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JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
Office: (602) 542-4242
FAX: (602) 542-3583

February 10, 1994

Mr. James C. Stewart, Esq.
Housley, Goldberg & Kantarian, P.C.
Suite 700
1220 19th Street, N.W.
Washington, D.C. 20038

RE: Northwest Equities Corp.
A.R.S. §44-1844(A)(6)

Dear Mr. Stewart:

On the basis of the facts set forth your letters of February 3, 1994 and February 8, 1994 and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction within Arizona be limited to the Subscription Offering.

As this position is premised upon the facts set forth in your letters, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud and other provisions of the Act continue to be applicable.

We have attached a photocopy of your letters. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

Handwritten signature of Dee Ridell Harris.

DEE RIDDELL HARRIS
Director of Securities

DRH:pgg

Attachment

HOUSLEY GOLDBERG & KANTARIAN, P. C.

SUITE 700

1220 19TH STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE
(202) 822-9611

TELECOPIER
(202) 822-0140

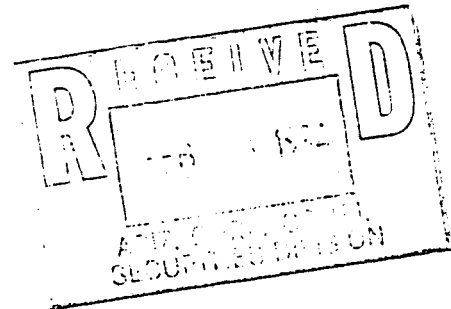
ALLAN D. HOUSLEY •
DANIEL J. GOLDBERG
HARRY K. KANTARIAN
LEONARD S. VOLIN
MATTHEW G. ASH
GARY R. BRONSTEIN
EDWARD B. CROSLAND, JR.
ROBERT I. LIPSHER
JAMES I. LUNDY, III
HOWARD S. PARRIS
DANIEL H. BURD
JAMES C. STEWART
K. SCOTT FIFE •
CYNTHIA R. CROSS
PAUL D. BORJA •
J. MARK POERIO •
JOEL E. RAPPOPORT
RUEL B. PILE •
NEIL H. SEIDMAN •
JOAN S. GUILFOYLE •

* VIA FACSIMILE *

February 3, 1994

*NOT ADMITTED IN DC

Dee R. Harris, Director
Corporation Commission
Securities Division
1200 West Washington Street
Suite 201
Phoenix, Arizona 85007



Re: Northwest Equity Corp.
No-Action Request

Dear Mr. Harris:

On behalf of Northwest Savings Bank, Amery, Wisconsin (the "Bank") and Northwest Equity Corp. (the "Company"), we are filing a no-action request pursuant to Section 44-1861(L) of the Arizona Blue Sky Act (the "Act"). The Company, a Wisconsin corporation, was incorporated on November 4, 1993 in order to become a holding company for the Bank. The Bank will convert from a state-chartered mutual savings bank to a state-chartered stock savings bank (the "Conversion") and simultaneously become a wholly-owned subsidiary of the Company. In connection with the reorganization of the Bank, between \$3,612,504 (451,563 shares at \$8.00 per share), and \$4,887,496 (610,937 shares at \$8.00 per share) of the common stock of the Company, par value \$1.00 per share (the "Common Stock") will be sold to certain persons, including residents of the State of Arizona.

The purpose of this letter is to request that the Division of Securities confirm that, with respect to the facts and circumstances discussed herein:

(i) The proposed sale of Common Stock of the Company is exempt from registration in the State of Arizona pursuant to Section 44-1844(6) of the Act. We request that this exemption apply to depositors and certain borrowers of the Bank residing in Arizona in the "Subscription Offering" as described below.

Dee R. Harris, Director
Corporation Commission
Securities Division
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(ii) The Company will not be subject to broker-dealer registration pursuant to Section 44-1842 due to the sale of stock being an exempt transaction pursuant to Section 44-1844(6) of the Act.

(iii) For purposes of the proposed sale of stock, officers and directors of the Company will not be subject to registration as salesmen pursuant to Section 44-1842 due to the sale of stock being an exempt transaction pursuant to Sections 44-1846(6) of the Act.

(iv) No filings are required to be made in connection with the proposed issuance of stock.

On September 1, 1993, the Board of Directors of the Bank adopted a Plan of Conversion (the "Plan") whereby the Bank will convert from a state-chartered mutual savings bank to a state-chartered stock savings bank, as a wholly-owned subsidiary of the Company. The Plan was most recently amended by the Board of Directors of the Bank on October 12, 1993. In connection with the conversion of the Savings Bank from a mutual savings bank to stock savings bank, the Bank has proposed that all of its shares of capital stock to be issued in the Conversion will be acquired by the Company.

The Company has filed a Registration Statement on Form SB-2 with the Securities and Exchange Commission ("SEC") on December 22, 1993, to register the shares of Common Stock to be sold in the Conversion. The pro forma market value of the Common Stock to be sold in the Conversion has been determined by an independent appraisal prepared by R.P. Financial, Inc. and is based upon a valuation range 15% below to 15% above the appraisal value of the Bank. Upon consummation of the Conversion, the Bank will become a wholly owned subsidiary of the Company, and, at such time, the Company's assets shall consist solely of the stock of the Bank, which it will acquire in the Conversion, the Company's initial capitalization and a note payable from the Bank's Employee Stock Ownership Plan which will purchase shares of Common Stock in the Conversion with funds borrowed from the Company. The Conversion is subject to the approval of the members of the Bank at a Special Meeting of Members expected to be held in February, 1994. A proxy statement seeking to obtain such membership approval by the membership will be delivered to all voting members promptly after effectiveness of the Registration Statement.

As part of the Conversion, the Company is conducting a Subscription Offering of the Common Stock for holders of non-transferable subscription rights ("Subscription Rights") in the

Dee R. Harris, Director
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following order of priority in accordance with regulations of the Wisconsin Commissioner of Savings and Loan (the "Commissioner"):

- (i) employee benefit plans of the Bank (including the Bank's Employee Stock Ownership Plan and the Bank Incentive Plan);
- (ii) depositors of the Bank whose accounts in the Bank totalled \$500.00 or more at March 31, 1993 ("Eligible Account Holders");
- (iii) depositors, other than Eligible Account Holders, with a balance of \$50.00 or more at August 31, 1993 ("Other Members");
- and (iv) borrower members of the Bank at August 31, 1993, subject to the provisions of the Plan.

Concurrently, and subject to the prior rights of holders of Subscription Rights, the Company is offering the shares of Common Stock not subscribed for in the Subscription Offering for sale in an offering to certain members of the general public residing in the States of Wisconsin and Minnesota (the "Community Offering").

We believe that the exemption pursuant to Section 44-1844(6) is applicable to these facts. In addition to filing the Registration Statement with the SEC, the Company has filed an application on Form Y-1 with the Federal Reserve Bank of Minneapolis for approval of its status as a bank holding company and the Bank has filed an Application for Conversion with the Commissioner pursuant to Chapter 214 of the Wisconsin Statutes. Thus, the Plan and the transactions contemplated by the Plan are subject to review and approval by both the Federal Reserve Bank of Minneapolis and the Wisconsin Commissioner of Savings and Loan in its role as regulator of state savings banks under Chapter 214 as well as by the depositor and borrower members of the Bank who currently hold voting rights in the Bank. The members of the Bank will also receive Subscription Rights to buy stock in the Subscription Offering. Members have the right to vote in the election of directors of the Bank and have the right to receive a distribution upon liquidation of the Bank. If members approve the Conversion, however, they will receive non-transferable Subscription Rights in the Conversion and will lose their voting rights upon the successful completion of the Conversion. In effect, they are exchanging their voting rights in the Bank in consideration for the right to buy the Common Stock of the Company in the Subscription Offering.

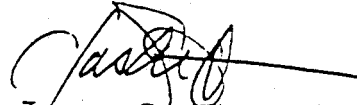
The offering of the Common Stock of the Company will be carried out by the officers and directors of the Company, who will be given no commissions or additional remuneration for their role. The Bank has engaged Kemper Securities, Inc. to assist in the distribution and sale of Common Stock, on a best efforts basis, in

Dee R. Harris, Director
Corporation Commission
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the Subscription and Community Offerings. No public offering is contemplated at this time.

In connection with this request, a check for \$200 in payment of the applicable fee and a copy of the Company's Registration Statement on Form SB-2 together with exhibits was previously submitted to you under letter dated January 26, 1994. Please do not hesitate to call me or Patricia A. Mayes of this office if you should have any questions regarding this no-action request.

Very truly yours,



James C. Stewart

JCS:sls:5289

cc: Patricia A. Mayes, Legal Assistant

HOUSLEY GOLDBERG & KANTARIAN, P. C.

SUITE 700

1220 19TH STREET, N. W.

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JOAN S. GUILFOYLE *

* VIA FACSIMILE *

February 8, 1994

NOT ADMITTED IN DC

Dee R. Harris, Director
Corporation Commission
Securities Division
1200 West Washington Street
Suite 201
Phoenix, Arizona 85007

Re: Northwest Equity Corp.
Supplement to No-Action Request

Dear Mr. Harris:

On February 3, 1994, we filed a no-action request on behalf of Northwest Savings Bank, Amery, Wisconsin (the "Bank") and its proposed holding company, Northwest Equity Corp. (the "Company"), requesting that the Division of Securities confirm that the proposed sale of Common Stock of the Company is exempt from registration in the State of Arizona pursuant to Section 44-1844(6) of the Act. As set forth on page 3 of the no-action request the Bank has filed an Application for Conversion with the Wisconsin Commissioner of Savings and Loan (the "Commissioner") pursuant to Chapter 214 of the Wisconsin Statutes. More specifically, section 214.685 of the Wisconsin Statutes regulates the organizational conversion of a mutual savings bank into a stock savings bank, which plan must be approved by the Commissioner and by an affirmative vote of the majority of all votes entitled to be cast by members. The acquisition of the Bank as a subsidiary of the Company is a transaction incident to such conversion. Attached herewith is Section 214.685 of the Wisconsin Statutes.

214.685. Organizational conversion of mutual savings bank to stock savings bank

(1) A mutual savings bank may convert to a stock savings bank under this section. The board of directors of the mutual savings bank shall adopt a plan of conversion that complies with this section and the rules of the commissioner. The plan of conversion is subject to the approval of the commissioner.

(2) Conversion of a mutual savings bank shall be effective only if it is accomplished according to a plan of conversion approved by the commissioner under sub. (1) and if the plan is approved by an affirmative vote of the majority of all votes entitled to be cast by members. Notice of a meeting to vote on the plan of conversion shall be sent to each member at least 10 days before the meeting. The notice shall state the date, time, place and purpose of the meeting, provide a summary of the plan of conversion and include any other information the commissioner requires.

(3) Within 10 days after the date of a meeting at which a plan of conversion is adopted, the board of directors shall submit to the commissioner all of the following:

(a) A certified copy of the minutes of the meeting at which the plan is adopted.

(b) Any additional information pertaining to the plan of conversion that the commissioner may require.

(4) The commissioner may approve a plan of conversion if the commissioner finds that the plan meets all of the following conditions:

(a) Is fair and equitable to all depositors in the converting mutual savings bank.

(b) Protects the interest of depositors of the resulting stock savings bank.

(c) Complies with any standard which the commissioner may promulgate by rule.

(5) The commissioner may issue to a mutual savings bank a certificate of conversion to a stock savings bank, if the commissioner determines the plan of conversion has been implemented as approved and the savings bank has complied with this section and any conditions to the approval. The date specified in the certificate is the effective date of the conversion. The certificate shall be recorded with the register of deeds in the county in which the home office of the savings bank is located.

(6) Unless the plan of conversion provides otherwise, the directors of the converted mutual savings bank shall continue to serve as directors of the stock savings bank for the duration of the term to which they were elected.

(7) Upon conversion of a mutual savings bank, the legal existence of the stock savings bank shall be a continuation of the mutual savings bank, and all property and every right, privilege, interest and asset of the mutual savings bank vests in the stock savings bank. The stock savings bank shall have, hold and enjoy the same in its own right to the same extent as the mutual savings bank. The resulting stock savings bank shall succeed to all the obligations and relations of the mutual savings bank. A pending action or judicial proceeding to which the mutual savings bank is a party may not be abated or discontinued because of the conversion. An action or proceeding may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made and the resulting stock savings bank may continue the action in its corporate name. Any judgment, order or decree may be rendered for or against the stock savings bank which might have been rendered for or against the mutual savings bank. Each owner of a deposit account in the mutual savings bank continues ownership of the account in the stock savings bank under the same terms applicable to the account before conversion.

(8) The commissioner shall issue rules governing the conversion of mutual savings banks, including:

- (a) Procedural rules.
- (b) The fixing of a record date for determining member voting rights.
- (c) Provisions of the plan of conversion and restated articles of incorporation.
- (d) Voting rights.
- (e) The composition, qualification and experience of principal officers and directors.
- (f) Voting trust agreements.
- (g) Employment contracts.
- (h) The disposition, if any, of retained earnings.
- (i) The distribution, issuance, sale and subscription of capital stock and additional paid-in capital.
- (j) Any other requirements for converting a mutual savings bank to a stock savings bank that the commissioner considers to be necessary.

Historical and Statutory Notes

Source:

1991 Act 221, § 44, cE, May 7, 1992.