Edward Karecki
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September 7, 2006

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington DC 20552

Re: No. 2006-09

To whom it may concern:

I am writing to express my opposition to proposed changes in Office of Thrift Supervision (OTS) regulations for mutual holding company (MHC) stock benefit plans. Current regulations require a majority vote of the public shareholders in order to approve stock option plans and/or management recognition plans for directors and officers. The director controlled MHC shares are not counted in this vote.

The proposed change would allow the MHC shares (which are controlled by the directors and represent a majority of the shares outstanding) to be included in the vote, provided that it is taken at least one year after conversion to an MHC. This proposal, if adopted, would allow the directors of an MHC to approve their own stock benefit plans and make them unaccountable to the public shareholders. This is directly contrary to the prevailing standards of good corporate governance. Directors of public companies have often used stock-based incentive plans to unjustly enrich themselves at the expense of public shareholders. It is imperative that the public shareholders have final approval authority over any stock-based incentive plans proposed for company officers and directors. Requiring approval by public shareholders, regardless of the time period after conversion, increases accountability, reduces the potential for abuse and promotes better corporate governance at MHCs.

The current regulations for stock benefit plans have worked well for over a decade and no rational reason has been given for adopting the proposed changes. Please do not adopt theses changes. Thank you.

Sincerely,

Edward Karecki

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