

## **APPLICATION FOR APPROVAL OF A REORGANIZATION INVOLVING THE FORMATION OF AN INTERIM SAVINGS BANK**

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

Section 1161.13 of the Ohio Revised Code provides for the organization of an interim savings bank “to facilitate a merger, consolidation or acquisition of an existing savings bank, 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 consists of two parts, as follows:

Part I: Formation of the interim savings bank

Part II: Reorganization of the existing savings bank

Part II of the application should be submitted within 45 days after Part I is accepted for filing. Both parts of the application 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 BANK**

The application to form an interim savings bank should include the following:

1. The name and location of the operating savings bank (“Applicant”) to be reorganized.
2. The name and address of the proposed interim savings bank.
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 bank, 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 savings bank 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 bank

6. As applicable, the name, title, occupation, experience, and shares to be owned for each incorporator, proposed director, proposed shareholder, and proposed executive officer of the interim savings bank and their current relationships with the Applicant.
7. An itemized estimate of the expenses to be incurred in connection with the organization of the interim savings bank 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.

**Note: No expenses may be paid directly by the interim savings bank until it receives authorization to commence business. Furthermore, the interim savings bank 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 bank or the holding company may be paid directly by the Applicant.**

8. 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 bank and subsequent reorganization of the Applicant.
9. A description of the proposed capital structure of the interim savings bank and the resulting savings bank. Applicant may request that the Division waive the minimum authorized capital, reserve, and net-worth requirements established in Sections 1161.10 and 1161.53 of the Ohio Revised Code for the interim savings bank. However, in order to receive the Superintendent's approval, the interim savings bank 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 bank and will file its Articles of Incorporation with the Secretary of State. Pursuant to Section 1161.13 of the Ohio Revised Code, the interim savings bank will exist only to facilitate the reorganization or acquisition of Applicant and the transaction must be completed within one year of the date of incorporation of the interim savings bank.

## **PART II - REORGANIZATION OF THE EXISTING SAVINGS BANK**

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

1. The Applicant's name and the address of its principal place of business. Also state the name and address of the proposed principle place of business of the resulting savings bank if different from that of the Applicant.
2. Copies of any applications filed with the Office of Thrift Supervision, Federal Reserve Bank of Cleveland, or Federal Deposit Insurance Corporation in connection with the reorganization.
3. Copies of the final reorganization agreement(s) between and among the Applicant, the interim savings bank, and the holding company.
4. The proposed amended or restated articles of incorporation, constitution and bylaws for the resulting savings bank.

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(s).
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, interim savings bank, or resulting savings bank 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. This should include any changes in the Applicant's 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 bank, and the resulting savings bank, and include all adjusting entries and footnotes.
15. Draft copies of the proxy materials to be furnished to Applicant's shareholders in connection with the meeting of shareholders to vote upon 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, if applicable, the shareholders of the Applicant and the interim savings bank 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 the appropriate federal regulatory agencies.
5. An affidavit of limited activity of the interim savings bank (see attached form).

**ARTICLES OF INCORPORATION**

of

\_\_\_\_\_  
Name of Institution

The undersigned, desiring to form a savings bank 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 bank by serving as an interim association under Section 1161.13 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 1161. 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 BANK

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 bank)  
of \_\_\_\_\_ (legal name of interim bank) \_\_\_\_\_.

Affiant further affirms and says that the said \_\_\_\_\_ (legal name of interim bank) 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 bank) \_\_\_\_\_ 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.**