

OFFICE OF THRIFT SUPERVISION

MODIFICATION OF APPROVAL OF APPLICATION FOR CONVERSION

Order No.: 97-56

Date: June 9, 1997

On March 4, 1997, Ocean Federal Savings Bank, Brick, New Jersey (the "Association"), filed with the Office of Thrift Supervision ("OTS"), a request (the "Request") for modification of OTS Order No. 96-44, dated May 14, 1996 (the "Order"). The Order was for the approval of the Association's conversion from a federally chartered mutual savings association to a federally chartered stock savings association (the "Conversion"), pursuant to Section 5(i) of the Home Owners' Loan Act and 12 C.F.R. Part 563b (the "Conversion Regulations"). In connection with the Conversion consummated on July 2, 1996, the Association formed a holding company, Ocean Financial Corporation, Brick, New Jersey (the "Corporation"), which acquired all of the Association's capital stock issued in the Conversion. The Order included a waiver of certain provisions of the Conversion Regulations to the extent necessary to allow for the contribution by the Corporation of 8.0% of the shares issued in the Conversion to the Ocean Federal Foundation (the "Foundation"), a non-stock charitable foundation that was established in connection with the Conversion. The Association requests a modification of the Order to delete condition (7)(a) of the Order, which addresses the composition of the Foundation's board of directors.

The OTS has carefully considered the Request, and the reasons for the requirements in condition (7) and has concluded that the requested deletion of condition (7)(a) is appropriate, provided that a new condition (8) is imposed. The reasons for these conclusions are set forth in the Corporate Activities digest, dated June 6, 1997, and in the legal opinion from the Business Transactions Division, dated June 6, 1997.

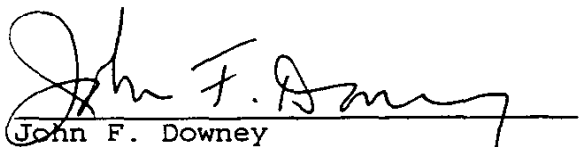
Accordingly, the Director of OTS, or his designee, hereby amends the Order to delete condition (7)(a) of the Order; to renumber the provisions of conditions (7)(b), (c), (d) and (e) of the Order as conditions (7)(a), (b), (c) and (d) of the Order; and to add new condition (8) to provide as follows:

- (8) In the event that the preceding condition number seven is waived in whole or in part, or for any reason becomes unenforceable, and provided that the Foundation controls any voting stock of the Corporation or Association, the Director of the OTS, or his designee, may either:

- (a) impose a condition that provides that a certain portion of the members of the Foundation's board of directors shall be persons who are not directors, officers or employees of either the Corporation, the Association, or of any affiliate thereof, or
- (b) impose such other conditions relating to the control of such common stock of the Corporation or Association as is determined to be appropriate at that time.

Except for the foregoing modification, the Order shall remain in full force and effect.

By the Order of the Director of the Office of Thrift Supervision, or his designee, effective June 9, 1997.



John F. Downey
Executive Director, Supervision