



## OSB Community Bank has Completed a \$5.461 million Offering of Common Stock Through a Private Placement

### The Transaction

In January 2016, OSB Community Bank's ("OSB" or the "Bank") Board of Directors appointed Richard ("Rick") Northrup, former Executive Vice President and Chief Credit Officer of the former Ann Arbor, MI based United Bancorp, Inc. (and its banking subsidiary United Bank & Trust), to serve as President and CEO of the Bank, and become a member of the Board of Directors. As a part of Mr. Northrup's hiring, he was tasked with embarking on a capital offering to recapitalize the Bank to satisfy certain requirements in its Written Agreement with the Federal Reserve Bank of Chicago and the State of Michigan DIFS and provide the Bank with additional growth capital.

On January 6, 2017, OSB announced that on December 23, 2016 it had closed the issuance of 546,166 shares of its common stock at a price of \$10.00 per share, for gross proceeds of approximately \$5.5 million. Institutional and high net worth individual investors acquired the shares in the offering. The proceeds of the offering will be used to recapitalize the Bank and address the capital concerns raised in the Written Agreement, to support OSB's growth into Ann Arbor, MI and Washtenaw County, and for other corporate purposes.

As a part of Rick's employment contract, he had the ability to request that OSB's Board name two new directors, one of which is the former President and CEO of United Bancorp, Inc., Robert Chapman, the other was local CPA, Donna Baker. Both directors received the necessary regulatory approvals and have joined the Board. Additionally, the Bank will be nominating four prominent investors from the offering to the Board of Directors for election at the 2017 annual meeting.

### OSB Community Bank

OSB Community Bank originated in 1907 in Onsted, MI and has since evolved into a full-service community bank headquartered in Brooklyn, Michigan, with two additional locations in Jackson County (branch in Clarklake and loan production office in downtown Jackson), its original branch in Onsted, MI, and a loan production office in Ann Arbor, MI, servicing customers primarily in these three market areas. The Bank offers a wide range of banking services to individuals, small business and government entities. As of September 30, 2016, OSB had total assets of \$65.5 million, gross loans of \$47.6 million, total deposits of \$62.2 million, and total equity of \$3.1 million, prior to completion of this capital offering.

Donnelly Penman & Partners ("DPP") acted as sole placement agent for the common stock offering. Howard & Howard Attorneys PLLC acted as counsel to DPP. Kus Ryan & Associates PLLC acted as legal counsel to OSB. Please contact [John Donnelly](#) at (313) 393-3054, [Andrew Christians](#), CFA at (313) 393-3074, or [Greg Cunningham](#), at (313) 393-3070 for further information.

### Donnelly Penman & Partners

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Donnelly Penman & Partners is owned by the employees of the firm, who have successfully completed more than 295 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.

December 2016

*These securities have been sold.  
This announcement appears as a matter of record only.*



(Brooklyn, MI)

**Private Placement of  
Common Stock**

**\$5.461 Million**

Exclusive Placement Agent

**Capital Raise**