

# COLONIAL AMERICAN BANK



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

## COLONIAL AMERICAN BANK ANNOUNCES TERMINATION OF SECURITIES PURCHASE AGREEMENT

Horsham, Pennsylvania — June 9, 2010 – Colonial American Bank (the “Bank”) announced that it has terminated the securities purchase agreement that it entered into with a group of investors in December 2009. Under the agreement, the investors were to purchase \$6.0 million of newly issued shares of common stock of the Bank.

“The decision to terminate the agreement was not easy, but our Board of Directors believes that it is in the best interest of the Bank to explore other alternatives” stated Daniel J. Machon, Jr., Chief Financial Officer of the Bank. “Our discussions with our banking regulators led us to conclude that approval of the proposed investment by this group of investors was not likely to be obtained in the time frame that both the Bank and the investors originally expected. We have asked our investment bankers to explore other alternative transactions that may be available.”

### **About Colonial American Bank:**

Colonial American Bank is a \$24 million asset bank formed in February 2007. The Bank is based in Horsham, Pennsylvania. Additional information about the Bank is available on the Bank’s website: [www.colonialamericanbank.com](http://www.colonialamericanbank.com).

### **Forward Looking Statements:**

This news release may contain certain forward looking statements. Forward looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like “believe”, “expect”, “anticipate”, “intend”, “plan”, and “estimate”, or words of similar meaning, or future or conditional verbs such as “will”, “would”, “should”, “could”, or “may”. Forward looking statements, by their nature, are subject to risks and uncertainties. A number of factors could cause actual conditions, events or results to differ significantly from those described in the forward looking statements. Forward looking statements speak only as of the date they are made. Colonial American Bank does not undertake to update forward looking statements to reflect circumstances or events that occur after the date the forward looking statements are made or to reflect the occurrence of unanticipated events.