

OFFICE OF THRIFT SUPERVISION

Approval of Bylaw Amendment and Application for Waiver of OTS Regulation Pertaining to Shareholder Meetings of a Federal Stock Savings Association

Order No.: 2006-26

Date: July 11, 2006

Re: OTS No. 7173

Independence Federal Savings Bank, Washington, DC (Savings Bank) has requested that the Office of Thrift Supervision (OTS) approve an amendment to its bylaws to delay the Savings Bank's annual meeting for the fiscal year ended December 31, 2005 (Annual Meeting), to a date within 240 days from the end of the fiscal year and to waive 12 C.F.R. § 552.6(a) to the extent necessary to permit the proposed amendment of the Association's bylaws.

OTS regulations, at 12 C.F.R. § 552.6(a), require that a federal stock savings bank, such as the Savings Bank, hold its annual meeting for the election of directors within 150 days after the end of its fiscal year. The Savings Bank, which has a fiscal year end of December 31, had originally scheduled its annual meeting for May 17, 2006, which is less than 150 days after the end of its fiscal year. Due to issues pertaining to the Savings Bank's proxy materials, the Savings Bank has delayed the Annual Meeting.

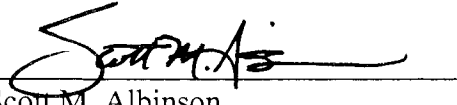
In pertinent part, 12 C.F.R. § 500.30(a) provides that the "Director may, for good cause and to the extent permitted by statute, waive the applicability of any provision of [Chapter V of 12 C.F.R.]." No statute requires that the Savings Bank hold its annual meeting for the election of directors within 150 days of the end of its previous fiscal year. Accordingly, OTS, pursuant to its regulations, may waive the regulation upon determining that good cause exists to grant the waiver.

OTS has previously waived § 552.6(a) to allow bylaw amendments that would permit a temporary delay in an annual meeting, and OTS has routinely allowed federal savings associations to delay temporarily an annual meeting for a valid corporate purpose. Because it is important that the shareholders have an adequate period to review an appropriately prepared proxy statement prior to voting at an annual meeting, OTS concludes that these circumstances constitute good cause for OTS to grant a temporary, limited waiver of 12 C.F.R. § 552.6(a).

Accordingly, OTS hereby waives 12 C.F.R. § 552.6(a), to the extent necessary to permit the Savings Bank to hold the Annual Meeting within 240 days from the end of the 2005 fiscal year. Having determined that the waiver of 12 C.F.R. § 552.6(a) is

appropriate here, for the same reasons, we are approving the proposed bylaw amendment.

By order of the Director of the Office of Thrift Supervision, or his designee, effective July 11, 2006.

A handwritten signature in black ink, appearing to read "Scott M. Albinson", written over a horizontal line.

Scott M. Albinson
Managing Director
Office of Examinations, Supervision and Consumer
Protection