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ARIZONA CORPORATION COMMISSION

JACK ROSE
EXECUTIVE SECRETARY

MICHAEL G. BURTON, SR.
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2998
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470

September 30, 1997

Howard S. Parris, Esq.
Housley Kantarian & Bronstein, P.C.
Suite 700
1220 19th Street, N.W.
Washington, D.C., 20036

RE: High Country Bancorp, Inc.
A.R.S. § 44-1844(A)(6)

Dear Mr. Parris:

On the basis of the facts set forth in your letters of September 5 and 29, 1997, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona (the "Act") should the transaction take place as set forth in your letters.

As this position is premised upon the facts set forth in your letters, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letters. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

MICHAEL G. BURTON, SR.
Director of Securities

MGB:SSB
Attachment

HOUSLEY KANTARIAN & BRONSTEIN, P. C.

SUITE 700
1220 19TH STREET, N. W.
WASHINGTON, D. C. 20036

TELEPHONE
(202) 822-9611
TELECOPIER
(202) 822-0140

ALLAN D. HOUSLEY*
HARRY K. KANTARIAN
LEONARD S. VOLIN
GARY R. BRONSTEIN
JAMES C. STEWART
J. MARK POERIO*
HOWARD S. PARRIS
K. SCOTT RIFE
CYNTHIA R. CROSS
JOEL E. RAPPAPORT
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DANIEL L. HOGANS*
KATHLEEN H. KIM
JULIE D. KEEGAN*
EVAN M. SEIGEL
PETER R. LEE*

*** VIA OVERNIGHT DELIVERY ***

* NOT ADMITTED IN DC

September 5, 1997

Dee R. Harris, Director
Corporation Commission
Securities Division
1300 West Washington Street, Third Floor
Phoenix, Arizona 85007

Re: High Country Bancorp, Inc.
Request for No-Action Letter

Dear Ms. Harris:

We are filing this no-action letter request on behalf of Salida Building and Loan Association, Salida, Colorado, (the "Association"), and High Country Bancorp, Inc. (the "Company"). The Company, a Colorado corporation, was incorporated in order to become the holding company for the Association. The Association will convert from a federally chartered mutual savings and loan association to a federally chartered stock savings and loan association (the "Conversion") and simultaneously become a wholly owned subsidiary of the Company. The Company will offer and sell up to \$11,902,500 (1,190,250 shares at \$10.00 per share) of its common stock, par value \$.01 per share (the "Common Stock"), to certain persons, including residents of the State of Arizona.

The purpose of this letter is to request that the Arizona Securities Division (the "Division") confirm that, with respect to the facts and circumstances discussed herein:

(i) The proposed sale of the Common Stock of the Company is exempt from registration in the State of Arizona pursuant to Section 44-1844(A)(6) of the Arizona Blue Sky Act (the "Act"). We request that this exemption apply to depositors and certain borrowers of the Association residing in Arizona in the Subscription Offering as described below.

Dee R. Harris, Director
Corporation Commission
Securities Division
September 5, 1997
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(ii) The Company will not be subject to broker-dealer registration pursuant to Section 44-1842 since the Common Stock will be sold pursuant to Section 44-1844(A)(6) of the Act.

(iii) Officers and directors of the Company will not be subject to registration as salesmen pursuant to Section 44-1842 since the Common Stock will be sold pursuant to Section 44-1844(A)(6).

(iv) No filings are required to be made in Arizona in connection with the proposed issuance of the Common Stock.

On May 15, 1997, the Board of Directors of the Association adopted a Plan of Conversion (the "Plan") whereby the Association will convert from mutual to stock form and all of the Association's capital stock will be acquired by the Company. On August 22, 1997, the Association filed an Application for Approval of Conversion on Form AC with the Office of Thrift Supervision (the "OTS") for permission to convert to a stock savings and loan association.

The Company also filed a Registration Statement on Form SB-2 (the "Registration Statement") with the Securities and Exchange Commission ("SEC") on August 22, 1997, to register the shares of Common Stock to be sold in the Conversion. The pro forma market value of the Common Stock to be sold in the Conversion has been determined based on an independent appraisal prepared by Ferguson & Co. and is based upon a valuation range 15% below to 15% above the appraisal value of the Association. Upon consummation of the Conversion, the Association will become a wholly owned subsidiary of the Company, and, at such time, the Company's assets shall consist solely of the stock of the Association (which it will acquire in the Conversion), the Company's initial capitalization and a note payable from the Company's Employee Stock Ownership Plan (the "ESOP") which will purchase shares of Common Stock in the Conversion with funds borrowed from the Company. The Conversion is subject to the approval of the members of the Association at a special meeting of members expected to be held in mid-December 1997. A proxy statement seeking to obtain such approval by the members of the Association will be delivered to all voting members promptly after effectiveness of the Registration Statement.

As part of the Conversion, the Company is conducting a Subscription Offering of the Common Stock for holders of non transferable Subscription Rights in the following order of priority in accordance with regulations of the OTS: (i) depositors of the Association as of December 31, 1995 with \$50.00 or more on deposit in the Association on that date ("Eligible Account Holders"); (ii) the ESOP (a tax-qualified employee stock benefit plan of the Company, as defined in the Plan); (iii) depositors with \$50.00 or more on deposit in the Association as of September 30, 1997; and (iv) certain depositors and borrowers as of the record date for the special

Dee R. Harris, Director
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meeting of members (expected to be in November 1997) ("Other Members"). Concurrently, and subject to the prior rights of holders of Subscription Rights, the Company will offer the shares of Common Stock not subscribed for in the Subscription Offering for sale to the general public in a Community Offering.

The OTS conversion regulations generally require that the minimum amount of Common Stock offered in the Conversion must be sold in order for the Conversion to become effective. At least \$7,650,000 of the Common Stock must be sold in order for the Conversion to be completed. All shares of the Common Stock not sold in the Subscription Offering will be offered in the Community Offering. Regulations further require completion of the Community Offering within 45 days after the last day of the Subscription Offering period unless such period is extended by the Association with the approval of the regulatory authorities.

We believe that the exemption pursuant to Section 44-1844(A)(6) is applicable to these facts. The conversion of the Association to stock form, the reorganization of the Association into the holding company form of ownership and the concurrent stock offering by the Company must be approved by the OTS pursuant to applicable statutes and the rules and regulations of the OTS and by the depositor and borrower members of the Association who currently hold voting rights in the Association. We believe that such members of the Association are comparable to stockholders, since they hold voting rights in the Association and in the event of the Association's complete liquidation, each holder of a deposit account in the Association would receive the pro rata portion of any assets in the Association remaining after payment of claims of all creditors. These members will also receive nontransferable subscription rights to buy Common Stock. However, if members approve the Conversion they will lose their voting rights in the Association upon the consummation of the Conversion. In effect, they are exchanging their voting rights in the Association in consideration for the right to buy shares of the Common Stock in the Conversion stock offering.

The Common Stock offering is expected to commence in mid-November 1997 and the Conversion and the sale of such stock is expected to be consummated by the end of 1997. The offering of the Common Stock of the Company will be carried out by the officers and directors of the Company, who will be given no commissions or additional remuneration for their efforts. In addition, the Association has engaged Trident Securities, Inc. to assist in the distribution and sale of Common Stock on a best efforts basis in the Subscription Offering in Arizona and the Subscription and Community Offerings elsewhere. No firm commitment underwritten public offering is contemplated at this time. Based on the above reasons, we believe that the Company qualifies to rely on the transactional exemption provided by Section 44-1844(A)(6).

Dee R. Harris, Director
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In connection with this request, a check for \$200 in payment of the applicable fee and a copy of the Registration Statement, including exhibits are enclosed.

Kindly date-stamp the enclosed copy of this letter for our files and return it in the self-addressed, stamped envelope provided. Please do not hesitate to call the undersigned or Susan Boscarino, Blue Sky Specialist, of this office, if you have any questions regarding this request. Thank you for your prompt attention to this matter.

Very truly yours,



Howard S. Parris

HSP:sls:1872

cc: Larry D. Smith, President
High Country Bancorp, Inc.
Susan M. Boscarino, Legal Assistant

HOUSLEY KANTARIAN & BRONSTEIN, P. C.

SUITE 700
1220 19TH STREET, N. W.
WASHINGTON, D. C. 20036

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KATHLEEN H. KIM
JULIE D. KEEGAN*
EVAN M. SEIGEL
PETER R. LEE*

*NOT ADMITTED IN DC

*** VIA FACSIMILE ***

September 29, 1997

Mr. Stephen Berkley
Corporation Commission
Securities Division
1300 West Washington Street, Third Floor
Phoenix, Arizona 85007

Re: High Country Bancorp, Inc. — No-Action Letter Request

Dear Mr. Berkley:

I am writing in response to your inquiries regarding the no-action request letter of High Country Bancorp, Inc. (the "Company"), dated September 5, 1997 in connection with the Company's offering of shares of its common stock, par value \$0.01 per share (the "Common Stock"). As you are aware, the Company is a Colorado corporation formed by Salida Building and Loan Association (the "Association") for the purpose of becoming the Association's holding company upon the consummation of the Association's conversion from mutual to stock form (the "Conversion"). The Conversion is subject to the regulation and oversight of the Office of Thrift Supervision ("OTS") and the concurrent initial stock offering of the Company is also subject to review by the OTS as well as the Securities and Exchange Commission ("SEC").

We would like to clarify the timing of the Company's offering and the scheduling of the special meeting of the Association's members. Most mutual to stock conversions and the related stock offerings are effected according to the schedule described for the Association and Company. The schedule is partly determined by OTS conversion regulations, and by practical matters to effect the Conversion an efficient manner, to save the Association the cost of mailings and to ensure that members focus on the various aspects of the Conversion.

By November 12, 1997: Approval of the Association's Application on Form AC by the OTS and declaration of the effectiveness of the Company's Form SB-2 Registration Statement by the SEC.

Mr. Stephen Berkley
Corporation Commission
September 29, 1997
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Shortly thereafter, a prospectus related to the Common stock and proxy solicitation materials related to the special meeting of members are sent to the Association's members. Upon such mailing, the offering period of the Subscription and Community Offerings commences. Members receive the proxy solicitation materials simultaneously to ensure they receive the appropriate notice of the special meeting.

By December 15, 1997: Special meeting of members to be held and Subscription and Community Offerings completed.

Generally, the special meeting is held towards the end or just after the end of the offering period. In the case of the Association, the offering will close and the special meeting will be held at approximately the same time. According to OTS conversion regulations, the conversion must be approved by the affirmative vote of at least a majority of the Association's members before any sales of Common Stock can be effected and for the Conversion to be consummated.

By December 31, 1997: Stock offering and Conversion are completed.

Upon such member approval, the stock offering and conversion will close soon thereafter. In the event the Conversion is not approved by the members, the Association will remain a mutual savings institution and *no* Common Stock will be sold.

We hope that this description addresses your questions.

In addition, pursuant to your request, enclosed is a replacement copy of our September 5, 1997 no-action request letter correcting the cite of the Arizona Blue Sky Act at the bottom of page three.

If you require any other information, please call me at (202) 822-9611. Thank you for your attention to this matter.

Very truly yours,



Susan M. Boscarino
Legal Assistant

SMB:1872

Attachment

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