

OFFICE OF THRIFT SUPERVISION

Order No: 2000-78

Date: September 8, 2000

Order Approving Minority Stock Issuance

Mutual Savings Bank, Brown Deer, Wisconsin (Savings Bank), has applied pursuant to section 10(o) of the Home Owners' Loan Act (HOLA), 12 U.S.C. § 1467a(o) and 12 C.F.R. § 575.7 for approval for its proposed stock holding company, Bank Mutual Corporation (Stock Holding Company), which will be established as a subsidiary of Mutual Savings Bancorp, MHC (Mutual Holding Company), in connection with the Savings Bank's proposed mutual holding company reorganization, to issue up to 49.9 percent of its common stock to persons other than its parent Mutual Holding Company (Offering).

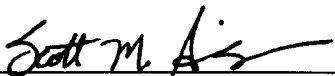
OTS has considered the application under section 10(o) of the HOLA, and 12 C.F.R. Part 563b and §§ 575.7 and 575.8, and all other applicable statutes and regulations. In addition, the OTS has considered digests submitted by the OTS Central Regional Office and the Office of Examination and Supervision and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS has determined that approval of the application is appropriate. Pursuant to 12 C.F.R. § 575.1(b), the OTS hereby waives the applicability of 12 C.F.R. §§ 575.7(d)(6)(ii) and 575.8(a)(1). Accordingly, pursuant to delegated authority, the application is hereby approved, provided that the conditions set forth below are satisfied:

1. The Stock Holding Company's capital stock to be sold in connection with the reorganization of the Savings Bank must be sold in compliance with the restrictions contained in 12 C.F.R. § 563.76;
2. Any additional proxy soliciting or stock offering material not authorized for use by the related letter, addressing the Stock Holding Company's proxy solicitation materials and stock offering materials, must be filed with and cleared by the Chief Counsel, or her designee, prior to use;
3. Promptly after the completion of the sale of all the shares of capital stock to be sold in connection with the Offering, the Savings Bank must submit a certification by the Stock Holding Company's chief executive officer stating the exact number of shares acquired in the Offering by persons other than the Mutual Holding Company, and the gross and net proceeds of the Offering and the date of completion of the Offering;
4. Prior to closing of the Offering, the Savings Bank must submit a statement by the Savings Bank's independent appraiser that to the best of the appraiser's knowledge

and judgment, nothing of a material nature has occurred (taking into account all relevant factors) that would cause the appraiser to conclude that the value of the stock sold in the Offering was not compatible with the estimate of the Stock Holding Company's and the Savings Bank's *pro forma* market value at the time of sale; and

5. For three years following the completion of the minority issuance of stock, the Savings Bank must have a charter that subjects it to OTS jurisdiction.

By order of the Director of the Office of Thrift Supervision, or her designee, effective September 8, 2000.



Scott M. Albinson
Managing Director
Office of Supervision