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## News Release

FOR IMMEDIATE RELEASE

### **FREEMAN & CO. PARTICIPATES IN \$32MM CAPITAL RAISE BY HERALD NATIONAL BANK**

**NEW YORK, April 5, 2010** – Freeman & Co. Securities LLC congratulates its client Herald National Bank (NYSE AMEX: HNB), a New York-based full-service commercial bank, on its completion of a private placement of approximately \$32mm. Freeman & Co. participated in placing the offering which was announced on April 2, 2010.

Key highlights of the offering include:

- Approximately \$29 million in additional tier one capital, net of estimated offering related expenses
- Chairman of the Board, Raymond A. Nielsen elected to the additional position of Chief Executive Officer

"The capital raise enhances Herald National Bank's capital position and increases our pro-forma tier one capital ratio to a level considerably in excess of that required of de novo banks, which is significantly higher than the ratio required of older more established banks," stated Herald National Bank President, David S. Bagatelle. "We are pleased to have the support of our institutional investors and look forward to working with them as we continue to build our relationship based franchise in the New York metropolitan area," he concluded.

"The investors in this offering have reaffirmed their confidence in our business plan and our ability to execute. Unlike many offerings in the financial services sector these days, our offering was not about balance sheet repair, rather the capital we raised strengthens our bank's ability to work with and lend to many of the premier middle market businesses in our market area," added Chairman of the Board and CEO, Raymond A. Nielsen

New York-based, Clinton Group was the lead investor in the offering with a 24.9% investment in the Bank. In total five new institutional investors participated in the offering including: The Clinton Group, Blue Atlantic Capital, Triumph Investment Funds, and ALDA Capital, LLC. In addition to the new investors, four of Herald National Bank's initial institutional investors and Raymond A. Nielsen also participated in the private placement.

#### **About Freeman & Co. LLC**

Freeman & Co. Securities LLC is the U.S. broker-dealer of Freeman & Co. LLC, founded in 1991, which is an M&A advisory and strategic consulting firm focused exclusively on the financial services industry with offices in New York and London. The company's advisory services include mergers and acquisitions advice, capital raising, underwriting, fairness opinions, restructuring advice and private company valuations. Strategic consulting assignments are customized to client needs and have covered a wide array of projects. Additionally, Freeman & Co. developed a proprietary algorithm and methodology for benchmarking the competitive position of capital markets businesses, which has become the industry standard used by major investment banks. For more information, visit [www.freeman-co.com](http://www.freeman-co.com).

#### **About Herald National Bank**

Herald National Bank is a relationship-based banking institution dedicated to serving the commercial and private banking needs of small to mid-size businesses, their owners, executives and senior managers, as well as high net worth individuals in the New York metropolitan area. Herald National Bank presently has three offices located in Manhattan (623 Fifth Avenue), Brooklyn (1333 60th Street), and Melville, Long Island (58 South Service Road). As of December 31, 2009 the bank had \$443 million in assets of which \$301 million were loans. Deposits at December 31, 2009 were \$405 million, of which 93% were core deposits and 35% of which were checking accounts, largely the operating accounts of the businesses served by the bank.

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