



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
333 MARKET STREET, 16TH FLOOR
HARRISBURG, PENNSYLVANIA 17101-2290
(717) 783-8240

FAX (717) 787-8773

March 24, 1995

Dear

It has come to the attention of this office that you have, by letter dated _____, corresponded with shareholders of _____ (the "Bank"), the purpose of which is to solicit proxies from said shareholders which will enable you to vote their shares at any annual and/or special meeting of the institution's shareholders to be held in 1995. Your letter states, in part, that it is your "...intention to change the board of directors of _____".

Based on the Department of Banking's understanding of your intention as stated above, this office is of the opinion that it will be necessary for you to file an application with the Department as required by Section 112 of the Banking Code of 1965, as amended (the "Banking Code"), 7 P.S. § 112, ("Section 112") for prior written approval of your proposal to acquire shares of the Bank.

Section 112 applies to any proposal to acquire shares of bank stock which would total more than ten percent of any class of outstanding shares, and includes attempts to obtain voting rights through the solicitation of proxies from bank shareholders. Because you have solicited all the Bank shareholders for their power to vote, Section 112 applies to your solicitation.

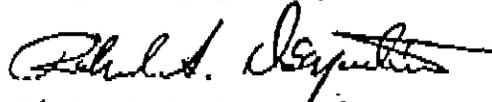
Unless and until you file a Section 112 application and receive approval thereof from the Department of Banking, you are hereby notified that you may not make any use whatsoever of any executed proxy that you have received or may receive in the future as a result of your _____ written solicitation of proxies. If you file a Section 112 application and it is disapproved by the Department, or if you choose not to file a Section 112 application, then you will be required to return all executed proxies immediately to the respective shareholders who have submitted proxies to you as a result of your _____ letter.

You are reminded of the penalties for violation of Section 112 contained in Section 2105 of the Banking Code, 7 P.S. § 2105 ("Section 2105"). I have enclosed a copy of Section 112 and Section 2105 for your perusal.

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Please contact the undersigned at the above noted telephone number or Reginald Evans, Esq., of the Department's legal division, by telephone at _____, if you have any questions regarding this matter. Please notify the Department as soon as possible regarding whether you intend to file a Section 112 application.

Very truly yours,



Richard S. DeMartino
Director - Supervision
and Enforcement Bureau

Enclosures