



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

November 13, 2014

David W. Barton, Esq.
Bodman PLC
P.O. Box 405
229 Court Street
Cheboygan, Michigan 49721

Dear Mr. Barton:

The Board of Governors of the Federal Reserve System (“Board”) has reviewed the notice (“Notice”) filed under the Change in Bank Control Act of 1978 (“CIBC Act”) by Mr. and Mrs. Rick A. and Michele L. Tromble (collectively, “Notificants”), Cheboygan, Michigan, both individually and in their capacities as trustees of the Michele L. Tromble Revocable Living Trust and the Rick A. Tromble Revocable Living Trust, respectively, to retain 10.74 percent of the outstanding voting shares of CNB Corporation and thereby indirectly control Citizens National Bank of Cheboygan (“Citizens”), both of Cheboygan.

The CIBC Act requires the Board to review notices in light of specific statutory factors, including the competitive effects of the proposal; the financial condition of the acquiring persons and the future prospects of the institution; the potential adverse effects of the proposal on the Deposit Insurance Fund; and the competence, experience, and integrity of persons acquiring shares of a bank holding company.¹ In reviewing the statutory factors, the Board has considered information provided by Notificants regarding their financial resources, the size of the investment in CNB Corporation, and the funding of the investment. The Board has also considered other information provided by Notificants; the results of name checks; examination reports and other confidential supervisory information

¹ 12 U.S.C. § 1817(j)(7).

regarding CNB Corporation and Citizens; and information provided by Citizens' primary supervisor, the Office of the Comptroller of the Currency, including information regarding Mr. Tromble's performance as a director of Citizens.

The Board has considered the Notice in light of all the statutory factors. With regard to the competitive effects of the proposal, the Board has concluded that the investment would not result in a monopoly or lessening of competition. As for the financial condition of Notificants and the future prospects of Citizens, the Board has determined that Notificants' financial condition is not likely to jeopardize the financial stability of Citizens or prejudice the interests of Citizens' depositors. Based on its review of the record, the Board finds that Notificants had sufficient financial resources to make the investment. Further, the Board has not determined that the investment would result in an adverse effect on the Deposit Insurance Fund.

The Board investigated Notificants' competence, experience, and integrity. The Board received a comment objecting to the Notice from a commenter on grounds related to the competence and integrity of Notificants.² Although commenters lack standing to participate in CIBC Act proceedings and comments on a notice filed pursuant to the CIBC Act are for informational purposes only,³ the Board nevertheless considered the issues raised by the commenter to the extent relevant to the factors for consideration under the CIBC Act. Based on its review of the record, the Board finds that Notificants have the necessary competence, experience, and integrity to retain the investment.

Based on all the facts of record, including information provided by banking and other relevant authorities, the Board has determined not to disapprove the Notice. This determination is specifically conditioned on compliance with all representations and commitments made by Notificants in connection with the Notice. The commitments relied on by the Board in reaching this decision are deemed to be conditions imposed in writing by the Board in connection with its

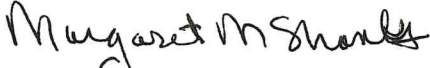
² The commenter alleged that Notificants engaged in self-dealing with Citizens; violated the Federal Meat Inspection Act and regulations of the U.S. Department of Agriculture; and violated state and municipal laws and regulations regarding employment, land use, landlord-tenant relations, and taxation. During its review of the Notice, the Board considered each of these allegations and the facts of record in this case and consulted with banking and other relevant authorities.

³ 12 CFR 225.43(c)(7).

findings and decision and, as such, may be enforced in proceedings under applicable law. Any material change in the facts and representations could result in a different conclusion and should be immediately reported to staff at the Federal Reserve Bank of Chicago ("Reserve Bank").

The CIBC Act requires that, when a change in control occurs, each insured bank or bank holding company shall promptly report to the appropriate federal banking agency any change or replacement of its chief executive officer or any of its directors that occurs in the succeeding 12 months, and shall provide a statement of the past and current business and professional affiliations of any new chief executive officer or directors.⁴ The Board would appreciate Notificants' cooperation in ensuring that, if any changes occur, the required information be submitted to the Reserve Bank. In addition, please advise the Reserve Bank in writing if the Notificants acquire any additional interest in CNB Corporation.

Very truly yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board

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

Bert A. Otto, Deputy Comptroller
Office of the Comptroller of the Currency

Thomas C. Woiderski II
Rocheleau Meat Processing LLC

⁴ 12 U.S.C. § 1817(j)(12).