

OFFICE OF THRIFT SUPERVISION

Order No.: 2000-79

Date: September 8, 2000

Order Approving Conversion of Two State Chartered Savings Banks to Federal Savings Banks; Order Approving Mutual Holding Company Reorganization; Order Approving Acquisition of Federal Savings Bank and Related Applications

Mutual Savings Bank, Brown Deer, Wisconsin (Savings Bank), has filed an application to convert from a Wisconsin-chartered savings bank to a Federal savings bank, pursuant to 12 C.F.R. § 543.8. In addition, First Northern Savings Bank, S.A., Green Bay, Wisconsin (First Northern), has filed an application to convert First Northern from a Wisconsin-chartered savings association to a Federal savings bank, pursuant to section 5(i) of the Home Owners' Loan Act (HOLA), 12 U.S.C. § 1464(i), and 12 C.F.R. § 552.2-6, (collectively, the Charter Conversions). The Savings Bank has also filed a notice (Notice) of its intent to reorganize into a mutual holding company to be known as Mutual Savings Bancorp, MHC, Brown Deer, Wisconsin (Mutual Holding Company), with a mid-tier holding company to be known as Bank Mutual Corporation, Brown Deer, Wisconsin (Stock Holding Company), pursuant to section 10(o) of the Home Owners' Loan Act (HOLA), 12 U.S.C. § 1467a(o), and 12 C.F.R. §§ 575.3 and 575.14. The Notice seeks OTS approval of the Savings Bank's reorganization into a mutual holding company structure, along with all constituent elements of such reorganization. The Mutual Holding Company and the Stock Holding Company seek approval from the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3, to acquire First Northern Capital Corporation, Green Bay, Wisconsin (Capital Corporation), the parent of First Northern (Application). The Stock Holding Company seeks approval from the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1467a(o) and 12 C.F.R. § 575.14, to acquire the Savings Bank.

The OTS has considered the Charter Conversions, Notice and Application, and the transactions described therein, under the factors set forth in 12 U.S.C. §§ 1464(a), 1464(i), 1467a(e) and 1467a(o), and 12 C.F.R. §§ 543.8, 552.2-6, 563.22, 574.7, 575.4, and 575.14, 12 C.F.R. Part 563 Subpart E, under the Community Reinvestment Act, 12 U.S.C. §§ 2901, et seq., and the OTS regulations thereunder at 12 C.F.R. Part 563e, and under other applicable statutes and regulations. In addition, the OTS has considered digests by the OTS Central Regional Office and the Office of Examination and Supervision, and a legal opinion issued by the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS has determined that the charter conversions, reorganization and acquisitions would be in compliance with all of the applicable standards and criteria, with the exception of 12 C.F.R. §§ 575.6(a) and 575.6(b), provided the conditions set

forth below are satisfied. Pursuant to 12 C.F.R. § 575.1(b), the OTS hereby waives the applicability of 12 C.F.R. §§ 575.6(a) and 575.6(b).

Accordingly, pursuant to delegated authority, the Charter Conversions, Notice and Application, and the component steps of the reorganization and acquisition described therein are hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee (“Regional Director”):

1. The Mutual Holding Company, Stock Holding Company, Savings Bank, Capital Corporation, and First Northern must receive all required regulatory approvals prior to consummation of the reorganization and acquisition with copies of all such approvals supplied to the Regional Director;
2. The charter conversions, reorganization and acquisition must be consummated within 120 calendar days after the date of this Order;
3. On the business day prior to consummation of the charter conversions, reorganization and acquisition, the Savings Bank must submit to the Regional Director a certification stating that the reorganization has been approved by the majority of the total votes eligible to be cast at the special meeting of members of the Savings Bank called to vote on the transaction;
4. On the business day prior to the date of consummation of the charter conversions, reorganization and acquisition, the chief financial officers of the Mutual Holding Company, the Stock Holding Company, Capital Corporation, First Northern, and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Mutual Holding Company, the Stock Holding Company, Capital Corporation, First Northern, or the Savings Bank, respectively, since the date of the financial statements submitted with the Charter Conversions, Notice and Application;
5. Upon completion of the organization of the interim Federal savings associations, the board of directors of the interim Federal savings associations must ratify the Plan of Reorganization;
6. The Stock Holding Company must comply with each of the conditions, and must submit each of the certifications, as specified in 12 C.F.R. § 574.7(a)(2) and (3), within the timeframes specified therein;
7. The Stock Holding Company must not take any action that would prevent its stock from being listed on a national or regional securities exchange or from being quoted or reported on the NASDAQ system;
8. The Savings Bank must divest its impermissible investments in accordance with a plan approved by the Regional Director, providing the divestiture is accomplished within a period approved by the Regional Director, but in no case longer than two years; and

9. No later than five calendar days from the date of consummation of the charter conversions, reorganization and acquisition, the Mutual Holding Company, the Stock Holding Company, Capital Corporation, First Northern, and the Savings Bank must file with the Regional Director a certification by legal counsel stating the effective date of the reorganization and acquisition, the exact number of shares of stock of the Savings Bank acquired by the Stock Holding Company, the exact number of the shares of stock of First Northern acquired by the Stock Holding Company, the exact number of shares of the Stock Holding Company acquired by the Mutual Holding Company, that the interim Federal savings associations did not open for business, and that the reorganization was consummated in accordance with all applicable laws and regulations, the Charter Conversions, the Notice, the Application, the Plan of Reorganization, all representations made by the Savings Bank and its counsel in connection with the OTS's review of the proposed transactions, and the approval order.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

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