**Section 1075.2380 Proxy Statement – Description of the Plan of Conversion**

a) A statement to the following effect shall be inserted in the proxy statement immediately preceding the information required by this Section: "The Director of Banks and Real Estate has given approval to the plan of conversion, subject to its approval by members and the satisfaction of certain other conditions. However, approval by the Director does not constitute a recommendation or endorsement of the plan by the Director ".

b) The proxy statement shall contain a description of the plan of conversion. The description shall contain the information required by subsections (c) through (j) and additional information as may be necessary to accurately describe the material provisions of the plan.

c) Briefly describe the effects of conversion from a mutual institution to a stock institution including the following information:

1) State that deposit accounts of the applicant will not be affected by the conversion with respect to such matters as balances in the accounts and the extent of insurance of accounts by the Savings Association Insurance Fund or the Bank Insurance Fund, as the case may be;

2) State that deposit and borrowing members of the applicant will not continue to have voting rights in the applicant after conversion and that the members of the stock savings bank shall be only the owners of its capital stock;

3) State the present liquidation rights of account holders and describe the liquidation account to be established and maintained by the applicant, including the conditions under which the account will be paid, the interest of eligible account holders in the account and the formula by which the account will be adjusted;

4) State that the rights and obligations of borrowers from the applicant will not be changed in any manner;

5) State that capital stock to be sold by the applicant will not be insured by the Savings Association Insurance Fund or the Bank Insurance Fund, as the case may be;

6) State that none of the assets of the applicant will be distributed in order to effect the conversion other than to pay expenses incident to the conversion; and

7) State briefly the reasons why management is recommending the conversion, including any advantages to the community served by the applicant.

d) With respect to the subscription rights of members, furnish the following information:

1) The formula to be used for determining the subscription rights of account holders to purchase shares;

2) Any optional provisions included in the plan of conversion pursuant to Section 1075.1925 for the purchase of shares of capital stock;

3) The allocation formulas to be used when there is an oversubscription of shares at any time during the sale of stock under the plan of conversions; and

4) The use and time of the order forms with respect to the exercise of subscription rights.

e) Offering price range:

1) Set forth on a per-share basis the estimated public offering price range of the shares of capital stock to be sold pursuant to the plan of conversion, except that an estimated price range is not required to be stated if the offering of stock is not to begin until after the meeting of members to vote on the plan of conversion;

2) State that the offering price will be the "pro forma" market value of the shares as determined by the applicant's management and the underwriter, as the case may be; and

3) State that all the shares are required to be sold.

f) Earning and book value per share:

1) Unless the offering of stock is not to begin until after the meeting of members to vote on the plan of conversion, discuss:

A) the earnings per share of the capital stock to be sold on a "pro forma" basis as of the most recent year-end and interim period required by Section 1075.2440(a); and

B) the book value per share on a "pro forma" basis as of the most recent year-end and interim period required by Section 1075.2440(a).

2) In completing subsection (f)(1), the following shall apply:

A) Earnings and book value per share shall be furnished without giving effect to the estimated net proceeds from the sale of the capital stock and then after giving effect to those proceeds, with all assumptions used clearly stated.

B) In computing "pro forma" earnings, the applicant shall use the arithmetic average of the:

i) average yield on all interest-earning assets (Section 1075.2370(d)(4)(A)(iv)); and

ii) average rate paid on deposits (Section 1075.2370(d)(4)(B)(i)).

C) If significant changes in interest rates occur during the period presented, the Director will consider permitting alternative computations proposed by an applicant that are properly supported.

D) An appropriate statement should be included which explains that the "pro forma" data should not be relied upon as indicative of the actual financial position or results of continuing operations that will be experienced by the applicant after its conversion.

g) State the proposed beginning and ending dates of the subscription period and describe any provisions in the plan of conversion related to the timing or extension of the subscription period. Also, state:

1) That a maximum subscription price will be set forth in the offering circular used for offering of subscription rights,

2) That the actual subscription price will be the public offering price;

3) That the actual subscription price will not exceed the maximum subscription price shown on the order form; and

4) That any difference between the maximum and actual subscription prices will be refunded unless the subscribers affirmatively elect to have the differences applied to the purchase of additional shares of capital stock.

h) Furnish the following information:

1) Describe to the extent practicable the applicant's present intentions with respect to listing the capital stock on an exchange or otherwise providing a market for the purchase and sale of the capital stock in the future;

2) Describe briefly the tax effect of the conversion both to the applicant and to the various classes of account holders receiving nontransferable subscription rights to purchase capital stock in the conversion; and

3) State that the plan of conversion is attached as an exhibit to the proxy statement (or will be made available on request if the summary proxy statement provided for by Section 1075.1925 is being used) and should be consulted for further information.

i) State whether the plan of conversion provides for:

1) unsubscribed capital stock to be offered to the public through underwriters or directly by the converting savings bank. If this is the case, provide the information to the extent known required by Section 1075.2580 and indicate the estimated timing of the proposed offering; and

2) the purchase by any person or group of any insignificant residue of shares remaining at the conclusion of the offering.

j) Furnish the following information in tabular form regarding proposed purchases of capital stock involving organization directors and officers of the applicant:

1) State the total number of shares proposed to be purchased by all officers, directors and their affiliates as a group without naming them.

2) As to each officer and organization director named in Section 1075.2350(a), name him or her, state his or her position, and the number of shares proposed to be purchased by him or her.

3) As to any officer, organization director or affiliate of the organization who proposes to purchase 1% or more of the total number of shares of capital stock of the applicant to be outstanding, name him or her, state his or her position, and the number of shares proposed to be purchased by him or her.

4) With respect to the information required by subsections (j)(1), (2) and (3), indicate separately the number of shares proposed to be purchased in each offering category.

5) With respect to the information requested as to affiliates of officers, the information is required only to the extent known. In a case where the confirmation is not obtainable, only the number of shares that the affiliate is given subscription rights to purchase need be disclosed.

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)