

Kaiser Federal Financial Group, Inc.  
Form 10-K  
July 29, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2008.

Commission file number: 333-146364

KAISER FEDERAL FINANCIAL GROUP, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction of  
Incorporation of Organization)

To be applied for  
(I.R.S Employer  
Identification No.)

1359 North Grand Avenue, Covina, California  
(Address of Principal Executive Officers)

91724

(Zip Code)

(800) 524-2274  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Not Applicable

Name of each exchange on which registered  
Not Applicable

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o



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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated  
filer

Accelerated  
filer

Non-accelerated filer   
(Do not check if a smaller  
reporting  
company)

Smaller Reporting  
Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of December 31, 2007 was \$0.

As of July 29, 2010, there were no shares of the registrant's common stock outstanding.

Documents Incorporated by Reference

None.

KAISER FEDERAL FINANCIAL GROUP, INC.

Explanatory Note

Kaiser Federal Financial Group, Inc. (the “Stock Holding Company”) filed a registration statement on Form S-1 (Commission File No. 333-146364) (“Registration Statement”) with the Securities and Exchange Commission (the “SEC”), which the SEC declared effective on November 9, 2007. The Registration Statement was filed to register the sale of shares of common stock of the Stock Holding Company in connection with the mutual-to-stock conversion of K-Fed Mutual Holding Company, a Federally-chartered mutual holding company (the “MHC”).

By action taken on November 27, 2007, the Boards of Directors of the Stock Holding Company, the MHC, K-Fed Bancorp and Kaiser Federal Bank terminated the mutual-to-stock conversion of the MHC and associated public stock offering by the Stock Holding Company. K-Fed Bancorp filed a Form 8-K on November 29, 2007 to announce the details of the termination. The Stock Holding Company filed a post-effective amendment on Form S-1 on December 17, 2007 with the SEC to deregister its shares of common stock and withdraw its Registration Statement, as amended, together with all exhibits thereto. The deregistration was declared effective by the SEC on December 20, 2007.

Due to the Stock Holding Company’s obligation to file periodic reports under the Securities Exchange Act of 1934, as amended through the filing of its first Form 10-K, the Stock Holding Company is filing the following reports: (1) Quarterly Report on Form 10-Q for the quarter ended September 30, 2007; (2) Quarterly Report on Form 10-Q for the quarter ended December 31, 2007; (3) Quarterly Report on Form 10-Q for the quarter ended March 31, 2008; and (4) Annual Report on Form 10-K for year ended June 30, 2008. Because of the termination of the mutual-to-stock conversion of the MHC and associated public stock offering, the Stock Holding Company had no assets, liabilities or operations for any of the reporting periods.

KAISER FEDERAL FINANCIAL GROUP, INC.

PART I

Item 1. BUSINESS

Not applicable.

Item 1A. RISK FACTORS

Not applicable.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

Not applicable.

Item 3. LEGAL PROCEEDINGS

Not applicable.

Item 4. REMOVED AND RESERVED

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY,  
RELATED STOCKHOLDER MATTERS AND ISSUER  
PURCHASES OF EQUITY SECURITIES

Not applicable.

Item 6. SELECTED FINANCIAL DATA

Not applicable.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF  
OPERATIONS

Not applicable.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES  
ABOUT MARKET RISK

Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

3

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REPORT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Kaiser Federal Financial Group, Inc.  
Covina, California

We have audited the accompanying statements of financial condition of Kaiser Federal Financial Group, Inc. (“Company”) as of June 30, 2008, and the related statements of operations, stockholders’ equity and cash flows for the period September 24, 2007 (date of incorporation) to June 30, 2008. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kaiser Federal Financial Group, Inc. as of June 30, 2008, and the results of its operations and its cash flows for the period September 24, 2007 (date of incorporation) to June 30, 2008 in conformity with U.S. generally accepted accounting principles.

Oak Brook,  
Illinois

/s/ Crowe Horwath LLP  
Crowe Horwath LLP

July 29, 2010

KAISER FEDERAL FINANCIAL GROUP, INC.

Statement of Financial Condition

|                                   | June 30, 2008 |
|-----------------------------------|---------------|
| Assets                            | \$ -          |
| Liabilities and retained earnings | \$ -          |

Statement of Operations

|            | September 24, 2007 -<br>June 30, 2008 |
|------------|---------------------------------------|
| Net income | \$ -                                  |

Statement of Stockholders' Equity

|                             | Total<br>Stockholders'<br>Equity |
|-----------------------------|----------------------------------|
| Balance, September 24, 2007 | \$ -                             |
| Net income                  | -                                |
| Balance, June 30, 2008      | \$ -                             |

Statement of Cash Flows

|  | September 24, 2007 -<br>June 30, 2008 |
|--|---------------------------------------|
| Net income   | \$ -                                  |
| Adjustments to reconcile net income to net cash provided by operating activities | -                                     |
| Net cash provided by operating activities  | -                                     |
| Net cash provided by investing activities  | -                                     |
| Net cash provided by financing activities  | -                                     |
| Net change in cash and cash equivalents  | -                                     |
| Cash and cash equivalents at the beginning of the period                         | -                                     |
| Cash and cash equivalents at the end of the period                               | \$ -                                  |



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Nature of Business: Kaiser Federal Financial Group, Inc. (the Stock Holding Company) was incorporated on September 24, 2007 for the purpose of effectuating a “second step” conversion of K-Fed Mutual Holding Company (the Parent) to a full stock ownership structure. The Parent is the majority owner of K-Fed Bancorp (K-Fed). The Parent and K-Fed are savings and loan holding companies. K-Fed’s sole subsidiary, Kaiser Federal Bank (the Bank), is a federally chartered stock savings association, which provides retail and commercial banking services to individual and business customers from its nine branches throughout California. While the Bank originates many types of retail and commercial real estate loans, the majority of its residential real estate loans have been purchased from other financial institutions. The accounting and reporting policies of the Stock Holding Company and the Bank conform to U.S. generally accepted accounting principles (GAAP) and general industry practices. Upon completion of the conversion, the Parent and K-Fed will cease to exist and Kaiser Federal Financial Group, Inc. will become the new holding company for the Bank.

The Stock Holding Company’s business activities generally will be limited to passive investment activities and oversight of its investment in the Bank.

Principles of Consolidation and Basis of Presentation: As of the dates of the financial statements, the Plan of Conversion and Reorganization has not been executed and consequently, the operations of the Stock Holding Company have not yet begun and there are no transactions to report. As of the dates of the financial statements, the Stock Holding Company does not own the Bank and consequently, there are no consolidated financial statements presented. The Stock Holding Company was formed for the purpose of effectuating the mutual-to-stock conversion of the Parent and while the Stock Holding Company is a legal entity, it has not executed any transactions of material consequence. Transactions in the name of Kaiser Federal Financial Group, Inc. have related only to the mutual-to-stock conversion of the Parent and have been for no other material transaction to date. Because all transactions in the name of Kaiser Federal Financial Group, Inc. have been conducted for the benefit of the mutual-to-stock transaction of the Parent, all transactions have been recorded by K-Fed.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Changes in these estimates and assumptions are considered reasonably possible and may have a material impact on the financial statements and thus actual results could differ from the amounts reported and disclosed herein.

Plan of Conversion and Reorganization: On November 9, 2007, the Stock Holding Company filed a registration statement to register the sale of shares of common stock of the Stock Holding Company in connection with the mutual-to-stock conversion of the Parent, a Federally-chartered mutual holding company.

By action taken on November 27, 2007, the Boards of Directors of the Stock Holding Company, the Parent, K-Fed and the Bank terminated the mutual-to-stock conversion of the Parent and associated public stock offering by the Stock Holding Company. K-Fed filed a Form 8-K on November 29, 2007 to announce the details of the termination.

Subsequent Events: On May 27, 2010, the Stock Holding Company, K-Fed, the Parent and the Bank adopted a new Plan of Conversion and Reorganization to reorganize from a two-tier mutual holding company to a full stock holding company and undertake a “second-step” offering of additional shares of common stock.

The Parent currently holds approximately 66.7% of the issued and outstanding shares of K-Fed Bancorp, which in turn owns all of the stock of Kaiser Federal Bank. The remaining 33.3% of K-Fed Bancorp's shares currently are held by public stockholders.

As part of the reorganization, Kaiser Federal Bank will become a wholly owned subsidiary of the Stock Holding Company. The currently outstanding shares of the common stock of K-Fed Bancorp, including shares held by the general public and employee stock benefit plans, other than shares held by K-Fed Mutual Holding Company, will be converted into shares of common stock in Kaiser Federal Financial Group, Inc., using an exchange ratio designed to preserve current percentage ownership interests. Shares owned by K-Fed Mutual Holding Company will be retired, and new shares representing that ownership interest will be offered and sold to the Bank's eligible depositors, Kaiser Federal Bank's tax qualified employee benefit plans and members of the general public as set forth in the Plan of Conversion and Reorganization of K-Fed Mutual Holding Company. The highest priority will be depositors with qualifying deposits as of March 31, 2009. The number of shares of common stock to be offered and the exchange ratio for shares of K-Fed Bancorp will be based upon an independent appraisal, assuming shares are sold at \$10.00 per share.

The reorganization will not affect the existing terms and conditions of deposit accounts and loans with Kaiser Federal Bank. The new shares are expected to trade on NASDAQ under the symbol "KFFG" and Kaiser Federal Financial Group, Inc. will be headquartered at the Bank's executive offices located in Covina, California.

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not applicable.

**Item 9A(T). CONTROLS AND PROCEDURES**

Not applicable.

**Item 9B. OTHER INFORMATION**

Not applicable.

**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Not applicable.

**Item 11. EXECUTIVE COMPENSATION**

Not applicable.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Not applicable.

**Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

Not applicable.

**Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Not applicable.

7

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PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit

No.

Description

- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

8

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SIGNATURES

Pursuant to the requirements of section 13 or 15(d) 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.

Kaiser Federal Financial  
Group, Inc.

Date: July 29, 2010

/s/ K. M. Hoveland  
K. M. Hoveland  
President and Chief  
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: July 29, 2010

/s/ James L. Breeden  
James L. Breeden  
Director and Chairman of the  
Board

Date: July 29, 2010

/s/ K. M. Hoveland  
K. M. Hoveland  
Director, President and Chief Executive Officer  
Principal Executive Officer

Date: July 29, 2010

/s/ Dustin Luton  
Chief Financial Officer  
Principal Financial and Accounting Officer

Date: July 29, 2010

/s/ Rita H. Zwern  
Rita H. Zwern  
Director and Secretary

Date: July 29, 2010

/s/ Diana L. Peterson-More  
Diana L. Peterson-More  
Director

Date: July 29, 2010

/s/ Michael J. Sacher  
Michael J. Sacher  
Director

Date: July 29, 2010

/s/ Robert C. Steinbach  
Robert C. Steinbach  
Director

Date: July 29, 2010

/s/ Laura G. Weissnar  
Laura Weissnar  
Director

Date: July 29, 2010

/s/ Giovanni Dacumos  
Giovanni Dacumos  
Director