

Date: April 20, 2012

NOTICE TO INTERESTED PERSONS

1. You are hereby notified that a written submission has been filed on behalf of the Individual Retirement Account for Michael J. Wise (the IRA) with the United States Department of Labor (the Department) seeking authorization, pursuant to class exemption 96-62 (PTE 96-62), 61 FR 39988, July 31, 1996, **as amended** 67 FR 44622, July 3, 2002, for an exemption from the sanctions resulting from the application of section 4975 of the Internal Revenue Code of 1986, as amended (the Code), to the proposed transaction (the Proposed Transaction), as described below.

2. The submission has met the requirements for tentative authorization under PTE 96-62.

3. If authorized by the Department, pursuant to PTE 96-62, the sanctions resulting from the application of 4975 of the Code by reason of section 4975(c)(1)(A) through (E) of the Code shall not apply to the cash sale of shares of common stock (the Stock) of Hometown Bank of Pennsylvania, a Pennsylvania-charter bank (the Bank), by the IRA to Michael J. Wise (Mr. Wise), a disqualified person with respect to the IRA.

Background

4. The IRA is an individual retirement account, as described in section 408(a) of the Code, as amended. The IRA was established by Mr. Wise on or about February 2, 2007, to provide for retirement benefits. On or about February 9, 2007, assets in the amount of \$50,500, which were accumulated in a retirement saving plan maintained by a previous employer, were rolled over to fund the IRA. Mr. Wise is the sole participant in the IRA. Mr. Wise has sole investment discretion over the assets of the IRA. As such, Mr. Wise is a fiduciary with respect to the IRA, pursuant to section 4975(e)(2)(A) of the Code. The wife of Mr. Wise, Rebecca L. Wise (Mrs. Wise), is the primary beneficiary of the IRA. The contingent beneficiary of the IRA is the Michael and Rebecca Wise Family Trust (the Family Trust). The IRA has assets totaling \$50,034.20, as of April 6, 2012, Citigroup Global Markets Inc. is the custodian of the IRA (the Custodian).

5. With the exception of a small amount of cash, the sole investment in the IRA is the Stock of the Bank. The Bank is a community bank based in Bedford, Pennsylvania, that began operating in April 2007. Mr. Wise directed the Custodian to purchase the Stock of the Bank in connection with the initial private placement of the Bank's Stock. On or about February 15, 2007, the IRA purchased 2,500 shares of the Stock at \$20 per share for a total investment of \$50,000.

6. Mr. Wise is neither an employee nor director of the Bank. The 2,500 shares of the Stock are held by the IRA for the benefit of Mr. Wise. As of December 31, 2011, the IRA held an equity interest of approximately 0.05 percent (0.05%) of the Bank. The Bank does not have a right of first refusal in regard to the Stock.

7. David G. Danielson (Mr. Danielson), President of Danielson Associates, LLC (Danielson), a Division of Ambassador Financial Group, Inc. (Ambassador), located in Bethesda, MD and Allentown, PA, prepared a valuation, dated March 9, 2012, of the fair market value of the Stock, as of December 31, 2011.

8. Mr. Danielson since 1998 has been employed by Danielson and has been its president since 2006.

Danielson was founded in 1977 by Arnold G. Danielson and has focused on providing strategic consulting and merger advisory assistance to community banks. Over its 35 year history Danielson has prepared hundreds of stock valuations for banks and has provided fairness opinions in almost 100 bank mergers. Danielson became part of Ambassador on October 1, 2011.

9. Mr. Danielson is independent in that he has no relationship with Mr. Wise or the IRA. Ambassador has received no revenue from Mr. Wise and does not anticipate that hourly fees, if any, charged to assist Mr. Wise solely in relation to his application for an exemption would exceed \$1,000. If fees were to reach \$1,000, this amount would constitute less than 0.02 percent (0.02%) of the revenues of Ambassador.

10. According to Mr. Danielson, the fair market value of the 2,500 shares of Stock in the Bank held by the IRA has been determined to be \$22 per share or \$55,000 in the aggregate. In preparing his valuation, Mr. Danielson considered: (a) the market served by the Bank; (b) the Bank's historical financial condition and performance as well as future prospects; (c) the pricing multiples of comparable banks and the application of these multiples to the Bank; (d) the value determined by investment calculations such as the discounted dividends method; (e) recent trades in the Bank's Stock; and (f) other unique characteristics, as determined by Mr. Danielson.

11. Mr. Wise desires to purchase the Stock from the IRA. As Mr. Wise is a disqualified person with respect to the IRA, the purchase of the Stock by Mr. Wise would be a prohibited transaction which is not permitted under the Code, unless the Proposed Transaction is authorized by the Department. It is represented that Mr. Wise will bear the entire cost of the application and the related notice to interested persons. Further, Mr. Wise will bear the cost of all commissions, costs, expenses, and fees, including brokerage fees, if any, imposed in connection with the sale.

12. Mr. Wise has applied to the Department in order to obtain authorization for the sale of the Stock by the IRA to himself. If the requested authorization is denied, the IRA will continue to hold an illiquid, closely-held non-marketable security that constitutes over 99.5 percent (99.5%) of the assets of the IRA. It is represented that the sale of the Stock to Mr. Wise will produce a gain for the IRA and will increase the liquidity and diversification of the IRA's portfolio. In this regard, it is represented that the proceeds from the sale of the Stock will be invested in publicly traded securities.

13. If the authorization is granted by the Department, the Proposed Transaction will be subject to the following conditions: (1) the transaction will be a one-time transaction for cash; (2) Mr. Wise will purchase the Stock for a price of \$22.00 per share or \$55,000 in the aggregate which is the current fair market value of such Stock; (3) the fair market value of the Stock has been determined by an independent, qualified appraiser; (4) the IRA will not pay any commissions, costs, expenses, or fees, including brokerage fees, in connection with the sale of the Stock; (5) the terms and conditions of the sale of the Stock by the IRA to Mr. Wise will be at least as favorable to the IRA, as those that the IRA could obtain in an arm's length transaction with an unrelated party; and (6) Mr. Wise, Mrs. Wise, as primary beneficiary, and the Family Trust, as the contingent beneficiary, are the only parties who could be affected by the sale of the Stock by the IRA.

14. If the authorization is granted, the Proposed Transaction will take place as soon as administratively practicable following the date of the final authorization of the Proposed Transaction by the Department.

15. It is represented that the Proposed Transaction poses little, if any, risk of abuse or loss to the IRA. The Proposed Transaction will be a one-time cash transaction. In this regard, it is represented that the Custodian, upon receipt of tender of the sale price, along with instruction from Mr. Wise to sell the Stock out of the IRA, will complete the transfer provisions on the back of the Stock certificate, and will forward such certificate to the Bank for processing. Upon receipt, the Bank will issue a new Stock certificate to Mr. Wise in his individual capacity. The terms and conditions of the Proposed Transaction will be arm's length. The IRA will receive the current fair market value, as determined by an independent, qualified appraiser.

16. Relying on PTE 96-62, the applicant has identified as substantially similar to the Proposed Transaction the following individual exemption, which was granted by the Department within the past 120 months, and the following final authorization, which was granted by the Department within the past 60 months:

° Prohibited Transaction Exemption 2009-17, issued to the Individual Retirement Accounts for Ralph Hartwell et. al., 74 FR 30632 (June 26, 2009). This exemption permitted the cash sale by an individual retirement account of shares of stock to a disqualified person with respect to each such individual retirement account.

° Final Authorization Number 2008-21E issued to Individual Retirement Account of Christopher L. Robinson, (December 31, 2008). This exemption permitted the cash sale by an individual retirement account of shares of stock to a disqualified person who was the sole participant of such individual retirement account.

17. It is represented that the persons who may be interested in the Proposed Transaction are Mr. Wise, Mrs. Wise, as primary beneficiary, the Family Trust, as contingent beneficiary, the Custodian, and the Bank. As parties who may be interested in the Proposed Transaction, each has the right to comment on the Proposed Transaction. Upon receiving tentative authorization, notification will be provided to Mr. and Mrs. Wise and the Family Trust via hand delivery, and notification will be provided to the Custodian and to the Bank via first class mail. Written comments should be addressed to:

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Ave, NW
Room N-5700
Washington, D.C. 20210
Attention Submission No. E-00689

Comments may also be submitted by facsimile to 202-219-0204, and by e-mail to e-oed@dol.gov.

18. The comment period will close on May 20, 2012, 25 days following completion of the distribution of this Notice to Interested Persons. Final Authorization of the Proposed Transaction will not occur until the Department reviews all comments received in response to this Notice to Interested Persons.