

OFFICE OF THRIFT SUPERVISION

Approval of Mutual Holding Company Activities Application

Order No. 2003-56

Date: November 7, 2003

Re: Docket Nos. H-3343, H-3943

American Savings Bank, MHC (MHC), Bloomfield, New Jersey, and ASB Holding Company (Holding Company), Bloomfield, New Jersey, have applied to OTS pursuant to 12 C.F.R. § 575.11(a) to engage in activities through a subsidiary other than its subsidiary savings association, American Savings Bank of New Jersey (Savings Bank), Bloomfield, New Jersey.

The MHC owns approximately 70% of the outstanding stock of the Holding Company, which owns all of the stock of the Savings Bank. The MHC and the Holding Company propose to organize ASB Investment Corp. (Insurance Subsidiary) as a New Jersey corporation to provide insurance agency services by contracting with an existing licensed New Jersey insurance agency and its parent, a marketing company providing annuity and insurance sales programs.

Section 575.11(a) specifies that a mutual holding company may engage in activities specified by § 10(c)(2) or 10(c)(9)(A)(ii) of the HOLA,¹ and activities described in § 575.10(a)(6). Section 575.10(a)(6) provides that a mutual holding company may acquire control of, and make non-controlling investments in the stock of, any corporation other than a savings association or savings and loan holding company only if: (1) the corporation is engaged exclusively in activities permitted by § 575.11(a), or the corporation's stock would be a permissible investment for a federal savings association under Part 559 or by a state savings association under the law of any state where the mutual holding company's subsidiary savings association has its home office; and (2) the corporation is not controlled, directly or indirectly, by a savings association subsidiary of the mutual holding company.²

With respect to the first criterion, the Insurance Subsidiary, which will conduct preapproved insurance agency activities, will engage in activities that are permissible for a service corporation subsidiary of a federal savings association.³

¹ 12 U.S.C. § 1467a(c)(2) or § 1467a(c)(9)(A)(ii).

² 12 C.F.R. § 575.10(i) (2003).

³ 12 C.F.R. § 559.4(i) (2003).

With respect to the second criterion, § 575.10(a)(6)(ii) provides that corporations in which a mutual holding company invests under the authority of 12 C.F.R. § 575.10(a)(6) must not be "controlled, directly or indirectly, by a savings association subsidiary of the mutual holding company." The Insurance Subsidiary will not be a subsidiary of the Savings Bank. Accordingly, this criterion is satisfied by the proposal.

For the reasons set forth above, OTS has determined that the application satisfies all applicable approval standards and criteria, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (together, the Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Insurance Subsidiary must commence the activities proposed in the application within 120 calendar days from the date of this Order. This time period may be extended for up to 120 calendar days, for good cause, by the Regional Director; and
2. The Holding Company must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application as amended, and this Order.

By order of the Director of the Office of Thrift Supervision, or his designee, effective November 7, 2003.



Scott M. Albinson
Managing Director
Office of Supervision