



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

Division of Risk Management Supervision

June 14, 2012

**BY CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Board of Trustees  
Valley Central Savings Bank  
115 West Benson Street  
Reading, Ohio 45212

**Re: Letter of Non-objection**

Dear Members of the Board:

The notice of intent to convert from mutual-to-stock form filed on behalf of Valley Central Savings Bank, Reading, Ohio, has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

In rendering this non-objection, the FDIC has relied on the results of the special meeting of depositors held on September 20, 2011, and the Ohio Department of Financial Institution's July 15, 2011 Order Approving the Conversion from Mutual to Stock Form of Ownership.

This final non-objection to convert from a mutual-to-stock form is an after-the-fact notification, as Valley Central Savings Bank effected the conversion on November 29, 2011.

Sincerely,

/s/

James C. Watkins  
Deputy Director

cc: Richard S. Garabedian  
Luse Gorman Pomerenk & Schick  
5335 Wisconsin Avenue, N.W.  
Suite 780  
Washington, D.C. 20015

Ohio Division of Financial Institutions

## **FEDERAL DEPOSIT INSURANCE CORPORATION**

Valley Central Saving Bank  
Reading, Hamilton County, Ohio

Application for Consent to Merge

### **ORDER AND BASIS FOR CORPORATION APPROVAL**

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance (FDI) Act, an application has been filed on behalf of Valley Central Saving Bank, Reading, Ohio (Mutual Institution), currently a state-chartered, mutually-owned Deposit Insurance Fund (DIF) member with total resources of \$85,708,000 and total deposits of \$58,528,000 as of March 31, 2011, for the FDIC's consent to merge with Stock Bank, a proposed Ohio-chartered stock savings bank.

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- The chartering of Valley Central, MHC, as a federally-chartered mutual holding company (MHC);
- The chartering of Valley Central Bancorp, Inc., (Bancorp) as a federally-chartered capital stock corporation and wholly-owned subsidiary of the MHC;
- The chartering of Stock Bank as an Ohio-chartered stock savings bank and as a wholly-owned subsidiary of the Bancorp;
- The merger of Valley Central Savings Bank with and into Stock Bank (Resultant Bank).

Upon consummation of the reorganization, the deposits of Resultant Bank will continue to be insured under the DIF, and simultaneously retain the name of Valley Central Savings Bank. On the effective date of the reorganization, Valley Central Savings Bank will be a stock bank that is wholly owned by Bancorp. An application for the establishment of the MHC was approved by the Office of Thrift Supervision on July 1, 2011. The State of Ohio Division of Financial Institutions is expected to approve Valley Central Savings Bank's application to reorganize into a mutual holding company structure and establish and operate a stock savings bank subsidiary. Following consummation of the merger, Valley Central Savings Bank will operate the same banking business, with the same management, at the same location now being served by the Mutual Institution. The proposed transaction will not alter the competitive structure of banking in the market served by the Mutual Institution. Valley Central Savings Bank's main office will continue to be located at 115 West Benson Street, Reading, Ohio.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the Mutual Institution, disclosed no inconsistencies with the purposes of the CRA. Valley Central Savings Bank is expected to continue to

meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the Mutual Institution and the Resultant Bank, the convenience and needs of the community to be served, and the competitive effects of the proposed transactions. The FDIC has also taken into consideration the effectiveness of the insured depository institution involved in the proposed merger transaction, in combating money-laundering activities.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application should be and is hereby approved, subject to the following conditions, some of which are continuing in nature:

1. That, except for the proposed transfer of stock to Valley Central, MHC, no shares of the stock of Valley Central Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from, the FDIC;
2. That, prior to a sale, transfer or other disposition of any shares of Valley Central Savings Bank to any person (including any Employee Stock Ownership Plan) or a conversion of Valley Central, MHC to stock form, Valley Central Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with the state and federal banking and/or securities regulators in connection with any sale, transfer, disposition or conversion;
3. That, should any shares of stock of Valley Central Savings Bank be issued to persons other than Valley Central, MHC, any dividends waived by Valley Central, MHC must be retained by Valley Central Savings Bank and segregated, earmarked or otherwise identified on its books and records. Such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of Valley Central, MHC to stock form and shall not be available for payment to or the value thereof transferred to minority shareholders, by any means including through dividend payments or at liquidation;
4. The Bank provides written evidence to the FDIC that the Plan of Reorganization and proposed conversion was approved by an affirmative vote of three fifths of all votes entitled to be cast by members of Valley Central Savings Bank at a Special Meeting of its depositors; and
5. The Bank provides written evidence to the FDIC that the State of Ohio Division of Financial Institutions applications for the proposed conversion have been approved.

6. Any changes in proposed management, including the board of trustees, shall be approved by the FDIC Regional Director prior to the consummation of the proposed transaction.
7. That the proposed transaction may not be consummated later than six months after the date of this Order unless such period is extended for good cause by the FDIC; and
8. That, until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C. this 20<sup>th</sup> day of July, 2011.

/s/

Christopher J. Spoth  
Senior Deputy Director  
Division of Risk Management Supervision