OFFICE OF THRIFT SUPERVISION

Approval of Notice of Mutual Holding Company Dividend Waiver

Order No.: 2011-07
Date: January 31, 2011
Docket Nos.: H-3192, H-3193 and 06199

Cambray Mutual Holding Company, Gouverneur, New York (MHC), has filed a notice (Notice) of its intent to waive a portion of a dividend to be paid by its direct subsidiary, Gouverneur Bancorp, Inc., Gouverneur, New York (Mid-Tier), of $0.17 per share on March 31, 2011, pursuant to the Office of Thrift Supervision’s (OTS) Mutual Holding Company Regulations (MHC Regulations). The MHC proposes to retain $70,000 of the proposed dividend, and to waive the remaining $151,908.

The MHC’s depository institution subsidiary, Gouverneur Savings and Loan Association, Gouverneur, New York (Savings Bank), completed its mutual holding company reorganization in March 1999. The MHC holds 58.08 percent of the shares of the Mid-Tier and other shareholders hold 41.92 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.

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2 12 C.F.R. § 575.11(d) (2010).
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 January 31, 2011.

Grovetta N. Gardineer
Managing Director
Corporate & International Activities