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ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
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August 1, 1991

Mary M. Sjoquist, Esq.
Muldoon, Murphy & Faucette
5101 Wisconsin Avenue, N.W.
Washington, D.C. 20016

RE: UF Bancorp, Inc.
A.R.S. § 44-1844(A)(6)

Dear Ms. Sjoquist:

On the basis of the facts set forth in your letter of July 18, 1991, 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 take place as set forth in your letter. This position is consistent with prior no-action letters issued by the Division. However, the Division is currently analyzing the breadth of the exemption found in A.R.S. § 44-1844(A)(6) and may take a different position on similar facts in the future.

As this position is premised upon the facts set forth in your letter, 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 provisions of the Act continue to be applicable.

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

Very truly yours,

A handwritten signature in dark ink, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS
Director of Securities

DRH:MGB:wjw

Attachment

MULDOON, MURPHY & FAUCETTE

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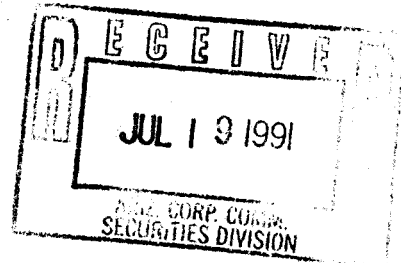
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July 18, 1991

*NOT ADMITTED IN THE
DISTRICT OF COLUMBIA

Ms. Dee R. Harris
Director of Securities
1200 West Washington Street
Phoenix, Arizona 85007



Re: UF Bancorp, Inc.
Request for Interpretive or No-Action Letter
concerning the Availability of the Exempt Transaction
found at Section 44-1844 A.6. of the Arizona Revised
Statutes, as amended

Dear Ms. Harris:

This request for an Interpretive or No-Action Letter is filed on behalf of UF Bancorp, Inc. (the "Holding Company"), located at 501 Main Street, Evansville, Indiana 47708, a newly formed Delaware chartered holding company for Union Federal Savings Bank ("Union Federal" or the "Bank") in connection with a proposed offer and sale of the Holding Company's common stock ("Common Stock"), par value \$.01 per share. The Common Stock is expected to be issued upon the conversion of the Bank from a federally-chartered mutual savings bank to a federally-chartered stock savings bank and upon the issuance of all the Bank's outstanding stock to the Holding Company (the "Conversion") pursuant to the Bank's plan of conversion (the "Plan of Conversion").

On March 31, 1991, the Bank (headquartered in Evansville, Indiana) had assets of approximately \$441,000,000, deposits of \$380,000,000 and retained earnings of \$22,000,000. The Bank, a member of the Federal Home Loan Bank System, has its deposits insured by the Federal Deposit Insurance Corporation (the "FDIC") and is subject to extensive regulation by the Office of Thrift Supervision (the "OTS").

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Under its present charter as a mutual savings institution, the Bank has no authority to issue capital stock. The OTS's regulations require the Bank's members (it's depositors and certain borrowers) to approve the Conversion from mutual form to stock charter by a majority vote at a meeting of the members. See 12 C.F.R. § 563b.6. The Bank will send each member, as of the record date for the meeting, a proxy statement disclosing the effects of the Conversion and soliciting the member's vote. The simultaneous conversion of the Bank to stock form, issuance of the Bank's stock to the Holding Company and offer and sale of Common Stock by the Holding Company are expected to result in the issuance of between 1,190,000 and 1,610,000 shares of Common Stock by the Holding Company. The offering price for the Common Stock is \$10.00 per share for an aggregate maximum offering of \$16,100,000.

The shares will be offered in a subscription offering to tax-qualified employee plans of the Bank and Holding Company, to the Bank's depositors as of December 31, 1990, to certain other members of the Bank and to officers, directors and employees of the Bank ("Subscription Holders") ("Subscription Offering"). Concurrently and subject to the prior rights of Subscription Holders, members of the public, with a preference to natural persons residing in the counties in which the Bank maintains an office, will be offered the opportunity to buy the stock in a community offering ("Community Offering"). The Bank has engaged Capital Resources, Inc. ("Capital Resources"), a broker-dealer registered under the Securities Exchange Act of 1934, to consult with and advise the Holding Company with respect to the Subscription and Community Offering and to solicit subscriptions for shares of Common Stock in the Subscription and Community Offering. Shares may also be offered in the Community Offering by a select group of broker-dealers to be managed by Capital Resources pursuant to a selected dealer's agreement.

The Bank's Application for Approval of Conversion on Form AC and the Holding Company's Registration Statement on Form S-1 (the "Registration Statement") were filed with the OTS and the Securities and Exchange Commission ("SEC") on July 17, 1991. The acquisition of the Bank by the Holding Company also requires the approval of the OTS. The Holding Company has filed a Holding Company Application with the OTS seeking such approval. The Bank's Form AC and the Holding Company Application presently are being reviewed by the OTS. The Prospectus to be used in connection with the Subscription and Community Offering (a copy of which is enclosed in the Registration Statement) is currently being reviewed by the

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Corporate and Securities Division of the OTS and the Division of Corporation Finance of the SEC. All advertising materials to be used in connection with the Offering are subject to approval by the OTS. We anticipate that the Registration Statement will become effective in mid-August 1991.

The Proposed Offering in Arizona

The Plan of Conversion of the Bank from a mutual to a stock charter provides for the grant of subscription rights to the Bank's depositors as of December 31, 1990 and certain other borrower members. The non-transferable subscription rights permit the members to purchase shares of Common Stock on a preferential basis over purchasers in the Community Offering. This provision of the Plan of Conversion granting such subscription rights is required under the OTS's conversion regulations. See 12 C.F.R. § 563b.3(c)(2). Approximately 20 of the Bank's members, with \$43,000 in total deposits, resided in Arizona as of December 31, 1990. The Holding Company desires to offer Common Stock to such members pursuant to their subscription rights. The Bank and Holding Company propose to send directly to each member in Arizona a proxy statement soliciting the member's vote on the Conversion and a prospectus for the Holding Company Common Stock. The Holding Company does not intend to offer Common Stock to residents of Arizona other than such members.

Availability of Section 44-1844 A.6. and Analysis

Section 44-1844 A.6. of the Arizona Revised Statutes, as amended, exempts from the provisions of Sections 44.1841 and 44.1842:

Any transaction or series of transactions incident to a statutory or judicially approved reorganization, merger, triangular member, consolidation, or sale of assets, incident to a vote by securities holders pursuant to the articles of incorporation, the applicable corporate statute or other controlling statute, partnership agreement or the controlling agreement among securities holders.

We believe that the Holding Company's offering in Arizona pursuant to the subscription rights meets the elements of this exemption.

The Bank as a federally-chartered mutual savings bank must comply with federal law and OTS regulations in effecting the Conversion. Pursuant thereto, the members of the Bank are required to approve the Conversion by majority vote and to

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provide such members with the right to purchase the Holding Company Common Stock in the Conversion. The issuance of the Common Stock will occur concurrently with the Conversion of the Bank to stock form and will be an essential element of the Conversion transaction because net proceeds will be used to purchase the Bank's newly-issued capital stock.

We believe members of the Bank are considered security holders within the meaning of that term in Section 44-1844 A.6. Members of the Bank hold certain rights similar to those held by holders of common stock. For example, members vote annually on the Bank's Board of Directors and, in the event of a complete liquidation, each holder of a deposit account in the Bank would receive the pro rata share of any assets in the Bank remaining after payment of claims of all creditors (including the claims of all depositors in the amount of the withdrawal of their accounts).

The Conversion transaction satisfies the remaining element of the exemption, i.e., the type of transaction, because the Conversion would constitute a tax-free reorganization under Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended, in the opinion of counsel for the Holding Company.

Request

Based on the above reasons, we believe that the Holding Company qualifies to rely on the provision of an exempt transaction provided by Section 44-1844 A.6. On behalf of the Holding Company, we respectfully request the issuance of an interpretive letter concluding that the exemption found at Section 44-1844 A.6. may be relied upon by the Holding Company for the offering of Common Stock in Arizona. In lieu thereof, we request a no-action letter from the Division stating that the Division would not recommend enforcement action against the Holding Company should it rely on Section 44-1844 A.6.

Enclosed are ten copies of this letter and a cashier's check in the amount of \$200 payable to the Securities Division Arizona Corporation Commission for the applicable fee, pursuant to Section 44-1861 L.

Similar requests on behalf of Magna Bancorp, Inc. and Dakota Bancorp, Inc., which were transactions similar to the form of this transaction described herein, were filed by this firm on November 5, 1990 and January 15, 1991, respectively.

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The Securities Division issued no-action letters dated December 7, 1990 and February 28, 1991 regarding the requests of Magna Bancorp, Inc. and Dakota Bancorp, Inc., respectively. These no action letters indicated that the Director of Securities would not recommend enforcement action if Magna Bancorp, Inc. and Dakota Bancorp, Inc. relied upon Section 44-1844 A.6. of the Arizona Revised Statutes in the offer and sale of securities to members located in Arizona. These letters are enclosed. We hereby request the same result on behalf of UF Bancorp, Inc.

If I may answer any questions or provide additional information with respect to this request, please contact the undersigned or Ann E. Cox, collect, at (202) 362-0840.

Sincerely,

MULDOON, MURPHY & FAUCETTE

Mary Sjoquist
Mary M. Sjoquist

Enclosures
MMS/tmf

cc: C. Rochester
E. Griffith
M. Meyrowitz