

OFFICE OF THRIFT SUPERVISION

Approval of Notice of Mutual Holding Company Dividend Waiver

Order No.: 2011-27
Date: April 15, 2011
Docket Nos.: H-4635, H-4636
and 04877

Cullman Savings Bank, MHC, Cullman, Alabama (MHC), has filed a notice (Notice) of its intent to waive all but \$30,000 of dividends of \$0.10 per share to be paid by its direct subsidiary, Cullman Bancorp, Inc., Cullman, Alabama (Mid-Tier), for the quarter ending March 31, 2011, as described in the Notice and supporting materials, pursuant to the Office of Thrift Supervision's (OTS) Mutual Holding Company Regulations (MHC Regulations).

The MHC's depository institution subsidiary, Cullman Savings Bank, Cullman, Alabama (Savings Bank), completed its mutual holding company reorganization in October 2009. The MHC holds 55 percent of the shares of the Mid-Tier and other shareholders hold 45 percent. The Savings Bank is "well capitalized," as that term is defined under the OTS Prompt Corrective Action Regulations.¹

The MHC Regulations require the MHC to provide OTS with written notice of its intent to waive its right to receive the dividend.²

Under the MHC Regulations, OTS will not object to a notice of intent to waive dividends if: (i) the waiver would not be detrimental to the safe and sound operation of the savings association; and (ii) the board of directors of the mutual holding company expressly determines that waiver of the dividend is consistent with the directors' fiduciary duties to the mutual members of the holding company.³ The dividend waiver notice must include a copy of the resolution of the board of directors of the mutual holding company, in form and substance satisfactory to OTS, together with any supporting materials relied upon by the board, concluding that the proposed dividend waiver is consistent with the board's fiduciary duties to mutual members of the mutual holding company.⁴ As required by the MHC Regulations, the board of directors of the MHC filed the required certification that its Notice is consistent with the directors' fiduciary duties. No supervisory objection has been raised to the Notice.

¹ 12 C.F.R. § 565.4(b)(1) (2011).

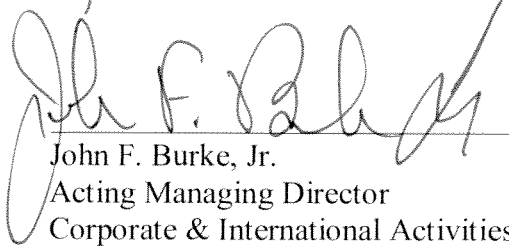
² 12 C.F.R. § 575.11(d) (2011).

³ 12 C.F.R. § 575.11(d)(2) (2011).

⁴ 12 C.F.R. § 575.11(d)(2)(ii) (2011).

OTS concludes that the Notice is consistent with the requirements of 12 C.F.R. § 575.11(d)(2). Accordingly, the Notice is hereby approved.

By order of the Acting Director of the Office of Thrift Supervision, or his designee, effective April 15, 2011.



John F. Burke, Jr.
Acting Managing Director
Corporate & International Activities