

OFFICE OF THRIFT SUPERVISION

**Modification of Non-disapproval of
Change in Control Act Notice**

Order No. 97-5

Date: January 13, 1997

On April 18, 1996, the Executive Director, Supervision, acting under delegated authority, issued Order No. 96-38, which stated that the Office of Thrift Supervision ("OTS") did not intend to disapprove a notice of change in control (the "Notice") for Emil Gembara, Eugene Gembara, John Gembara, Joseph Gembara, Michael Gembara, Robert Gembara, Sonia Gembara, Edward Komperda and Janice Weston (collectively, the "Applicants"), to acquire up to 24.9% of the common stock of Washington Federal Bank for Savings, Chicago, Illinois (the "Association"), pursuant to 12 U.S.C. § 1817(j)(7) and 12 C.F.R. §§ 563b.3(i)(5) and 574.3(b).

The Applicants have requested (the "Modification Request") that the OTS modify Order No. 96-38 to state that the OTS does not intend to disapprove the Applicants' proposed acquisition of up to 58% of the Association's common stock through open market purchases, privately negotiated transactions and acquisitions of shares of the Association's common stock under the Association's employee benefit plans, as described in the Modification Request. The Modification Request also requests that the Applicants be provided until March 1, 1998, to purchase up to 39,070 shares through open market purchases and privately negotiated transactions, and a period of nine years to acquire additional shares through stock-based compensation plans.

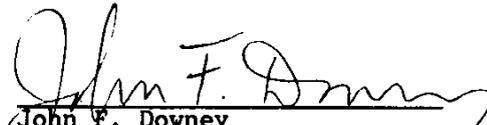
The OTS has considered the Modification Request under the criteria set forth at 12 U.S.C. § 1817(j)(7), and 12 C.F.R. §§ 574.7 and 563b.3(i)(5), and has considered written analyses and recommendations of the Central Regional Office, the Business Transactions Division and Corporate Activities and has determined that the acquisition of additional shares of stock of the Association proposed in the Modification Request would be in compliance with all applicable standards and criteria.

Accordingly, the OTS does not object to the acquisition of up to 58% of the Association's common stock as proposed in the Modification

Request. The acquisitions contemplated by the Modification Request pursuant to open market purchases and privately negotiated transactions shall be consummated prior to March 31, 1998, and the acquisitions contemplated by the Modification Request pursuant to stock-based compensation plans shall be completed within five years from the date of this Order. All acquisitions must be completed in accordance with the terms and representations in the Modification Request, and there must be no material adverse changes in the circumstances of the Applicants prior to the acquisitions.

Any acquisition of stock that is in excess of the percentage outstanding approved in this Order, acquisition of stock outside the time frames noted above, or any acquisition of stock under circumstances materially inconsistent with, or in a manner materially different from, the information and representations contained in the Modification Request requires the filing of an amendment to the Notice and the Modification Request, and issuance by the OTS of a notice not to disapprove the acquisition, or passage of the time period set forth in 12 C.F.R. § 574.3.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective January 13, 1997.


John F. Downey
Executive Director, Supervision