

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.)*

PATHFINDER BANCORP, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

70319R109

(CUSIP Number)

Castle Creek Capital Partners VII, LP

6051 El Tordo

PO Box 1329

Rancho Santa Fe, CA 92067

858-756-8300

Copy to:

John M. Eggemeyer

c/o Castle Creek Capital

6051 El Tordo

P.O. Box 1329

Rancho Santa Fe, CA 92067

858-756-8300

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 8, 2019

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

1 Name of Reporting Persons
Castle Creek Capital Partners VII, LP

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)
WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization
Delaware

7 Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8 Shared Voting Power
464,710 (1)

9 Sole Dispositive Power
0

10 Shared Dispositive Power
464,710 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person
464,710 (1)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented by Amount in Row (11)
9.9% (1)

14 Type of Reporting Person (See Instructions)
PN (Limited Partnership)

(1) The information set forth in Items 4, 5 and 6 of this statement on Schedule 13D is incorporated herein by reference.

1 Name of Reporting Persons
Castle Creek Capital VII LLC

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)
WC/AF

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization
Delaware

7 Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8 Shared Voting Power
464,710 (1)

9 Sole Dispositive Power
0

10 Shared Dispositive Power
464,710 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person
464,710 (1)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented by Amount in Row (11)
9.9% (1)

14 Type of Reporting Person (See Instructions)
OO (Limited Liability Company), HC (Control Person)

(1) The information set forth in Items 4, 5 and 6 of this statement on Schedule 13D is incorporated herein by reference.

1 Name of Reporting Persons
John M. Eggemeyer

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)
WC/AF

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization
Delaware

7 Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8 Shared Voting Power
464,710 (1)

9 Sole Dispositive Power
0

10 Shared Dispositive Power
464,710 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person
464,710 (1)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented by Amount in Row (11)
9.9% (1)

14 Type of Reporting Person (See Instructions)
IN (Individual), HC (Control Person)

(1) The information set forth in Items 4, 5 and 6 of this statement on Schedule 13D is incorporated herein by reference.

1 Name of Reporting Persons
John T. Pietrzak

2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)
WC/AF

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization
Delaware

7 Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8 Shared Voting Power
464,710 (1)

9 Sole Dispositive Power
0

10 Shared Dispositive Power
464,710 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person
464,710 (1)

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13 Percent of Class Represented by Amount in Row (11)
9.9% (1)

14 Type of Reporting Person (See Instructions)
IN (Individual), HC (Control Person)

(1) The information set forth in Items 4, 5 and 6 of this statement on Schedule 13D is incorporated herein by reference.

Item 1. Security and Issuer

The title and class of equity security to which this statement on Schedule 13D relates is the common stock, par value \$0.01 per share, of Pathfinder Bancorp, Inc. (the “Company”). The address of the principal executive office of the Company is 214 West First Street, Oswego, NY 13126.

Item 2. Identity and Background

This statement on Schedule 13D is being jointly filed by the parties identified below. All of the filers of this Schedule 13D are collectively referred to as the “Reporting Persons.” The Joint Filing Agreement among the Reporting Persons is attached hereto as Exhibit 99.1 and incorporated herein by reference.

- (a)-(c) The following are the Reporting Persons: (i) Castle Creek Capital Partners VII, LP, a Delaware limited partnership (“Fund VII”) and a private equity fund focused on investing in community banks throughout the United States of America; (ii) Castle Creek Capital VII LLC, a Delaware limited liability company (“CCC VII”), whose principal business is to serve as the sole general partner of, and manage, Fund VII; (iii) John M. Eggemeyer, a United States citizen and managing principal of CCC VII; and (iv) John T. Pietrzak, a United States citizen and managing principal of CCC VII. The business address for each of the Reporting Persons is 6051 El Tordo, P.O. Box 1329, Rancho Santa Fe, CA 92067.
- (d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).
- (e) During the last five years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) N/A.

Item 3. Source and Amount of Funds or Other Consideration

The information in Items 4 and 6 is incorporated by reference.

On May 8, 2019, pursuant to a securities purchase agreement (the “Pathfinder SPA”), Fund VII purchased (i) 37,700 shares of the Company’s common stock, par value \$0.01 per share (“Common Stock”), at a purchase price of \$14.25 per share, (ii) 1,155,283 shares of the Company’s Series B convertible perpetual preferred stock (“Series B Preferred Stock”, and such shares of Common Stock and Series B Preferred Stock issued pursuant to the Pathfinder SPA, the “Pathfinder SPA Shares”), at a purchase price of \$14.25 per share, and (iii) a warrant to purchase 125,000 shares of Common Stock at an exercise price of \$14.25 per share (the “Warrant”). The aggregate purchase price of the Pathfinder SPA Shares and the Warrant was \$17,000,007.75.

On May 8, 2019, Fund VII also entered into a securities purchase agreement (the “Maltese SPA”) with certain affiliates of Maltese Capital Management (the “Maltese Funds”), pursuant to which Fund VII acquired 427,010 shares of Common Stock held by the Maltese Funds for a purchase price of \$14.25 per share (the “Maltese SPA Shares”, and together with the Pathfinder SPA Shares, the “Shares”). Following the closing of the transactions contemplated by the Pathfinder SPA and the Maltese SPA, Fund VII owns 464,710 shares of Common Stock.

The foregoing references to and descriptions of the Pathfinder SPA and the Maltese SPA, and the transactions contemplated thereby, do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of the Pathfinder SPA and the Maltese SPA, which are attached hereto as Exhibits 99.2 and 99.7, respectively, and incorporated herein by reference.

Item 4. Purpose of Transaction

The information in Items 3 and 6 is incorporated by reference.

Fund VII acquired the Shares and the Warrant in the ordinary course of business because of its belief that the Shares and the Warrant represented an attractive investment in accordance with its investment strategy. Subject to the limitations imposed by the Pathfinder SPA and the applicable federal and state securities laws, Fund VII may dispose of the Shares and/or the Warrant from time to time, subject to market conditions and other investment considerations, and may cause the Shares and/or the Warrant to be distributed in kind to investors. To the extent permitted by the Pathfinder SPA and applicable bank regulatory limitations, Fund VII may directly or indirectly

acquire additional shares of Common Stock or associated rights or securities exercisable for or convertible into Common Stock, depending upon an ongoing evaluation of its investment in the Common Stock and securities exercisable for or convertible into Common Stock, applicable legal restrictions, prevailing market conditions, liquidity requirements of such Reporting Person and/or investment considerations.

To the extent permitted under the Pathfinder SPA, and applicable laws, the Reporting Persons may engage in discussions with management, the Company’s board of directors (the “Board”), other stockholders of the Company and other relevant parties concerning the business, operations, composition of the Board, management, strategy and future plans of the Company.

As further described in Item 6 below, pursuant to the Pathfinder SPA Fund VII has the right to appoint a representative to the Board. Subject to ongoing discussions with the Company and selection of the individual to serve as its representative, Fund VII expects to exercise such right as promptly as practicable.

The foregoing references to and descriptions of the Pathfinder SPA do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the full text of the Pathfinder SPA, which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Other than as described in this Item 4, each of the Reporting Persons has no present plans or proposals that relate to or would result in any of the events set forth in Items 4(a) through (j) of Schedule 13D. However, each of the Reporting Persons reserves the right to change its plans at any time, as it deems appropriate, in light of its ongoing evaluation of (i) its business and liquidity objectives; (ii) the Company’s financial condition, business, operations, competitive position, prospects and/or share price; (iii) industry, economic and/or securities markets conditions; (iv) alternative investment opportunities; and (v) other relevant factors.

Item 5. Interest in Securities of the Issuer

The information contained on the cover pages to this Schedule 13D and the information set forth or incorporated in Items 2, 3, 4 and 6 is incorporated herein by reference.

(a) and (b)

Reporting Person	Amount Beneficially Owned (2)	Percent of Class (3)	Sole Power to Vote or Direct the Vote	Shared Power to Vote or Direct the Vote	Sole Power to Dispose or to Direct the Disposition	Shared Power to Dispose or Direct the Disposition
Castle Creek Capital Partners VII, LP	464,710	9.9%	0	464,710	0	464,710
Castle Creek Capital VII LLC (1)	464,710	9.9%	0	464,710	0	464,710
John M. Eggemeyer (1)	464,710	9.9%	0	464,710	0	464,710
John T. Pietrzak (1)	464,710	9.9%	0	464,710	0	464,710

(1) Each of CCC VII, Mr. Eggemeyer and Mr. Pietrzak disclaims beneficial ownership of the Common Stock owned by Fund VII, except to the extent of its or his pecuniary interest therein.

(2) Excludes 1,155,283 shares of Series B Preferred Stock and the Warrant to purchase 125,000 shares of Common Stock. Since Fund VII does not presently, and will not within the next 60 days, have the right to acquire Common Stock in respect of such Series B Preferred Stock and the Warrant (due in part to the limitations described in Item 6 below), those underlying shares are not included in the amount reported herein.

(3) This calculation is based on 4,694,221 shares of Common Stock of the Company outstanding as of May 8, 2019, as represented by the Company in the Pathfinder SPA.

(c)

Except as set forth herein, none of the Reporting Persons had any transactions in the Common Stock (or securities convertible into the Common Stock) during the past 60 days.

(d)

Other than as described herein, no other persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock reported in the Schedule 13D.

(e)

N/A

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The information set forth in Items 3 and 4 is incorporated herein by reference.

The Series B Preferred Stock will rank, as to payments of dividends and distribution of assets upon dissolution, liquidation or winding up of the Company, *pari passu* with the Common Stock pro rata. Holders of Series B Preferred Stock will have no voting rights except as may be required by law. The Series B Preferred Stock will not be redeemable by either the Company or by the holder.

Each share of Series B Preferred Stock will be convertible on a one for one basis into either (i) Common Stock under certain circumstances (subject to the restrictions on owning in excess of 9.9% of the outstanding Common Stock, as further described below) or (ii) non-voting common stock, par value \$0.01 per share (which will also be convertible into Common Stock), subject to approval of the creation of such class of non-voting common stock by the Company's stockholders (the "Non-Voting Common Stock"). Each share of Series B Preferred Stock will automatically convert into one share of Non-Voting Common Stock effective as of the close of business on the date that the Company obtains stockholder approval for and files an amendment to the Company's articles of incorporation to authorize the Non-Voting Common Stock. The Company must request stockholder approval of the amendment to the Articles of Incorporation to authorize the class of Non-Voting Common Stock no later than at the 2021 annual meeting of Company stockholders. Fund VII's right to convert the Series B Preferred Stock and the Non-Voting Common Stock into Common Stock, and its ability to exercise the Warrant, is subject to NASDAQ limitations on the Company's ability to issue in excess of 19.99% of the Common Stock outstanding immediately prior to the execution of the Pathfinder SPA (the "Exchange Cap"). The Company must also request stockholder approval to eliminate the Exchange Cap no later than at the 2021 annual meeting of Company stockholders.

Upon the issuance of the Non-Voting Common Stock, subject to certain exceptions, Fund VII would be permitted to convert, or upon the request of the Company required to convert, the shares of Non-Voting Common Stock into an equal number of shares of Common Stock, so long as upon conversion Fund VII did not own more than 9.9% of the Common Stock. Additionally, the shares of Non-Voting Common Stock will automatically convert into an equal number of shares of Common Stock upon a transfer of the shares to a non-affiliate of Fund VII in a permissible transfer.

The Articles Supplementary to the Articles of Incorporation of the Company designating the Series B Preferred Stock (the "Articles Supplementary") are attached hereto as Exhibit 99.3 and incorporated herein by reference.

The following is a description of certain terms of the Pathfinder SPA and related transaction documents:

Representations and Warranties. Pursuant to the Pathfinder SPA, the Company made customary representations and warranties to Fund VII relating to, among other things, the Company, its business, the issuance of the Pathfinder SPA Shares and authorization to enter into the transaction. Fund VII also made customary representations and warranties to the Company regarding, among other things, Fund VII's valid organization and authorization to enter into the transaction. The Company's and Fund VII's representations and warranties generally expire 12 months following the Closing Date (as defined in the Pathfinder SPA), with the exception of certain fundamental representations of the Company, which survive for six years from the Closing Date, and certain representations of the Company that survive for 60 days after the expiration of the applicable statute of limitations.

Transfer Restrictions. Fund VII agreed not to sell or dispose of the Pathfinder SPA Shares unless doing so was in compliance with the registration requirements or exemptions of the Securities Act of 1933 (as amended, the "Securities Act") and applicable state, federal or foreign securities laws.

Ownership Limitation and Avoidance of Control. Fund VII agreed that neither it nor its affiliates (for purposes of any banking regulation or law) shall be entitled to purchase shares of Common Stock that would result in Fund VII and its affiliates collectively to be deemed to own, control or have the power to vote more than 9.9% of the Company's issued and outstanding Common Stock. Neither the Company nor any of its subsidiaries is permitted under the Pathfinder SPA to take any action (including any redemption, repurchase, rescission or recapitalization of Common Stock or securities or rights to purchase or that may become convertible into Common Stock, in each case, where Fund VII is not given the right to participate in such transaction to the extent of Fund VII's pro rata portion), that would cause (i) the equity in the Company owned by Fund VII and its affiliates (as such term is used under the Bank Holding Company Act (the "BHCA")) to exceed 33.3% of the Company's total equity (provided that there is no ownership or control in excess of 9.9% of any class of voting securities of the Company by Fund VII together with its affiliates) or (ii) Fund VII's and its affiliates' ownership of any class of voting securities of the Company to exceed 9.9% of such class, in each case without the prior written consent of Fund VII. Finally, the Company may not take any action that would cause Fund VII's ownership to increase to an amount that would constitute "control" under the BHCA, the Change in Bank Control Act, or any rules or regulations promulgated thereunder. Additionally, Fund VII shall not have the ability to purchase more than 33.3% of the Company's total equity or exercise any voting rights in excess of 9.9% of the total outstanding voting securities of the Company. In the event that Fund VII breaches any of these obligations, or believes that it is reasonably likely to breach such

obligations, Fund VII agreed to promptly notify the Company and to cooperate in good faith with the Company to modify ownership or make other arrangements or take any other action necessary to cure or avoid such breach.

Indemnification. The Company agreed to indemnify Fund VII, its controlling persons and each of their directors, officers, stockholders, members, partners, employees, agents, investment advisors and those with similar roles (each a “Fund VII Party”) for losses and liabilities suffered or incurred as a result of (i) the Company’s breach of any of its representations, warranties, covenants or agreements in the Pathfinder SPA or any other transaction documents or (ii) any action instituted against a Fund VII Party in any capacity by any shareholder of the Company or other third party who is not an affiliate of such Fund VII Party. The Company’s indemnification obligations are subject to the limitations set forth in the Pathfinder SPA (including the expiration of certain of the representations and warranties, as described above).

Board Representative and Observer. Pursuant to the terms of the Pathfinder SPA, Fund VII will be entitled to have one representative appointed to the Board for so long as Fund VII, together with its respective affiliates, owns, in the aggregate, 4.9% or more of all of the outstanding shares of the Common Stock. If Fund VII, together with its respective affiliates, owns, in the aggregate, 4.9% or more of all of the outstanding shares of the Common Stock and does not have a board representative on the Board, the Company will invite a person designated by Fund VII to attend meetings of the Board as an observer.

Preemptive Rights. For so long as Fund VII, together with its respective affiliates, owns, in the aggregate, 4.9% or more of all of the outstanding shares of the Common Stock, if the Company makes any public or nonpublic offering or sale of any equity (including Common Stock, Series B Preferred Stock or Non-Voting Common Stock), or any securities, options or debt that is convertible or exchangeable into equity or that includes an equity component, then, subject to certain exceptions, Fund VII will be afforded the opportunity to acquire from the Company for the same price (net of any underwriting discounts or sales commissions) and on the same terms as such securities are proposed to be offered to others, up to the amount of new securities in the aggregate required to enable it to maintain its proportionate Common Stock equivalent interest in the Company immediately prior to any such issuance of new securities.

Registration Rights. In connection with the Pathfinder SPA, the Company and Fund VII entered into a registration rights agreement, dated as of May 8, 2019 (the “Registration Rights Agreement”). Pursuant to the terms of the Registration Rights Agreement, the Company agreed to file a resale registration statement by no later than May 8, 2023 to register the resale of the Securities.

Pursuant to the Registration Rights Agreement, if the Company intends to file a registration statement covering a primary or secondary offering of any of its Common Stock, Series B Preferred Stock, Non-Voting Common Stock, Warrant or other securities, which is not a registration solely to implement an employee benefit plan pursuant to a registration statement on Form S-8 or a registration statement on Form S-4, the Company will promptly give written notice to the holders of the Securities of its intention to effect such a registration and the Company will effect the registration under the Securities Act of all registrable securities that the holders request be included in such registration. The Registration Rights Agreement is attached hereto as Exhibit 99.4 and incorporated herein by reference.

Warrant. The Company and Fund VII entered into a Warrant Agreement, dated as of May 8, 2019 (the “Warrant Agreement”), to, among other things, authorize and establish the terms of the Warrant, subject to certain adjustments described below. The Warrant is exercisable at any time after May 8, 2019, and from time to time, in whole or in part, until May 8, 2026. However, the exercise of such Warrant remains subject to the Exchange Cap and regulatory approval if Fund VII’s ownership of Common Stock would exceed 9.9%.

The exercise price (currently \$14.25 per share of Common Stock) and the number of shares of Common Stock for which the Warrant is exercisable are subject to adjustment from time to time upon the occurrence of certain events including: (1) the Company declaring a dividend or making a distribution on its Common Stock in shares of Common Stock, (2) splitting, subdividing or reclassifying the outstanding shares of Common Stock into a greater number of shares, (3) if the Company issues or sells, or agrees to issue or sell, any Common Stock, Series B Preferred Stock, Non-Voting Common Stock or other securities that are convertible into or exchangeable or exercisable for Common Stock, Series B Preferred Stock or Non-Voting Common Stock (or are otherwise linked to Common Stock) for consideration per share less than the market price, or (4) a distribution to all holders of Common Stock of cash, any shares of any class other than the Company’s Common Stock, evidences of indebtedness of the Company, rights or warrants of the Company. Notwithstanding the foregoing, upon Fund VII’s election, Fund VII will receive the same cash dividends on the Warrant as common stockholders instead of an adjustment to the exercise price and the number of shares of Common Stock for which the Warrant is exercisable. The Warrant Agreement is attached hereto as Exhibit 99.5 and incorporated herein by reference.

ERISA Matters. Fund VII was provided customary VCOC rights pursuant to a VCOC Letter Agreement, dated as of May 8, 2019, by and between Fund VII and the Company (the “VCOC Letter Agreement”), including the right to receive regular financial reports (including, but not limited to, annual and quarterly financial reports), the right to inspect the books and records of the Company and the right to consult with management of the Company on matters relating to the business and affairs of the Company; provided, however, that this provision does not entitle Fund VII to consult with management of the Company on matters relating to the business and affairs of the Company more than once per calendar quarter. The Company also agreed to consider, in good faith, the recommendations of Fund VII or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Company. The VCOC Letter Agreement is attached hereto as Exhibit 99.6 and incorporated herein by reference.

The following is a description of certain terms of the Maltese SPA:

Pursuant to the Maltese SPA, each of the Maltese Funds made customary representations and warranties to Fund VII relating to the Maltese Funds, their ownership of the Maltese SPA Shares and their authorization to enter into the transaction. Fund VII also made customary representations and warranties to the Maltese Funds regarding, among other things, Fund VII's valid organization and authorization to enter into the transaction. The Company's and Fund VII's representations and warranties, as well as the covenants made by each party, survive the closing of the transactions contemplated by the Maltese SPA.

The foregoing references to and descriptions of the Pathfinder SPA, the Articles Supplementary, the Registration Rights Agreement, the Warrant Agreement, the VCOC Letter Agreement and the Maltese SPA, and the transactions contemplated thereby, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the full text of the Pathfinder SPA, the Articles Supplementary, the Registration Rights Agreement, the Warrant Agreement, the VCOC Letter Agreement and the Maltese SPA, which are attached hereto as Exhibits 99.2, 99.3, 99.4, 99.5, 99.6 and 99.7 respectively, and incorporated herein by reference.

Item 7. Material to be Filed as Exhibits

<u>Exhibit</u>	<u>Description</u>
Exhibit 99.1	<u>Joint Filing Agreement, dated as of May 15, 2019, by and among Castle Creek Capital Partners VII, LP and Castle Creek Capital VII LLC, John M. Eggemeyer and John T. Pietrzak.</u>
Exhibit 99.2	<u>Securities Purchase Agreement, dated as of May 8, 2019, by and between Pathfinder Bancorp, Inc. and Castle Creek Capital Partners VII, LP (incorporated by reference to Exhibit 10.1 to Pathfinder Bancorp, Inc.'s Current Report on Form 8-K filed on May 9, 2019).</u>
Exhibit 99.3	<u>Articles Supplementary to the Articles of Incorporation of Pathfinder Bancorp, Inc. designating the Company's Series B Convertible Perpetual Preferred Stock, par value \$0.01 per share (incorporated by reference to Exhibit 3.1 to Pathfinder Bancorp, Inc.'s Current Report on Form 8-K filed on May 9, 2019).</u>
Exhibit 99.4	<u>Registration Rights Agreement, dated as of May 8, 2019, by and between Pathfinder Bancorp, Inc. and Castle Creek Capital Partners VII, LP (incorporated by reference to Exhibit 10.2 to Pathfinder Bancorp, Inc.'s Current Report on Form 8-K filed on May 9, 2019).</u>
Exhibit 99.5	<u>Warrant Agreement, dated as of May 8, 2019, by and between Pathfinder Bancorp, Inc. and Castle Creek Capital Partners VII, LP (incorporated by reference to Exhibit 4.1 to Pathfinder Bancorp, Inc.'s Current Report on Form 8-K filed on May 9, 2019).</u>
Exhibit 99.6	<u>VCOC Letter Agreement, dated as of May 8, 2019, by and between Pathfinder Bancorp, Inc. and Castle Creek Capital Partners VII, LP.</u>
Exhibit 99.7	<u>Securities Purchase Agreement, dated as of May 8, 2019, by and between Castle Creek Capital Partners VII, LP, Malta Hedge Fund II, L.P., Malta Hedge Fund, L.P., Malta Market Neutral Master Fund, Ltd., Malta Offshore, Ltd. and Malta Thrift Fund, L.P.</u>

SIGNATURES

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 15, 2019

CASTLE CREEK CAPITAL PARTNERS VII, LP

By: /s/ John M. Eggemeyer
Name: John M. Eggemeyer
Title: Managing Principal

CASTLE CREEK CAPITAL VII LLC

By: /s/ John M. Eggemeyer
Name: John M. Eggemeyer
Title: Managing Principal

JOHN M. EGGEMEYER

By: /s/ John M. Eggemeyer

JOHN T. PIETRZAK

By: /s/ John T. Pietrzak

SIGNATURE PAGE TO SCHEDULE 13D (PATHFINDER BANCORP, INC.)

JOINT FILING AGREEMENT

The undersigned hereby agree that this Schedule 13D, dated May 15, 2019, with respect to the common stock, par value \$0.01 per share, of Pathfinder Bancorp, Inc., a Maryland corporation, is, and any amendments hereto signed by each of the undersigned shall be, filed on behalf of each of us pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

Dated: May 15, 2019

CASTLE CREEK CAPITAL PARTNERS VII, LP

By: /s/ John M. Eggemeyer
Name: John M. Eggemeyer
Title: Managing Principal

CASTLE CREEK CAPITAL VII LLC

By: /s/ John M. Eggemeyer
Name: John M. Eggemeyer
Title: Managing Principal

JOHN M. EGGEMEYER

By: /s/ John M. Eggemeyer

JOHN T. PIETRZAK

By: /s/ John T. Pietrzak

SIGNATURE PAGE TO JOINT FILING AGREEMENT (PATHFINDER BANCORP, INC.)

VENTURE CAPITAL OPERATING COMPANY ("VCOC") LETTER AGREEMENT

PATHFINDER BANCORP, INC.
214 WEST FIRST STREET
OSWEGO, NEW YORK 13126

May 8, 2019

Castle Creek Capital Partners VII, L.P.
6051 El Tordo
Rancho Santa Fe, CA 92091

Dear Sir/Madam:

Reference is made to the Securities Purchase Agreement by and among Pathfinder Bancorp, Inc., a Maryland corporation (the "**Corporation**") and the investors party thereto, including Castle Creek Capital Partners VII, L.P., a Delaware limited partnership (the "**VCOC Investor**"), dated as of May 8, 2019 (the "**Securities Purchase Agreement**"), pursuant to which the VCOC Investor agreed to purchase from the Corporation shares of its voting common stock, \$0.01 par value per share (the "**Common Stock**"), and shares of its Series B Preferred Stock, \$0.01 par value per share (the "**Series B Preferred Stock**"). Capitalized terms used herein without definition shall have the respective meanings in the Securities Purchase Agreement.

For good and valuable consideration acknowledged to have been received, the Corporation hereby agrees that it shall:

For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock, Series A Preferred Stock or Non-Voting Common Stock, provide the VCOC Investor or its designated representative with the governance rights set forth in the Securities Purchase Agreement;

For so long as the VCOC Investor, directly or through one or more Affiliates, continues to hold any Common Stock, Series A Preferred Stock or Non-Voting Common Stock, without limitation or prejudice of any of the rights provided to the VCOC Investor under the Securities Purchase Agreement or any other agreement or otherwise, provide the VCOC Investor or its designated representative with:

(i) the right to visit and inspect any of the offices and properties of the Corporation and its subsidiaries and inspect the books and records of the Corporation and its subsidiaries at such times as the VCOC Investor shall reasonably request upon three (3) business days' notice but not more frequently than once per calendar quarter, provided, however, that such rights shall not extend to confidential bank supervisory communications, customer financial records or other "exempt records" as defined by 12 C.F.R. Part 309, or reports of examination of any national or state chartered insured bank, which information may only be disclosed by the Corporation or any subsidiary of the Corporation in accordance with the provisions and subject to the limitations of applicable law or regulation;

(ii) consolidated balance sheets and statements of income and cash flows of the Corporation and its subsidiaries prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis (A) as of the end of each quarter of each fiscal year of

the Corporation as soon as practicable after preparation thereof but in no event later than ninety (90) days after the end of such quarter, and (B) with respect to each fiscal year end statement, as soon as practicable after preparation thereof but in no event later than one hundred and twenty (120) days after the end of such fiscal year together with an auditor's report thereon of a firm of established national reputation; and

(iii) to the extent the Corporation or any of its subsidiaries is required by law or pursuant to the terms of any outstanding indebtedness of the Corporation or any subsidiary to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or otherwise, actually prepared by the Corporation or any of its subsidiaries as soon as available;

provided, that, in each case, if the Corporation makes the information described in clauses (ii) and (iii) of this bullet point available through public filings on the EDGAR system or any successor or replacement system of the United States Securities and Exchange Commission, the delivery of the information shall be deemed satisfied by such public filings.

Make appropriate officers and directors of the Corporation, and its subsidiaries, available periodically and at such times as reasonably requested by the VCOC Investor for consultation with the VCOC Investor or its designated representative, but not more frequently than once per calendar quarter, with respect to matters relating to the business and affairs of the Corporation and its subsidiaries; and

If the VCOC Investor's regular outside counsel determines in writing that other rights of consultation are reasonably necessary under applicable legal authorities promulgated after the date of this agreement to preserve the qualification of VCOC Investor's investment in the Corporation as a "venture capital investment" for purposes of the United States Department of Labor Regulation published at 29 C.F.R. Section 2510.3-101(d)(3)(i) (the "**Plan Asset Regulation**"), the Corporation agrees to cooperate in good faith with the VCOC Investor to amend this letter agreement to reflect such other rights that are mutually satisfactory to the Corporation and the VCOC Investor and consistent with the Federal Reserve Policy Statement on Equity Investments in Banks and Bank Holding Companies; provided that such consultation rights shall be limited to once per calendar quarter.

The Corporation agrees to consider, in good faith, the recommendations of the VCOC Investor or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Corporation.

The VCOC Investor agrees, and will require each designated representative of the VCOC Investor to agree, to hold in confidence and not use or disclose to any third party (other than its legal counsel and accountants) any confidential information provided to or learned by such party in connection with the VCOC Investor's rights under this letter agreement except as may otherwise be required by law or legal, judicial or regulatory process, provided that the VCOC Investor takes reasonable steps to minimize the extent of any such required disclosure.

In the event the VCOC Investor transfers all or any portion of its investment in the Corporation to an affiliated entity (or to a direct or indirect wholly-owned conduit subsidiary of any such affiliated entity) that is intended to qualify as a venture capital operating company under the Plan Asset Regulation, such affiliated entity shall be afforded the same rights that the Corporation has afforded to the VCOC Investor hereunder and shall be treated, for such purposes, as a third party beneficiary hereunder.

The rights of the VCOC Investor under this letter agreement are unique to the VCOC Investor and shall not be assignable or transferrable other than to an affiliated entity that is intended to qualify as a venture capital operating company under the Plan Asset Regulation.

Each of the parties to this Agreement hereby acknowledges that they are aware that the United States securities laws prohibit any person who has material non-public information about a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

This letter agreement and the rights and the duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of New York and may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have executed this letter agreement as of the date first above written.

PATHFINDER BANCORP, INC.

By: /s/ Thomas Schneider
Name: Thomas Schneider
Title: President and Chief Executive Officer

Agreed and acknowledged as of the date first above written:

CASTLE CREEK CAPITAL PARTNERS VII, L.P.

By: Castle Creek Capital VII LLC, its general partner

By: /s/ Tony Scavuzzo
Name: Tony Scavuzzo
Title: Principal

Signature Page to VCOC Letter Agreement

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this "Agreement") is entered into as of May 8, 2019 by and among Malta Hedge Fund, L.P., a Delaware limited partnership, Malta Hedge Fund II, L.P., a Delaware limited partnership, Malta Thrift Fund, L.P., a Delaware limited partnership, Malta Market Neutral Master Fund, Ltd., a Cayman company and Malta Offshore, Ltd., a Cayman company (collectively, the "Sellers"), and Castle Creek Capital Partners VII, L.P., a Delaware limited partnership (the "Purchaser").

WHEREAS, the Purchaser agrees to purchase from the Sellers and the Sellers agree to sell to the Purchaser 427,010 shares of Common Stock, as set forth in Exhibit A attached hereto, par value \$0.01 (the "Shares") of Pathfinder Bancorp Inc. (the "Company") held by the Sellers, subject to terms and conditions to be set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
PURCHASE AND SALE OF SHARES

1.1 Sale of Shares. At the closing of the transaction contemplated herein (the "Closing") and upon the terms and conditions hereinafter set forth, the Sellers shall transfer, assign, set over and deliver to the Purchaser, and the Purchaser shall purchase and assume from the Sellers, all of each Seller's right, title and interest in and to the Shares free and clear of all Liens (as defined below).

1.2 RESERVED.

1.3 Closing. The Closing shall take place simultaneously with the execution and delivery of this Agreement, which execution and delivery shall take place on the same day as the Company raises capital from the Purchaser.

1.4 Purchase Price; Payment. The purchase price of the Shares being sold hereunder is \$14.25 per share (i.e., \$6,084,892.5 in the aggregate) (the "Purchase Price"). At the Closing, the Purchaser shall deliver to the Sellers the Purchase Price via wire transfer in immediately available funds according to written instructions provided to the Purchaser by each Seller.

1.5 Delivery of Shares. At the Closing, the Sellers shall deliver the Shares to the Purchaser through the Depository Trust Company, a subsidiary of The Depository Trust & Clearing Corporation, in accordance with the written broker instructions provided to the Sellers by the Purchaser.

1.5 Other Actions. Each of the parties hereto shall take all actions reasonably necessary to effect the transactions contemplated hereby.

ARTICLE II
REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE SELLER

Each Seller hereby represents and warrants to, and agrees with, the Purchaser, as of the date hereof and as of the date of the Closing, as follows:

2.1 The Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the right, power and authority (a) to enter into this Agreement and (b) to transfer, convey and sell to the Purchaser at the Closing the Shares. The Seller has exclusive right, title and interest in the Shares free and clear of all Liens (as defined below), and upon consummation of the purchase contemplated hereby, the Purchaser will acquire from the Seller all right, title and interest in the Shares, free and clear of all liens, charges, claims, security interests, rights of first offer or refusal, mortgages, restrictions, or encumbrances (“Liens”), other than those arising under applicable securities laws. The Seller further represents that it has not sold, conveyed, transferred, assigned, participated, pledged or otherwise encumbered the Shares in whole or in part or taken any actions that would encumber, sell, convey, transfer, assign, participate, pledge or otherwise create any restrictions with respect to either the voting or disposition of the Shares, in each case except for the transactions expressly contemplated by this Agreement.

2.2 This Agreement has been duly authorized, executed and delivered by the Seller and constitutes the valid and binding obligation of the Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses. The execution, delivery and performance of this Agreement and compliance with the provisions hereof by the Seller, do not and will not, with or without the passage of time or the giving of notice or both, (a) violate any provision of law, statute, ordinance, rule or regulation or any ruling, writ, injunction, order, judgment or decree of any court, administrative agency or other governmental body, or (b) result in any breach of any of the terms, conditions or provisions of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of the Seller or under the certificate of formation or limited partnership agreement (or similar governing documents) of the Seller, each as amended, or any note, indenture, mortgage or lease, or any other contract or other instrument, document or agreement, to which the Seller is a party or by which it or any of its property is bound or affected, except, in the case of each of (a) and (b), for those violations or breaches as would not affect the ability of the Seller to perform its obligations hereunder or subject the Shares to any Lien.

2.3 The Seller is not a party to, subject to or bound by any agreement or any judgment, order, writ, prohibition, injunction or decree of any court or other governmental body which would prevent the execution or delivery of this Agreement by the Seller or the transfer, conveyance and sale of the Shares to be sold by the Seller to the Purchaser pursuant to the terms hereof.

2.4 No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Seller for the consummation of the transactions contemplated by this Agreement in connection with the sale of the Shares. The Seller has not offered to sell, or solicited any offers to buy, all or any portion of the Shares by any form of general solicitation or general advertising in violation of the Securities Act of 1933, as amended (the “Securities Act”), or any other applicable securities laws.

2.5 No broker or finder has acted for the Seller in connection with this Agreement or the transactions contemplated hereby, and no broker or finder is entitled to any brokerage or finder’s fee or other commissions in respect of such transactions based upon agreements, arrangements or understandings made by or on behalf of the Seller.

2.6 Seller acknowledges that the Purchaser may be in possession of material non-public information not known to it, including (without limitation) information received from the Company on a confidential basis and information received on a privileged basis from its attorneys and financial advisors (collectively, the “Purchaser Excluded Information”). Seller acknowledges that the Purchaser Excluded Information may be indicative of a value of the Shares that is substantially lower or higher than the Purchase Price or otherwise adverse to the Seller and such Purchaser Excluded Information may be material to Seller’s decision to sell the Shares. Seller represents that it has not requested the Purchaser Excluded Information and agrees that the Purchaser shall not be obligated to disclose any Purchaser Excluded Information or have any liability with respect to any such non-disclosure.

2.7 Seller (i) is a sophisticated seller with respect to the sale of the Shares, (ii) has adequate information and such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits, risks and suitability of entering into this Agreement and the transactions contemplated hereby and to make an informed decision regarding the sale of the Shares, (iii) is, and has been since it acquired the Common Shares, an “accredited investor” as such term is defined in Regulation D promulgated under the Securities Act, and (iv) has independently and without reliance upon Purchaser, and based on such information and due diligence as Seller has deemed appropriate, made its own analysis and decision to enter into this Agreement and the transaction contemplated hereby, (v) is able to bear the risks attendant to the transactions contemplated hereby, and (vi) is dealing with Purchaser on a professional arm’s-length basis and neither Purchaser nor any of its affiliates is acting as a fiduciary or advisor to Seller with respect to this Agreement and any of the transactions contemplated hereby. Seller acknowledges that Purchaser has not given Seller any investment advice, credit information, or opinion on whether the sale of the Shares is a prudent investment decision.

2.8 Seller is not and has not been, (i) a person (either alone or together with others) directly or indirectly controlling or controlled (within the meaning of the Securities Act) by the Company or (ii) an affiliate (as that term is defined in Rule 144 of the Securities Act) of the Company.

2.9 There is no action, lawsuit, arbitration, claim or proceeding pending or, to the best of Seller’s knowledge, threatened, against Seller that could reasonably be expected to

impede or prevent the consummation of the transaction contemplated hereby or that will adversely affect the Shares.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE PURCHASER

The Purchaser hereby represents and warrants to, and agrees with, the Seller, as of the date hereof and as of the date of the Closing, as follows:

3.1. The Purchaser is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the right, power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Purchaser and constitutes the valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses.

3.2 The Purchaser is an “accredited investor” as defined in Rule 501(a) promulgated under the Securities Act, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the transactions contemplated under this Agreement. The Purchaser is acquiring the Shares for investment purposes, with no intention of distributing or reselling any of the Shares or any interest therein. The Purchaser represents that by reason of its, or of its management’s, business and financial experience, the Purchaser has the capacity to evaluate the merits and risks of its investment in the Shares and to protect its own interests in connection with the transactions contemplated in this Agreement and understands the terms of and risks associated with the acquisition of the Shares, including, without limitation, a lack of liquidity, price transparency or pricing availability and risks associated with the industry in which the Company operates. The Purchaser’s financial condition is such that it is able to bear all economic risks of investment in the Shares, including a complete loss of its investment. The Purchaser has had the opportunity to review such disclosure regarding the Company, its business, its financial condition and its prospects as the Purchaser has determined to be necessary in connection with the purchase of the Shares, including, without limitation, filings made by the Company with the Securities and Exchange Commission, and has had an opportunity to ask such questions and make such inquiries concerning the Company, its business, its financial condition and its prospects as the Purchaser has deemed appropriate in connection with such purchase and to receive satisfactory answers to such questions and inquiries. The Purchaser acknowledges that the Seller has not given the Purchaser any investment or tax advice, credit information or opinion on whether the purchase of the Shares is prudent.

3.4 Purchaser is not a party to, subject to or bound by any agreement or any judgment, order, writ, prohibition, injunction or decree of any court or other governmental body which would prevent the execution or delivery of this Agreement by Purchaser or the purchase of the Shares to be purchased by Purchaser from Seller pursuant to the terms hereof.

4.3 Assignment. This Agreement shall not be assigned by the Purchaser, on the one hand, or any Seller, on the other hand, without the other party's prior written consent.

4.4 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.5 Further Assurances. From and after the date hereof, upon the reasonable request of any party hereto, the other parties will execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

4.6 Entire Agreement. This Agreement constitutes the entire agreement by the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into between them relating to the matters contemplated hereby.

4.7 Amendments and Waivers. This Agreement may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties, conditions or covenants hereof may be waived, only by written instrument executed by the parties hereto or, in the case of a waiver, by the party waiving compliance.

4.8 Captions; Counterparts. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

4.9 Expenses. Each of the parties agrees to pay its own expenses incident to this Agreement and the performance of its obligations hereunder.

4.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the Purchaser and the Seller have caused this Agreement to be duly executed as of the date first above written.

Malta Hedge Fund, L.P.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: President & CEO

Malta Hedge Fund II, L.P.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: President & CEO

Malta Hedge Fund II, L.P.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: President & CEO

Malta Thrift Fund, L.P.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: President & CEO

Malta Market Neutral Master Fund, Ltd.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: Director

Malta Offshore, Ltd.

By: /s/ Terry Maltese
Name: Terry Maltese
Title: Director

Castle Creek Capital Partners VII, L.P.
By Castle Creek Capital VII LLC, its general partner

By: /s/ Tony Scavuzzo
Name: Tony Scavuzzo
Title: Principal

EXHIBIT A

SELLER	SHARES OF COMMON STOCK		ALLOCABLE SHARE OF PURCHASE PRICE
MALTA HEDGE FUND II, L.P.	151,061	\$	2,152,619.25
MALTA HEDGE FUND, L.P.	13,200	\$	188,100.00
MALTA MARKET NEUTRAL MASTER FUND, LTD.	136,649	\$	1,947,248.25
MALTA OFFSHORE, LTD.	87,900	\$	1,252,575.00
MALTA THRIFT FUND, L.P.	38,200	\$	544,350.00
TOTAL	427,010	\$	6,084,892.50