

WAUWATOSA HOLDINGS, INC.

FORM 8-K (Unscheduled Material Events)

Filed 10/26/2005 For Period Ending 10/25/2005

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Fiscal Year	06/30

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 25, 2005

WAUWATOSA HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Commission File Number 000-51507

Wisconsin
(State of Incorporation)

39-0691250
(IRS Employer Identification No.)

11200 W. Plank Ct.
Wauwatosa, Wisconsin 53226
(Address of Principal Executive Offices and Zip Code)

(414) 761-1000
(Registrant's Telephone Number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 25, 2005, Wauwatosa Savings Bank (the "Bank"), a wholly-owned subsidiary of Wauwatosa Holdings, Inc. (the "Company"), entered into a letter agreement with Douglas S. Gordon (the "Gordon Agreement"). The Gordon Agreement governs the terms of Mr. Gordon's employment as President and Chief Operating Officer of the Bank. (See Item 5.02 hereof.) Among other things, the Gordon Agreement is for a term through December 31, 2007, subject to further extensions by the Board. The Gordon Agreement provides for an initial base salary of \$250,000 per year, plus the eligibility to receive a bonus of no less than \$150,000 for fiscal 2006 and \$200,000 for fiscal 2007, provided certain performance goals are met as determined by the Board of Directors, and for other benefits.

The Gordon Agreement also includes other provisions relating to Mr. Gordon's employment. Reference is made to the text of the Gordon Agreement, which is filed as Exhibit 10.1 to this Report

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(a) Not applicable.

(b) On November 7, 2005, Donald J. Stephens will cease serving as President of the Bank. He will remain the Bank's Chief Executive Officer and its Chairman. Mr. Stephens will remain President and Chief Executive Officer of the Company and of Lamplighter Financial, MHC (the "MHC").

(c) On November 7, 2005, Mr. Gordon will become the President and Chief Operating Officer of the Bank. See the description of the Gordon Agreement in Item 1.01, which is incorporated by reference in this item, for information on Mr. Gordon's employment agreement. See the Company's related press release, which is filed as Exhibit 99.1 to this Report and is incorporated herein by reference, for further information about Mr. Gordon. Mr. Gordon does not have any other business relationships with the Bank, the Company or the MHC.

(d) On October 25, 2005, Mr. Gordon was elected to the board of directors of the Company, in addition to the boards of directors of the Bank and the MHC. He was elected to the class of the Company's directors whose terms expire at the 2006 annual meeting of shareholders. Mr. Gordon's committee assignments, if any, have not yet been determined. See also the information in Items 1.01 and 5.02(c), which is incorporated by reference in this item.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

The following is provided as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Letter Agreement dated October 25, 2005 between the Bank and Mr. Gordon.
99.1	Press Release of the Company, dated October 25, 2005, announcing the hiring of Mr. Gordon.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WAUWATOSA HOLDINGS, INC.

Dated: October 25, 2005

By: /s/ Richard C. Larson

Name: Richard C. Larson

Title: Chief Financial Officer

WAUWATOSA SAVINGS BANK
11200 West Plank Court
Wauwatosa, WI 53226

October 25, 2005

Personal and Confidential

Douglas S. Gordon
18270 San Lucas Ct.
Brookfield, WI 53045

Dear Doug:

We are pleased to present you with this offer of employment with Wauwatosa Savings Bank (the "Bank"). We believe that the skills and experience you possess will be a definite asset to our organization and we are certain you will be able to make significant impact on the long term success of the Bank.

The specifics of the offer and your employment are as follows:

1. You will be employed by the Bank as an executive employee, pursuant to the terms of this letter and the Bank's general employment policies. Initially you will be elected as the President and Chief Operating Officer of the Bank ("COO"), however, and without respect to your employment, your continuation in that position is subject to the Articles and bylaws of the Bank and your annual reelection and appointment to that position by the Board of Directors of the Bank. Subject to the ability of the Board of Directors of the Bank and the other entities to amend bylaws and create an additional board position, you will also be elected to the Board of the Bank and its holding companies, Lamplighter Financial, MHC (the "MHC") and Wauwatosa Holdings, Inc. ("WH"). Your continuation as a director is also subject to the Articles and bylaws of the various entities and to your reelection by shareholders or members, as the case may be. Your employment duties and responsibilities will be as described in detail in a job description which will be prepared and provided to you on or before November 16, 2005, but will be consistent with those duties typically performed by a President and COO of a bank. You shall devote your full time and attention to the performance of your duties on behalf of the Bank.

2. Initially, and subject to the provisions of paragraph 6, you will be employed for a term commencing November 16, 2005 (or such other date as you actually commence working, provided it is prior to November 30, 2005) and continuing to and through December 31, 2007. Thereafter, your employment may be extended for a further defined term subject to your agreement and affirmative action taken by the Board not less than sixty (60) days prior to December 31, 2007.

3. Your initial annual base salary will be \$250,000, subject to applicable withholding, payable periodically according to the normal practices of the Bank. For calendar year 2006 you will also be eligible for a bonus of no less than \$150,000 payable no later than January 15, 2007. For the year 2007 you will also be eligible for a bonus of no less than \$200,000 payable no later than January 15, 2008. Bonuses will be payable, provided, in the view of the Board, determined after the conclusion of the applicable year, that you have materially assisted during that year in moving the Bank in the strategic direction defined by the Board. The bonus for 2007 may, in the discretion of the Board of WH, consist, at least in part, of stock options and/or restricted stock grants of WH stock. The stock component of any bonus is subject to the adoption of stock benefit programs by the Board and the shareholders of WH (not including the vote of shares held by the MHC).

4. You will also be provided with a Bank owned or leased automobile for your use during your term of employment by the Bank, in accordance with the Bank's automobile policy. The Bank will also provide you with initiation fees, grossed up to a pretax amount, that will approximately provide you with the after tax dollars sufficient to pay the initiation fees in a golf club, in an amount and at a club approved by the Compensation Committee of WH. You will also be reimbursed for the annual dues of the club and for special assessments. The Bank will reimburse you for business use of the club in accordance with its policies for business expense reimbursement in effect from time to time. Minimum charges and personal use of the club shall be your responsibility.

Should you terminate your employment or cease to be employed by the Bank for any reason prior to December 31, 2007 you will be required to repay a portion of initiation fees, annual dues and special assessments paid by the Bank relative to your club membership. Specifically, you would repay any dues and special assessments paid in the year your employment ceased and all of the initiation fees if your employment ceased in 2006 and one-half the fees if termination occurred in 2007.

5. You will also be entitled, in accordance with the Bank's policies in effect from time to time, to participate in the Bank's employee benefit programs as are offered to other employees and/or executive officers of the Bank. If you want a copy of the Bank's Associate Handbook which describes the benefits currently available, please let me know.

6. Your employment and the payment of any compensation or the provision of any benefits to you shall cease upon your resignation or upon termination of your employment by the Bank for cause (as such term is defined below).

Termination for cause shall mean termination because of your Personal dishonesty (as hereinafter defined), Incompetence (as hereinafter defined), Willful

Misconduct (as hereinafter defined), breach of fiduciary duty involving personal profit, intentional failure to perform your stated duties, willful violation of any law rule or regulation (other than traffic violations or similar offenses) or of any cease and desist order, or material breach of any provision of this agreement; provided, however, in the event Bank determines that you have intentionally failed to perform your stated duties or materially breached this Agreement, the Bank may not terminate you for cause unless the Bank has notified you of such failure or breach, you have been given a reasonable period of time to cure such failure or breach, and in the opinion of the Bank, you have not cured such failure or breach. For the purpose of this Agreement: (i) "Incompetence" means you demonstrated lack of ability to perform the duties assigned to you which lack of ability directly causes (or the Board of Directors determines is reasonably likely to cause) material injury to the bank; (ii) "Personal Dishonesty" means conduct on your part which evinces a want of integrity or an intentional breach of trust and which directly causes (or the Board of Directors determines is reasonably likely to cause) material injury to the Bank; and (iii) "Willful Misconduct" means conduct on your part which evinces a deliberate disregard of the interest of the Bank and which causes (or the Board of Directors determines is reasonably likely to cause) direct material injury to the Bank.

All of us on the Board of the Bank look forward to working with you and sincerely hope you accept this offer. If you wish to accept employment with the Bank on the terms outlined, please sign below and return a copy of this letter to me, along with a signed copy of the enclosed Consumer Report Disclosure and Authorization Form, in the envelope provided. This offer is contingent upon the completion of a background investigation of you and our receipt of a report from your meeting with Dr. John E. Dehlinger of Vernon, Roche & Hodgeson, both in a form and containing information satisfactory to us.

This offer will expire if not accepted by you on or before 5:00 PM November 30, 2005.

Sincerely,

WAUWATOSA SAVINGS BANK

/s/ Donald J. Stephens

Donald J. Stephens
President and Chief Executive Officer

Accepted and Agreed to:

This 25th day of October, 2005

/s/ Doug Gordon

Doug Gordon

For further information contact:

Donald J. Stephens
Wauwatosa Savings Bank
414-761-1000

For Immediate Release

Wauwatosa Holdings, Inc. Announces Addition of Douglas Gordon
Gordon to be President of Wauwatosa Savings Bank and a Director of the Bank
and its Holding Companies

Wauwatosa, WI, October 25, 2005 — Wauwatosa Holdings, Inc. (NASDAQ symbol WAUW), the mid-tier stock holding company of Wauwatosa Savings Bank, announced today that Douglas S. Gordon will join the Bank's management team effective November 7, 2005. Mr. Gordon will become President and Chief Operating Officer of Wauwatosa Savings Bank. Mr. Gordon will also become a director of the Bank, Wauwatosa Holdings and Lamplighter Financial, MHC.

Mr. Gordon, a resident of Brookfield, Wisconsin, has over 20 years in the financial institutions industry, including 15 years with Security Bank. His last position with Security Bank, before its 1997 acquisition by Marshall & Ilsley Corporation, was Executive Vice President and Chief Lending Officer of that bank. Mr. Gordon was most recently Senior Vice President of M&I Marshall & Ilsley Bank until his retirement from M&I in 1999. He has subsequently been managing real estate investments.

Donald J. Stephens, President and Chief Executive Officer of Wauwatosa Savings Bank, Wauwatosa Holdings and Lamplighter Financial, said "We are very pleased to have a person of Doug's stature and qualifications joining the Wauwatosa Savings Bank team. Doug brings many years of valuable experience to the Bank. We look forward to his leadership, experience and insights." Mr. Stephens will now be Chairman and CEO of the Bank and retain his positions with Wauwatosa Holdings and Lamplighter Financial.

Wauwatosa Holdings, Inc. is the holding company of Wauwatosa Savings Bank. Wauwatosa Savings Bank is a Wisconsin-chartered, FDIC-insured savings bank which was originally organized in 1921. Wauwatosa Savings Bank conducts business from its six offices in Waukesha and Milwaukee counties, Wisconsin. As of June 30, 2005, the Bank had \$1.386 billion in total assets, \$1.129 billion in deposits and \$134.0 million in retained earnings. Lamplighter Financial, MHC is a mutual holding company which owns approximately 68% of the outstanding shares of Wauwatosa Holdings. On October 4, 2005, the Bank completed its conversion into mutual holding company form and the related stock offering of Wauwatosa Holdings.

Cautionary Statements

The discussions in this press release which are not historical statements contain forward-looking statements that involve risk and uncertainties. Statements which are not historical statements include those in the future tense or which use terms such as "believe," "expect," and "anticipate." Actual future results could differ in important and material ways from those discussed. Many factors could cause or contribute to such differences. These factors include changing interest rates, changes in demand for loans or other services, competition from other institutions, the results of Wauwatosa Savings Bank's lending activities and loan loss experience, general economic and political developments, and changes in the regulatory environment in which Wauwatosa Savings Bank operates. We urge you to carefully review the filings that Wauwatosa Holdings, Inc. has made with the Securities and Exchange Commission for other factors which could affect Wauwatosa Holdings' operations in the future. We undertake no obligation to update any forward-looking statements.

John E. Perry
Chief Marketing Officer
Vice President — Public Relations
Wauwatosa Savings Bank
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End of Filing

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