



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Division of Supervision and Consumer Protection

October 3, 2006

VIA FACSIMILE AND BY CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
Marshfield Savings Bank
207 West Sixth Street
Marshfield, Wisconsin 54449

Dear Members of the Board:

The notice of intent to convert from mutual-to-stock form filed on behalf of Marshfield Savings Bank, Marshfield, Wisconsin, has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our Chicago Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

John M. Lane
Deputy Director

cc: Mr. Aaron M. Kaslow
Muldoon Murphy & Aguggia, LLP
5101 Wisconsin Avenue, N.W.
Washington, D.C. 20016

FEDERAL DEPOSIT INSURANCE CORPORATION

Marshfield Savings Bank
Marshfield, Wood County, Wisconsin

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act (FDI Act), an application has been filed on behalf of Marshfield Savings Bank, Marshfield, Wisconsin, (Mutual Institution), currently a state-chartered mutually-owned Deposit Insurance Fund member with total resources of \$165,711,000 and total deposits of \$126,752,000 as of March 31, 2006, for the FDIC's consent to merge with Marshfield Interim Bank (Stock Bank), Marshfield, Wisconsin, a proposed new state-chartered stock bank, the Resultant Bank.

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- the Mutual Institution will organize an interim federal savings bank titled Interim One as a wholly-owned subsidiary;
- Interim One will form two wholly-owned subsidiaries: Forward Financial, Inc. (Stock Holding Company); and Stock Bank;
- The following transactions will then occur substantially contemporaneously: Mutual Institution will adopt articles of incorporation for a stock savings bank; and Interim One will exchange its charter for a federal mutual holding company to become Forward Mutual Holding Company (Mutual Holding Company);
- Stock Bank will merge with and into the Mutual Institution, with Stock Bank being the surviving entity; Stock Bank will be known as Marshfield Savings Bank (Resultant Bank), and will be a subsidiary of Mutual Holding Company; and
- Mutual Holding Company will contribute 100% of the Resultant Bank's issued common stock to Stock Holding Company.

At the conclusion of the reorganization, the deposits of the Mutual Institution will continue to be insured under the Deposit Insurance Fund. Applications for the establishment of a Mutual Holding Company and a Stock Holding Company are being reviewed by the Office of Thrift Supervision. In addition, the application for Mutual Institution to reorganize into a multi-tiered holding company structure has been approved by the Wisconsin Division of Banking and Savings Institutions. Following the consummation of the merger, the Resultant Bank will operate the same business, with the same management, at the same locations now being served by the Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the

market served by the Mutual Institution. The Resultant Bank's principal office will continue to be located at 207 West Sixth Street, Marshfield, Wood County, Wisconsin.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act ("CRA") Statement of the proponent, disclosed no inconsistencies with the purposes of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the proponent banks and the Resultant Bank, and the convenience and needs of the community to be served. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities. Having found favorably on all statutory factors and having considered other relevant information, including all reports on competitive factors furnished by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision and the Attorney General of the United States, it is the FDIC's judgment that the applications should be and hereby are approved, subject to the following conditions:

1. That the proposed conversion shall be approved by a vote of at least a majority of Marshfield Saving Bank's eligible depositors and, as reasonably determined by Marshfield Savings Bank's directors or trustees, other stakeholders of the bank who are entitled to vote on the conversion, unless Wisconsin state law requires a higher percentage, in which case the higher percentage shall be used.
2. That unless prior notice is provided to and non-objection is received from the FDIC, no shares of the stock of Marshfield Savings Bank shall be sold, transferred or otherwise disposed of, to any persons (including any Employee Stock Ownership Plan) other than Forward Financial, Inc.
3. That prior to a sale, transfer or other disposition of any shares of Forward Financial, Inc., by Forward Mutual Holding Company to any person (including any Employee Stock Ownership Plan), or a conversion of Forward Mutual Holding Company to stock form, Marshfield Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with state and federal banking and/or securities regulators in connection with any such sale, transfer, disposition or conversion.
4. That should any shares of stock of Marshfield Savings Bank or Forward Financial, Inc. be issued to persons other than the Forward Mutual Holding Company, any dividends waived by Forward Mutual Holding Company must be retained by Forward Financial, Inc. or Marshfield Savings Bank and segregated, earmarked, or otherwise identified on its books and records; such amounts must be taken into

account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of Forward Mutual Holding Company to stock form; such amounts shall not be available for payment to or the value thereof transferred to minority shareholders, by any means including through dividend payments or at liquidation.

5. That in conjunction with the proposed conversion, Marshfield Savings Bank shall provide written evidence to the FDIC that the Office of Thrift Supervision has approved the formation of Forward Financial, Inc. and Forward Mutual Holding Company.
6. Any changes in proposed management, including the board of directors or proposed ownership (ten per cent or more of the stock and new acquisitions of or subscriptions to ten per cent or more of the stock), will render this approval null and void unless such proposal is approved by the Regional Director of the FDIC's Chicago Regional Office prior to the consummation of the proposed transaction.
7. That the transaction shall not be consummated within less than fifteen calendar days after the date of this Order, or later than six months after the date of this Order, unless such period is extended for good cause by the FDIC; and
8. That until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

By Order of the Deputy Director of the Division of Supervision and Consumer Protection pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C., this *1st* *August*

/s/

John M. Lane
Deputy Director