

APPLICATION FOR APPROVAL OF A REORGANIZATION INVOLVING THE FORMATION OF AN INTERIM SAVINGS AND LOAN ASSOCIATION

This application is intended to allow the formation of an interim savings and loan association to facilitate the reorganization of an operating savings and loan association into a holding company structure or the acquisition of an operating savings and loan association by a bank or savings and loan holding company. Typically, the holding company will own the interim savings and loan association, which will merge with the existing savings and loan association (“Applicant”) to complete the transaction.

Section 1161.13 of the Ohio Revised Code provides for the organization of an interim savings and loan association “to facilitate a merger, consolidation or acquisition of an existing savings and loan association, or to facilitate any other transaction the Superintendent may approve.” This Section also provides that various requirements of the organization process may be waived by the Superintendent.

The application process is in two parts, as follows:

Part I: Formation of the interim savings and loan association

Part II: Reorganization of the existing savings and loan association

Part II of the application should be submitted within 45 days after Part I is accepted for filing. Both parts of the application process must be completed in sequence to effect the reorganization.

The application is narrative in nature. The Applicant should provide sufficient background information and supporting details regarding the proposed reorganization to enable the Superintendent to thoroughly evaluate the proposal and render a decision. If any of the information requested is not applicable, so indicate. The Division reserves the right to request additional information as needed to complete the evaluation of the application.

Upon receipt of a completed application, the Division will notify the Applicant of its acceptance for filing. Once the requirements for Part II have been met and the Division has received all necessary executed documents, including evidence of approval by the applicable federal agencies and the appropriate filing fees for the Secretary of State, the reorganization will be approved.

PART I - FORMATION OF THE INTERIM SAVINGS AND LOAN ASSOCIATION

The application to form an interim savings and loan association should include the following:

1. The name; street address; city, village, or township; county; and zip code of the proposed interim savings and loan association.
2. The name and location of the operating savings and loan association (“Applicant”) to be reorganized.
3. A description of the effect the transaction will have upon the shareholders of the Applicant. **Note: if the Applicant is a mutual institution, it must convert to a capital stock form of ownership before the proposed reorganization can be consummated.**
4. An executed copy of the Articles of Incorporation (sample attached) of the interim savings and loan association, and a check in the amount of \$100, payable to the Secretary of State of Ohio, for filing the Articles. The purpose of the interim association as set forth in the Articles should be limited to the facilitation of the reorganization.

5. Copies of the constitution and (if applicable) bylaws of the interim savings association.
6. The name, title, occupation, experience, shares to be owned, and current relationships with the Applicant for each incorporator, proposed director, proposed shareholder, and proposed chief executive officer of the interim savings and loan association.
7. An itemized estimate of the expenses to be incurred in connection with the organization of the interim savings and loan association and consummation of the reorganization. Indicate who will pay such expenses and the source of funds for such payments. If funds will be borrowed by any party to pay those expenses, describe how the debt will be serviced. Provide copies of any agreements entered into by the Applicant with regard to the funding and payment of expenses incurred in connection with the organization of the interim savings and loan association and subsequent reorganization of the Applicant.

Note: No expenses may be paid directly by the interim savings and loan association until it receives authorization to commence business. Furthermore, the interim association may not pay any organizational expenses or reimburse its organizers for such expenses without the prior written approval of the Superintendent of Financial Institutions. No expenses relating to the formation of the interim savings and loan association or the holding company may be paid directly by the Applicant.

8. A description of the proposed capital structure of the interim savings and loan association and the savings association that will result from the reorganization. The Applicant may request that the Division waive the minimum authorized capital, reserve, and net-worth requirements set forth in Sections 1151.08 and 1151.33 of the Ohio Revised Code for the interim savings and loan association. However, in order to receive the Superintendent's approval, the interim association must be capitalized in accordance with the requirements of Chapter 1701 of the Ohio Revised Code.

Upon receipt of a completed Part I, the Division will notify the Applicant of its acceptance for filing. Once the requirements for Part I have been satisfactorily met, the Superintendent will conditionally approve the organization of the interim savings and loan association and file its Articles of Incorporation with the Secretary of State. Pursuant to Section 1151.091 of the Ohio Revised Code, the interim savings association will exist only to facilitate the reorganization (merger, consolidation or acquisition) of the Applicant, and the transaction must be completed within one year from the date of incorporation of the interim savings association.

PART II - REORGANIZATION OF THE EXISTING SAVINGS AND LOAN ASSOCIATION

The application to effect the reorganization of the Applicant and the interim savings and loan association shall consist of the following information:

1. Identifying information, including:
 - a. The name and principal place of business (street address; city, village, or township; county; and zip code) of the operating savings and loan association ("Applicant").
 - b. The name and principle place of business (street address; city, village, or township; county; and zip code) of the resulting savings and loan association if different from that of the Applicant.

2. Copies of any applications filed with the Office of Thrift Supervision or Federal Reserve Bank of Cleveland in connection with the reorganization.
3. Copies of the final reorganization agreement(s) between and among the Applicant, the interim savings and loan association, and the holding company.
4. The proposed amended or restated articles of incorporation, constitution, and bylaws of the resulting savings and loan association.
5. A comprehensive description of the proposed reorganization, including the method of acquisition and the current market price for shares of the Applicant. If there is no established market price, indicate the date of the last three stock transactions, number of shares involved, price paid (if known), and the current book value of the shares.
6. A description of any existing or proposed agreements (formal or informal) regarding the payment of compensation (monetary or otherwise) to any shareholder, director or officer of the Applicant, other than as set forth in the reorganization agreement.
7. A description of any stock transfers, exchanges, or purchases that are part of the proposed reorganization, including any full or partial cash payments to shareholders. If the transaction involves an exchange of shares of Applicant for shares of another party or cash, indicate how the exchange rate was determined.
8. A description of the financing which any party may undertake to fund any portion of the reorganization, including payments to dissident shareholders, and how this debt will be serviced.
9. A description of any pending or proposed changes to the capital structure of the Applicant, the interim savings association, or the resulting savings association that will occur before, at, or after the effective time of the reorganization.
10. A listing of all purchases or sales of stock of the Applicant by insiders over the two-year period immediately preceding the filing of the application. Insiders include directors, executive officers, and holders of 10 per cent or more of the outstanding shares of the Applicant, the holding company, or any affiliate thereof. The listing should include the individual's name and position, percentage of ownership, whether the transaction was a purchase or a sale, trade date, number of shares traded, and price.
11. A description of any plans for the continuation or disposition of any exiting stock option plans, management rights plans, pension plans, or other employee benefit plans of the Applicant following the reorganization.
12. A listing of all contingent liabilities of the Applicant and an attorney's opinion concerning the costs or losses expected to result from any pending litigation.
13. A description of any proposed changes in the Applicant which will result from the reorganization, including any changes to the directorate, management, capital structure, branch structure, products and services, dividend payments, and business plan.
14. A pro-forma balance sheet showing the results of the reorganization. The pro-forma balance sheet should show the condition of the Applicant, the interim savings and loan association, and the resulting savings and loan association, and include all adjusting entries and footnotes.

15. Draft copies of the proxy materials to be furnished in connection with the meeting of shareholders of the Applicant to consider the reorganization.

Before the reorganization can be approved, the following additional items must be submitted to the Division:

1. A copy of the final proxy materials.
2. Certified copies of the resolutions adopted by the boards of directors and shareholders of the Applicant and the interim savings and loan association authorizing the proposed transaction. The resolutions should indicate the number of votes cast for and against the proposal and the number required to approve the transaction.
3. A certificate of merger, prepared pursuant to Section 1701.81 of the Ohio Revised Code, and a check in the amount of \$50, payable to the Secretary of State.
4. Copies of all required approvals issued by federal regulatory agencies.
5. An affidavit of limited activity of the interim association (form attached).

ARTICLES OF INCORPORATION

of

Name of Institution

The undersigned, desiring to form a savings and loan association under the laws of the State of Ohio, hereby certifies:

FIRST: The name of said Corporation shall be _____.

SECOND: The place where the principal place of business of the Corporation is to be located is the (City, Village or Township) of _____, County of _____, State of Ohio.

THIRD: The purpose for which the Corporation is formed is to facilitate the acquisition of an operating savings association by serving as an interim association under Section 1151.091 of the Ohio Revised Code, as now in force or hereafter amended, and to do all things necessary or incident thereto pursuant to the provisions of Chapter 1151. of the Ohio Revised Code and any and all statutes amendatory or supplementary thereto.

FOURTH: The maximum number of shares which the Corporation is authorized to have outstanding is _____ shares of common stock with a par value of \$_____ per share.

IN WITNESS WHEREOF, the undersigned duly authorized officer of the aforesaid incorporator has hereunto subscribed their name this _____ day of _____, 19____.

On behalf of (name of incorporator):

By:

(Signature of Authorized Officer)

Limited activity affidavit

Sample Form

AFFIDAVIT CERTIFYING THE
LIMITED ACTIVITY OF AN INTERIM SAVINGS ASSOCIATION

STATE OF OHIO)
)ss.
COUNTY OF _____)

Before me, a Notary Public in and for said state, personally appeared _____, who being duly sworn, affirms and says that he/she is (position or relation to interim association) of (legal name of interim association).

Affiant further affirms and says that the said (legal name of interim association) has not engaged in any transactions or activities except those which are necessary or incidental to its organization and planned reorganization with (legal name of operating institution), and that the transactions and activities of the said (legal name of interim association) shall continue to be so limited until the planned reorganization is consummated.

Affiant says nothing further.

(Signed) _____

Sworn to before me and signed in my presence this _____ day of _____, 20____.

(Signed) _____

(S E A L)

This affidavit is to be executed and submitted to the Division of Financial Institutions immediately prior to the effective date of the reorganization.