

FDIC

Federal Deposit Insurance Corporation
Washington, DC 20429

Division of Supervision

December 21, 1998

CERTIFIED RETURN RECEIPT REQUESTED

Board of Directors
Woronoco Savings Bank
31 Court Street
P. O. Box 978
Westfield, Massachusetts 01086-0978

Dear Board of Directors:

By letter dated October 19, 1998, Woronoco Savings Bank's (Woronoco) requested a waiver of the depositor voting requirement at 12 C.F.R. Section 333.4(d)(2) of the FDIC's mutual-to-stock conversion regulations in connection with the Bank's proposed mutual-to-stock conversion.

Woronoco's waiver request was determined appropriate for consideration by the FDIC's Board of Directors under the "good cause" exception to the Conversion Regulations, 12 C.F.R. Section 333.4(a), rather than the "conflicts with State law" exception under 12 C.F.R. Section 333.4(b), since the depositor vote requirement in the Conversion Regulations does not present a conflict with Massachusetts law, but rather is supplemental to Massachusetts law and procedures for mutual-to-stock conversions.

The FDIC's regulations are silent with respect to the standards under which a depositor vote waiver will be granted; however, the preamble accompanying the final regulation indicated the following:

"...on a case-by-case basis, the Board will consider waiving the depositor voting requirement if it is demonstrated, to the Board's satisfaction, that the alternative voting mechanism established under the applicable state law satisfies the concerns expressed above about the need for a vote on the conversion by parties that are not insiders and do not have a potential conflict of interest in reviewing the proposed conversion." 59 Fed. Reg. 61233, 61238 (November 30, 1994).

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Applying this standard, the FDIC Board has determined that a sufficient number of the Woronoco's corporators are not insiders and have no apparent potential for conflict of interest.

Based on the information presented by Woronoco and representations made in connection with the waiver request, the FDIC approves the waiver of the requirement for the depositor vote provided Woronoco submits written evidence that a majority of the independent corporators voted to approve the Plan of Conversion.

Please be advised that the FDIC's review of Woronoco's conversion materials submitted with Woronoco's formal notice of its planned mutual-to-stock conversion in accordance with Parts 303 and 333 of the FDIC's regulations is still pending. In addition, Woronoco must satisfy the disclosure requirements for any offering materials currently under review by the FDIC's Registration and Disclosure Unit.

Sincerely,

/S/

Mark S. Schmidt
Associate Director

cc: Douglas P. Faucette
Muldoon, Murphy & Faucette
5101 Wisconsin Avenue, N.W.
Washington, D.C. 20016