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

Via facsimile (202) 906-6518 and email (regs.comments@ots.treas.gov)

Re: Comments on Proposed Rulemaking: Stock Benefit Plans in Mutual-to-State Conversions and Mutual Holding Company Structures (OTS Docket No. 2006-29; RIN 1550-AC07)

Dear Madam or Sir:

I am an individual investor writing to comment on certain portions of the above referenced proposed rule (the "Proposed Rule"). In particular I am opposed to the provision which eliminates minority shareholder approval of stock benefit plans adopted one year or more after issuing stock to minority shareholders in a mutual holding company ("MHC") structure. If the Proposed Rule is implemented, it will permit the shares owned by a MHC, one year or more after conversion, to vote for the stock benefit plans for officers and directors of the MHC's subsidiary thrift. After one year, the votes of minority shareholders will be meaningless, since by regulation the MHC will always hold the majority of the outstanding stock. Since the MHC officers and directors generally serve in similar capacities at the subsidiary thrift, the Proposed Rule will give MHC board members the ability to unilaterally approve stock benefit plans for themselves and other insiders.

I am opposed to the provision described above for various reasons, many of which are included in comment letters previously submitted to the OTS. I support their positions which are well stated and reasoned and do not need repeating.

The fact that insiders will have no accountability to minority shareholders and minimal accountability to the OTS is further demonstrated in the proxy statement filed by Investors Bancorp, Inc. ("ISBC") on September 15, 2006. ISBC is state chartered and subject to regulation by the FDIC which allows the shares owned by a MHC to vote for stock benefit plans one year or more after conversion. ISBC converted on October 12, 2005 and is holding its annual meeting on October 24, 2006, just 12 days over one year,

which makes the MHC eligible to vote on proposals submitted by and recommended by the board of directors of ISBC.

The board of directors of ISBC has adopted, subject to shareholder approval, the Investors Bancorp, Inc. 2006 Stock-Based Equity Plan (the "Equity Plan") which authorizes the issuance of up to 7,976,511 shares of ISBC common stock pursuant to grants of stock options, stock appreciation rights and restricted stock awards. The number of shares is consistent with the total disclosed on pages 12 and 13 of the prospectus for ISBC stock dated August 12, 2005, copies of which are attached. However, the allocation of shares available for restricted stock awards is higher in the Equity Plan than in the prospectus. Following is a comparison of the allocation:

	<u>Equity Plan</u>	<u>Prospectus</u>	<u>Difference</u>	<u>Value at \$15.35/sh.</u>
Stock Awards	3,418,504	2,279,003	1,139,501	\$17,491,340
Stock Options	<u>4,558,007</u>	<u>5,697,508</u>	(1,139,501)	
Total	7,976,511	7,976,511		

Since stock awards, are in essence, free to the recipient, compared to stock options, the cost to ISBC of just the increased number of stock awards is \$17.5 million, based upon \$15.35 per share, the closing price on September 15, 2006. The value of all potential stock awards is \$52.5 million. The pre-tax income of ISBC for the year ended June 30, 2006 was \$15.7 million (\$35.7 million excluding the expense of the charitable contribution made in connection with the conversion). The cost to ISBC of just the increased number of stock awards exceeds pre-tax income for the year ended June 30, 2006 by \$1.8 million. ISBC does not even disclose that the number of restricted stock awards is being increased in the proxy statement or Equity Plan submitted for approval.

Under FDIC regulations, ISBC management will award itself this compensation without the safeguard of shareholder scrutiny to challenge the increase through the voting process. If the Proposed Rule is approved, the boards of directors of all MHC's could award itself compensation exceeding levels disclosed in stock offering materials. Both minority shareholders and the OTS abdicate control over the approval of stock benefit plans which seems inappropriate if management can change the terms upon which investment decisions may have been influenced.

MHC boards and managers will notice that ISBC is changing the terms of its stock benefit plan under FDIC regulations. You can be sure that many OTS regulated thrifts will consider similar changes if the Proposed Rule is approved.

If the OTS implements the Proposed Rule, I believe it should revert back to the approach of including MRP Plans in the conversion process. At least the depositors/future shareholders can vote on the plan of conversion knowing the number of MRP shares, disclosed in the prospectus, is not subject to change at the sole discretion of management.

As the public and various regulatory agencies, including the Securities and Exchange Commission, have become more concerned above corporate governance and executive compensation, I encourage the OTS to modify this Proposed Rule to require minority shareholder approval of stock benefit plans at any time.

I appreciate the opportunity to comment on the Proposed Rule and your consideration of my concerns.

Sincerely,

John P. Devine

The following table summarizes the stock benefits that our officers, directors and employees may receive following the offering at the maximum of the offering range and assuming that we initially implement a stock-based incentive plan granting options to purchase 4.90% of our total shares outstanding after the offering (including shares issued to the charitable foundation) and awarding shares of common stock equal to 1.96% of our total shares outstanding after the offering (including shares issued to the charitable foundation). In the table below, it is assumed that, at the maximum of the offering range, a total of 46,239,919 shares will be sold to the public and issued to the charitable foundation, and a total of 101,109,294 shares will be outstanding after the offering, including shares issued to Investors Bancorp, MHC and to the charitable foundation.

Number of Shares	Plan	Individuals Eligible to Receive Awards	Value of Benefits Based on Maximum of Offering Range (1)
3,699,194	Employee stock ownership plan	All employees	\$36,991,940
1,981,742	Stock awards	Directors, officers and employees	\$19,817,420
4,954,355	Stock options	Directors, officers and employees	\$20,164,225

(1) The actual value of the stock awards will be determined based on their fair value as of the date the grants are made. For purposes of this table, fair value is assumed to be the offering price of \$1 0.00 per share. The fair value of stock options has been estimated at \$4.07 per option using the Black-Scholes option pricing model with the following assumptions: a grant-date share price and option exercise price of \$10.00; dividend yield of zero; expected option life of 10 years; risk free interest rate of 4.50% (based on the ten-year Treasury Note rate); and a volatility rate of 16.61 % based on an index of publicly traded mutual holding company institutions. The actual expense of the stock options will be determined by the grant-date fair value of the options, which will depend on a number of factors, including the valuation assumptions used in the option pricing model ultimately adopted.

The value of the restricted shares of common stock will be based on the price of Investors Bancorp, Inc.'s common stock at the time those shares are awarded, which, subject to stockholder approval, cannot occur until at least six months after the offering. The following table presents the total value of all restricted shares to be available for grant under the stockbased incentive plan, assuming the shares for the plan are purchased or issued in a range of market prices from \$8.00 per share to \$14.00 per share.

Share Price	1,464,765 Shares Awarded at Minimum of Range	1,723,254 Shares Awarded at Midpoint of Range	1,981,742 Shares Awarded at Maximum of Range	2,279,003 Shares ~ Awarded at Maximum of Range, As Adjusted
		\$ 13,786,032		
\$ 8.00	\$ 11,718,120	\$ 17,232,540	\$ 15,853,936	\$ 18,232,024
\$10.00	\$ 14,647,650	\$ 20,679,048	\$ 19,817,420	\$ 22,790,030
\$12.00	\$ 17,577,180	\$ 24,125,556	\$ 23,780,904	\$ 27,348,036
\$14.00	\$ 20,506,710		\$ 27,744,388	\$ 31,906,042

The grant-date fair value of the options granted under the stock-based incentive plan will be based in part on the price of Investors Bancorp, Inc.'s common stock at the time the options are granted, which, subject to stockholder approval, cannot occur until at least six months after the offering. The value will also depend on the various assumptions utilized in the BlackScholes option pricing model. The following table presents the total estimated value of the options to be available for grant under the stock-based incentive plan, assuming the market price and exercise price for the stock options are equal and the range of market prices for the shares is \$8.00 per share to \$14.00 per share.

Market/Exercise Price	Grant-Date Fair Value Per Option	3,661,914 Options	4,308,135 Options	4,954,355 Options	5,697,508 Options*
		at Minimum of Range	at Midpoint of Range	at Maximum of Range	at Maximum of Range, As Adjusted
\$ 8.00	\$ 3.26	\$ 11,937,840	\$ 14,044,520	\$ 16,151,197	\$ 18,573,876
\$10.00	\$ 4.07	\$ 14,903,990	\$ 17,534,109	\$ 20,164,225	\$ 23,188,858
\$12.00	\$ 4.88	\$ 17,870,140	\$ 21,023,699	\$ 24,177,252	\$ 27,803,839
\$14.00	\$ 5.70	\$ 20,872,910	\$ 24,556,370	\$ 28,239,824	\$ 32,475,796

Our Issuance of Shares of Common Stock and Cash to the Charitable Foundation

To further our commitment to our local community, we intend to establish and fund a charitable foundation as part of the offering. We will contribute cash in the amount of up to \$4.5 million and issue shares of our common stock, ranging from 995,456 shares at the minimum of the valuation range to 1,346,794 shares at the maximum of the valuation range, which shares will have a value of \$10.0 million at the minimum of the valuation range and \$13.5 million at the maximum of the valuation range, based on the \$10.00 per share offering price. The aggregate total contribution to the charitable foundation will equal 4.0% of the gross proceeds of the stock offering. As a result of the issuance of shares and the contribution of cash to the charitable foundation, we will record an after-tax expense of approximately \$8.6 million at the minimum of the valuation range and of approximately \$11.7 million at the maximum of the valuation range, during the quarter in which the offering is completed. The charitable foundation will be dedicated exclusively to supporting charitable causes and community development activities in the communities in which we operate.

Issuing shares of common stock to the charitable foundation will:

- dilute the voting interests of purchasers of shares of our common stock in the offering; and
- result in an expense, and a reduction in earnings, during the quarter in which the contribution is made, equal to the full amount of the contribution to the charitable foundation, offset in part by a corresponding tax benefit.

See "Risk Factors-The Contribution of Shares to the Charitable Foundation Will Dilute Your Ownership Interests and Adversely Affect Net Income in Fiscal Year 2006," "Comparison of Valuation and Pro Forma Information With and Without the Foundation" and "Investors Savings Bank Charitable Foundation."

How You May Pay for Your Shares

In the subscription offering and the community offering you may pay for your shares only by:

- (1) personal check, bank check or money order; or
- (2) authorizing us to withdraw money from your deposit account(s) maintained with Investors Savings Bank.