

DONNELLY PENMAN & PARTNERS

INVESTMENT BANKING

Level One Bank, a subsidiary of Level One Bancorp Inc., has entered into a purchase and assumption agreement with the FDIC and assumed all of the deposits and purchased essentially all of the assets of Paramount Bank

Level One Bank (“Level One”)

Level One, headquartered in Farmington Hills, Michigan, is a subsidiary of Level One Bancorp Inc. with assets of \$211.7 million as of September 30, 2010. Level One will now provide commercial and retail banking services through 6 branch offices serving Oakland and Macomb Counties in Metro Detroit. The pro forma institution will rank 12th in deposit market share within Oakland County as of June 30, 2010. Level One Bancorp Inc. opened its doors on October 5, 2007 and recently celebrated its third anniversary. This is Level One’s second FDIC-assisted transaction after acquiring certain assets and assuming certain deposits of Michigan Heritage Bank in April 2009.

In connection with this transaction, Level One Bancorp Inc. also raised \$8 million of equity capital in a private placement. This amount is in addition to the \$13.1 million of equity capital raised in June 2010. In addition to serving as exclusive financial advisor to Level One in its acquisition of Paramount Bank, Donnelly Penman & Partners served as a participating sales agent for the June capital offering, as well as for the de novo offering in 2007. Please contact **John Donnelly** at (313) 393-3054 or **Andrew Christians**, CFA at (313) 393-3074 for further information.



The Transaction

The Michigan Office of Financial and Insurance Regulation seized Farmington Hills, Michigan-based Paramount Bank, a unit of Paramount Bancorp Inc., on December 10, 2010 and named the FDIC receiver in a failure estimated to cost the federal agency’s deposit insurance fund \$90.2 million.

The FDIC signed a purchase and assumption agreement with Farmington Hills, Michigan-based Level One Bancorp Inc. unit, Level One Bank, to buy all of the deposits at zero premium and “essentially all” of the assets of the failed bank. Paramount Bank had about \$252.7 million in total assets and \$213.6 million in total deposits at September 30, 2010. Also, the FDIC and Level One Bank entered into a loss-share transaction on \$233.1 million of Paramount Bank’s assets.

Paramount Bank’s branches reopened December 13 as branches of Level One Bank. Paramount Bank is the 150th FDIC-insured institution to fail in the U.S. in 2010, and the fifth in Michigan as of December 10, 2010.

Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a [FINRA](#) licensed broker dealer and member [SIPC](#).

Donnelly Penman & Partners is owned by the employees of the firm, who have participated in more than 225 transactions since the firm's inception in September 2000 and collectively have more than 85 years of investment banking experience.