

PENNFED FINANCIAL SERVICES INC
Form 425
November 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): November 2, 2006

NEW YORK COMMUNITY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-31565
(Commission

06-1377322
(IRS Employer

File Number

Identification No.)

615 Merrick Avenue, Westbury, New York 11590

(Address of principal executive offices) (Zip Code)

(516) 683-4100

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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:

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- x 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 November 2, 2006, New York Community Bancorp, Inc. (NYCB) and PennFed Financial Services, Inc. (PennFed) entered into an Agreement and Plan of Merger (Merger Agreement) under which PennFed Financial Services, Inc. will be merged with and into NYCB (the Merger). PennFed is the parent company of Penn Federal Savings Bank. Concurrent with or immediately following the Merger, it is expected that Penn Federal Savings Bank will be merged with and into New York Community Bank, a wholly-owned subsidiary of NYCB.

Under the terms of the Merger Agreement, each share of PennFed common stock will be converted into the right to receive 1.222 shares of NYCB s common stock, with cash paid in lieu of fractional NYCB shares. Based on the closing price of NYCB s common stock on November 2, 2006 of \$15.96, the aggregate merger consideration is valued at approximately \$260 million (inclusive of stock options). PennFed has the right to terminate the Merger Agreement if (1) the average closing price of NYCB s common stock for the ten consecutive trading days ending the day before the date on which the last regulatory approval is received is less than \$13.167 and (2) from November 2, 2006 through such date, NYCB s common stock has underperformed the Index Group, as defined in the Merger Agreement, by more than 17.5%, unless NYCB elects to increase the merger consideration per share pursuant to a formula specified in the Merger Agreement.

The transaction is subject to customary closing conditions, including the receipt of regulatory approvals and approval by the stockholders of PennFed. The Merger is currently expected to be completed late in the first quarter of 2007.

All of the directors of PennFed have agreed to vote their shares in favor of the approval of the Merger Agreement at the PennFed stockholders meeting to be held for the purpose of voting on the proposed transaction. Certain senior officers of PennFed and Penn Federal Savings Bank have also entered into agreements with PennFed and NYCB relating to the termination of their existing employment agreements and their transitional services with NYCB following the Merger. In the event the Merger Agreement is terminated under certain circumstances, PennFed has agreed to pay NYCB a termination fee of \$10,000,000.

The Merger Agreement also contains customary representations and warranties that NYCB and PennFed made to each other as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the Merger Agreement, and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, the representations and warranties are subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders, and the representations and warranties may have been used for the purpose of allocating risk between NYCB and PennFed rather than establishing matters as facts.

The foregoing summary of the Merger Agreement is not complete and is qualified in its entirety by reference to the complete text of such document, which is filed as Exhibit 2.1 to this Form 8-K and which is incorporated herein by reference in its entirety.

Item 7.01 Regulation FD Disclosure

The joint press release issued by NYCB and PennFed announcing the execution of the Merger Agreement is furnished herewith as Exhibit 99.1.

Beginning on November 2, 2006, NYCB made available to investors and posted on its web site a written presentation about the expected benefits of the acquisition of PennFed. The written presentation is furnished herewith as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

- (a) Financial Statements of Businesses Acquired: Not applicable
- (b) Pro Forma Financial Information: Not applicable
- (c) Shell Company Transactions: Not applicable
- (d) Exhibits

Number	Description
2.1	Agreement and Plan of Merger by and between New York Community Bancorp, Inc. and PennFed Financial Services, Inc. dated November 2, 2006.
99.1	Press release dated November 2, 2006, announcing that New York Community Bancorp, Inc. and PennFed Financial Services, Inc. entered into the Merger Agreement.
99.2	Written presentation to be distributed and made available to investors, and posted to the Company's web site, beginning November 2, 2006.

SIGNATURES

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 thereunto duly authorized.

NEW YORK COMMUNITY BANCORP, INC.

Date: November 2, 2006

By: /s/ Joseph R. Ficalora
Joseph R. Ficalora

President and Chief Executive Officer

EXHIBIT INDEX

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