for the Recapitalization Agreement, stated: "We look forward to continuing to provide the Bergen County market with personal, highly-responsive banking solutions, while bringing hometown banking to the Lakewood, New Jersey community. We believe that the Northern State franchise, coupled with the capital we were able to bring to the Bank, provides us a platform to build the area's best community bank."

Mr. Benedict Romeo, the former Chairman of Northern State Bank and a continuing member of the Board of Directors of the Bank, stated: "Our Board believes that joining our franchise with the capital and management expertise of the investor group will significantly enhance the value of our franchise, and provide Northern State shareholders with the best return on their investments. I look forward to working with the combined teams to make the Bank a success."