



**Conditional Approval #1162
October 2016**

September 8, 2016

Larry K. Harris, Esquire
Polsinelli
100 S. Fourth Street, Suite 1000
St. Louis, MO 63102

Subject: Plan of Voluntary Liquidation and related Capital Distribution Application
Home Savings Bank
Jefferson City, Missouri; Charter No. 701282
Control No. 2016-HQ-Termination-292356

Dear Mr. Harris:

The Office of the Comptroller of the Currency (OCC) hereby provides its conditional non-objection to the Plan of Voluntary Liquidation (Liquidation Plan) and approval of the related liquidating capital distribution filed on behalf of Home Savings Bank, Jefferson City, Missouri (Bank). The Liquidation Plan would entail a sale of substantially all of the Bank's assets to, and the assumption of all of the Bank's deposit liabilities and substantially all of its other liabilities by, Legends Bank, Linn, Missouri (P&A Transaction). The non-objection and approval are granted after a thorough evaluation of the Liquidation Plan, other materials submitted by the Bank's representatives, and other information available to the OCC, including commitments and representations made in the filing and during the processing of the Bank's submission. The non-objection is subject to the conditions set out herein, which are intended to help ensure that the voluntary liquidation is conducted in a safe and sound manner and that the impact of the liquidation on the Bank's depositors, other creditors, and customers is consistent with this non-objection.

The Transactions

The P&A Transaction is part of a series of transactions in which the Bank, pursuant to 12 CFR 5.48, proposes to sell substantially all of its assets, and to transfer all of its insured deposits and substantially all of its other liabilities to Legends Bank. Following consummation of the P&A Transaction, the Bank intends to continue implementing the Liquidation Plan through the establishment of a liquidating trust (Liquidating Trust) to resolve claims. Immediately prior to dissolution, the Bank's residual assets will be distributed to the Liquidating Trust. Upon the termination of the Liquidating Trust, which will occur no earlier than six months after consummation of the P&A Transaction, the Liquidating Trust's assets will be distributed to members of the Bank as of the eligibility record date. Upon such distribution, the trustee of the

Liquidating Trust will then provide the OCC with the final report of liquidation as required by 12 CFR 5.48(e)(6).

Discussion

A. Voluntary Liquidation

The Bank submitted a notice to the OCC for non-objection to a plan of voluntary liquidation under 12 CFR 5.48. Under 12 CFR 5.48(b), a federal savings association must provide preliminary notice to the OCC, followed by a notice to the OCC once the liquidation plan is definite. A federal savings association may not begin liquidation unless the OCC has notified the savings association that the OCC does not object to the liquidation plan. 12 CFR 5.48(d) contains the standards that the OCC considers when reviewing a proposed liquidation plan. The liquidation will be conducted in accordance with the liquidation procedures of 12 CFR 5.48. The OCC has reviewed the Liquidation Plan in accordance with applicable laws, regulations and OCC policy, and concludes that the Liquidation Plan satisfies the applicable standards, subject to the conditions set forth herein.

B. Liquidating Capital Distribution

As specified in its Liquidation Plan, the Bank plans to distribute its residual assets to the Liquidating Trust immediately prior to dissolution. The Bank has sought approval for all necessary steps in conducting its liquidation, which includes approval pursuant to 12 CFR 5.55 of a capital distribution of the Bank's remaining assets. The OCC's regulations provide that a capital distribution may be denied if, generally, the proposed capital distribution would: (i) cause the institution to become undercapitalized; (ii) raise safety or soundness concerns; or (iii) violate any statute, regulation, or agreement with the OCC or condition of approval. The proposed distribution does not raise safety or soundness concerns, and it will not violate any prohibition contained in law, regulation, or agreement with the OCC, or condition of approval. Accordingly, the OCC concludes that the Bank's capital distribution is consistent with approval.

Conditions

The non-objection to the Liquidation Plan is subject to the following conditions:

1. The Bank must publish notice of its liquidation in the form specified in the filing and furnish the OCC with proof of such publication. The notice must include a description of how to make a claim, and the notice must be published within a time frame that ensures the process to file and pay claims is complete before termination of the Liquidating Trust;
2. Prior to consummation of the P&A Transaction, the Bank shall submit a revised version of the Trust Agreement for the OCC's written non-objection. The final Trust Agreement shall conform to this version, unless the Bank obtains the OCC's written non-objection for any revisions;

3. If, following the P&A Transaction, the Bank retains any non-cash assets that it proposes to transfer to the Liquidating Trust, the Bank shall obtain the OCC's written non-objection before transferring any assets to the Liquidating Trust;
4. Following the consummation of the P&A Transaction, the Bank shall transfer all remaining assets to the Liquidating Trust. The Liquidating Trust shall not make any liquidating distribution to the Bank's members until at least March 31, 2017;
5. If the Bank is not liquidated in the manner contemplated in the Liquidation Plan, the Bank shall amend the Liquidation Plan to continue the liquidation of the Bank, obtain the OCC's written non-objection to the amended Liquidation Plan, and thereafter adhere to that Liquidation Plan.

Each condition is a "condition imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

Procedural requirements

When implementing the Liquidation Plan, the Bank shall comply with the procedures set forth in 12 CFR 5.48, in particular the filing of the (a) notice upon commencing liquidation to the OCC, and providing notice to the Bank's members, other known creditors, and known claimants; (b) report of condition; (c) report of progress; and (d) final report.

The non-objection set forth herein is granted based on our understanding that the Liquidation Plan requires the approval of the Bank's members and that other regulatory approvals, non-objections, or waivers with respect to the proposed transaction will have been received prior to consummation of the transaction. Please submit evidence of member approval promptly after the vote and copies of other regulatory approvals not yet submitted to the OCC to the attention of the Licensing Analyst listed below.

The non-objection and approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our non-objection and approval are based on the Bank's representations, submissions, and information available to the OCC as of the date of this letter. The OCC may modify, suspend or rescind this non-objection and approval if a material change in the information on which the

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OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, please contact Licensing Analyst Patricia Roberts at (202) 649-6336.

Sincerely,

signed

Stephen A. Lybarger
Deputy Comptroller for Licensing