

STILWELL JOSEPH
Form SC 13D/A
November 14, 2008

CUSIP No. 744319104

SCHEDULE 13D

Page 1 of 19

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 14)

PRUDENTIAL BANCORP, INC. OF PENNSYLVANIA

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

744319104

(CUSIP Number)

Mr. Joseph Stilwell

26 Broadway, 23rd Floor

New York, New York 10004

Telephone: (212) 269-5800

with a copy to:

Spencer L. Schneider, Esq.

70 Lafayette Street, 7th Floor

New York, New York 10013

Telephone: (212) 233-7400

(Name, Address and Telephone Number of Person

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Authorized to Receive Notices and Communications)

November 14, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Stilwell Value Partners I, L.P.
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) WC, OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o Citizenship or Place of Organization:
6.	Delaware
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power: 0 8. Shared Voting Power: 1,064,800 9. Sole Dispositive Power: 0 10. Shared Dispositive Power: 1,064,800 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 1,064,800 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o 13. Percent of Class Represented by Amount in Row (11): 9.6% 14. Type of Reporting Person (See Instructions) PN

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1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Stilwell Partners, L.P.
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) WC, OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o Citizenship or Place of Organization:
6.	Delaware
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power: 0 8. Shared Voting Power: 1,064,800 9. Sole Dispositive Power: 0 10. Shared Dispositive Power: 1,064,800 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 1,064,800 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o 13. Percent of Class Represented by Amount in Row (11): 9.6% 14. Type of Reporting Person (See Instructions) PN

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1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Stilwell Associates, L.P.
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) WC
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o Citizenship or Place of Organization:
6.	Delaware
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power: 0 8. Shared Voting Power: 1,064,800 9. Sole Dispositive Power: 0 10. Shared Dispositive Power: 1,064,800 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 1,064,800 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o 13. Percent of Class Represented by Amount in Row (11): 9.6% 14. Type of Reporting Person (See Instructions) PN

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1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Stilwell Value LLC
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) WC, OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o Citizenship or Place of Organization:
6.	Delaware
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power: 0 8. Shared Voting Power: 1,064,800 9. Sole Dispositive Power: 0 10. Shared Dispositive Power: 1,064,800 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 1,064,800 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o 13. Percent of Class Represented by Amount in Row (11): 9.6% 14. Type of Reporting Person (See Instructions) OO

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1.	Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Joseph Stilwell
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) PF, OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o Citizenship or Place of Organization:
6.	United States
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power: 0 8. Shared Voting Power: 1,064,800 9. Sole Dispositive Power: 0 10. Shared Dispositive Power: 1,064,800 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 1,064,800 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o 13. Percent of Class Represented by Amount in Row (11): 9.6% 14. Type of Reporting Person (See Instructions) IN

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).
John Stilwell
 2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) ☒ X
(b) ☐
 3. SEC Use Only
 4. Source of Funds (See Instructions) PF, OO
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
Citizenship or Place of Organization:
 6. United States
- Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With
7. Sole Voting Power: 3,800
 8. Shared Voting Power: 0
 9. Sole Dispositive Power: 3,800
 10. Shared Dispositive Power: 0
 11. Aggregate Amount Beneficially Owned by Each Reporting Person: 3,800
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
 13. Percent of Class Represented by Amount in Row (11): .03%
 14. Type of Reporting Person (See Instructions)
- IN
-

Item 1. Security and Issuer

This is the fourteenth amendment (this Fourteenth Amendment) to the original Schedule 13D, which was filed on June 20, 2005 (the Original Schedule 13D) and amended on August 2, 2005 (the First Amendment), on August 5, 2005 (the Second Amendment), on November 16, 2005 (the Third Amendment), on February 7, 2006 (the Fourth Amendment), on September 22, 2006 (the Fifth Amendment), on October 5, 2006 (the Sixth Amendment), on February 14, 2007 (the Seventh Amendment), on March 7, 2007 (the Eighth Amendment), on February 11, 2008 (the Ninth Amendment), on May 19, 2008 (the Tenth Amendment), on May 23, 2008 (the Eleventh Amendment), on June 16, 2008 (the Twelfth Amendment), and on November 12, 2008 (the "Thirteenth Amendment"). This Fourteenth Amendment is filed jointly by Stilwell Value Partners I, L.P., a Delaware limited partnership (Stilwell Value Partners I); Stilwell Partners, L.P., a Delaware limited partnership (Stilwell Partners); Stilwell Associates, L.P., a Delaware limited partnership ("Stilwell Associates"); Stilwell Value LLC, a Delaware limited liability company (Stilwell Value LLC) and the general partner of Stilwell Value Partners I and Stilwell Associates; Joseph Stilwell, the general partner of Stilwell Partners and the managing and sole member of Stilwell Value LLC, and John Stilwell. All of the filers of this Schedule 13D are collectively referred to as the Group.

This statement relates to the common stock (Common Stock) of Prudential Bancorp, Inc. of Pennsylvania (Issuer or PBIP). The address of the principal executive offices of the Issuer is 1834 Oregon Avenue, Philadelphia, Pennsylvania 19145. The amended joint filing agreement of the members of the Group is attached hereto as Exhibit 9.

Item 2. Identity and Background

(a)-(c) This statement is filed by Joseph Stilwell with respect to the shares of Common Stock beneficially owned by Joseph Stilwell, including shares of Common Stock held in the names of Stilwell Value Partners I, Stilwell Partners and Stilwell Associates, in Joseph Stilwell's capacities as the general partner of Stilwell Partners and as the managing and sole member of Stilwell Value LLC, which is the general partner of Stilwell Value Partners I and Stilwell Associates.

The business address of Stilwell Value Partners I, Stilwell Partners, Stilwell Associates, Stilwell Value LLC and Joseph Stilwell is 26 Broadway, 23rd Floor, New York, New York 10004.

The principal employment of Joseph Stilwell is investment management. Stilwell Value Partners I, Stilwell Partners and Stilwell Associates are private investment partnerships engaged in the purchase and sale of securities for their own accounts. Stilwell Value LLC is in the business of serving as the general partner of Stilwell Value Partners I, Stilwell Associates, and related partnerships.

This statement is also filed by John Stilwell with respect to the shares of Common Stock beneficially owned by him. John Stilwell's business address is 26 Broadway, 23rd Floor, New York, New York 10004. John Stilwell is employed by Stilwell Partners as an analyst. John Stilwell and Joseph Stilwell are brothers.

(d) During the past five years, no member of the Group has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, no member of the Group has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

(f) Joseph Stilwell and John Stilwell are citizens of the United States.

Item 3. Source and Amount of Funds or Other Consideration

Stilwell Partners and John Stilwell have not purchased any shares of Common Stock since the Original Schedule 13D. Stilwell Value Partners I has not purchased any shares of Common Stock since the Tenth Amendment. The amount of funds expended to date by Stilwell Associates to acquire the 1,000 shares of Common Stock it holds in its name is \$10,150. Such funds were provided from the working capital of Stilwell Associates.

Item 4. Purpose of Transaction

The Group's purpose in acquiring shares of Common Stock is to profit from their appreciation through the assertion of shareholder rights. The Group does not believe the value of Issuer's assets is adequately reflected in the Common Stock's current market price.

Members of the Group are filing this Fourteenth Amendment to report the addition of Stilwell Associates as a Group member.

Members of the Group believe that it is in the best interests of Issuer's shareholders that its board of directors include public shareholders who beneficially own a substantial number of shares of Common Stock. Members of the Group believe that Joseph Stilwell would bring broad experience and a fresh perspective to Issuer's board because none of its current directors have any previous public company experience or any experience in allocating capital for a public company.

On July 12, 2005, Joseph Stilwell met with Issuer's representatives to ask that he be placed on Issuer's board, but Issuer denied the request. A week later, one of Issuer's directors died. On September 21, 2005, Issuer named two new directors to the board, neither of whom owns substantial shares of Common Stock.

Fifty-five percent of the outstanding shares of Common Stock are held by the Prudential Mutual Holding Company (the "MHC"), which is controlled by Issuer's board. Therefore, with regard to most corporate decisions, such as the election of directors, the MHC will be able to outvote Issuer's public shareholders. However, regulations promulgated by the Federal Deposit Insurance Corporation (the "FDIC"), Issuer's primary federal regulator, previously barred the MHC from voting on the Issuer's stock benefit plans and the Issuer's prospectus in connection with its initial public offering in February 2005 indicated that the MHC would not vote on the plans.

During the summer of 2005, members of the Group expected that Issuer would be seeking shareholder approval of the stock benefit plans described in its prospectus. But after the Group announced in August 2005 that it would solicit proxies to oppose adoption of the stock benefit plans as a referendum to place Joseph Stilwell on the board, Issuer decided not to seek public shareholder approval of any stock benefit plans at the 2006 annual meeting and only submitted proposals to re-elect incumbent directors and ratify its auditors to a shareholder vote at the meeting.

Therefore, in December 2005, members of the Group solicited proxies from other public shareholders to withhold their votes on the election of directors as a referendum.

At the February 3, 2006 annual meeting, 71% of Issuer's voting public shares were withheld from voting on the election of directors. (As indicated below, the Group has run additional withhold contests at the 2007 and 2008 annual meetings.)

On April 6, 2006, Issuer announced that it had received advice from the FDIC that the MHC may vote its shares of Common Stock in favor of the stock benefit plans and that Issuer planned to hold a special meeting of shareholders to vote on approval of the plans. Issuer was thereafter required by the Board of Governors of the Federal Reserve System (the Federal Reserve Board) to seek its approval of Issuer's plans. On April 19, 2006, Issuer announced that it had decided to postpone the special meeting. The Federal Reserve Board has since determined to follow the FDIC's position.

On October 4, 2006, Stilwell Value Partners I sued Issuer, the MHC, and the directors of Issuer and the MHC in the United States District Court, Eastern District of Pennsylvania, for breach of fiduciary duties, unjust enrichment, promissory estoppel, and unfair dilution and disenfranchisement, and seeking an order preventing the MHC, which is controlled by the individuals who will receive significant awards under the stock benefit plans, from voting the MHC's shares in PBIP in favor of the plans. (A copy of the complaint is attached to the Sixth Amendment as Exhibit 4). On August 15, 2007, the court dismissed some claims, but sustained the cause of action against the MHC as majority shareholder of PBIP for breach of fiduciary duties. Discovery proceeded and all the directors were deposed. Both sides moved for summary judgment but the court ordered the case to trial, which was scheduled for June 2008.

At the February 9, 2007 annual meeting, 75% of Issuer's voting public shares were withheld from voting on the election of directors. At the meeting, Mr. Stilwell publicly offered that, if President and CEO Thomas A. Vento could define return on equity on a per share basis, Mr. Stilwell would donate \$25,000 to a charity of Mr. Vento's choice. Mr. Vento attempted to define it but was unable to do so. In March 2007, the Group placed billboard advertisements (a copy of which was attached as Exhibit 5 to the Eighth Amendment) regarding the results of PBIP's 2006 and 2007 annual meetings and its directors' unwillingness to hold a democratic vote on the stock benefit plans.

In December 2007, the Group filed proxy materials for the solicitation of proxies to withhold votes on the election of the Issuer's directors at the 2008 annual meeting of shareholders. At the February 4, 2008 annual meeting, an average of 77% of Issuer's voting public shares withheld their votes in the election of directors. Excluding shares held in Issuer's

Employee Stock Ownership Plan, an average of 88% of the voting public shares withheld their votes in the election of directors.

On May 14, 2008, Stilwell Value Partners I delivered to Issuer's Board of Directors a demand that it prosecute an action or take corrective measures to require the directors to faithfully discharge their fiduciary duties and not seek to control the outcome of the vote to adopt stock benefit plans. Stilwell Value Partners I also demanded that the directors personally reimburse the Issuer for the costs incurred in defending the lawsuit brought by Stilwell Value Partners I. Also, Stilwell Value Partners I demanded that director John Judge resign or be removed for being unable to perform his duties as a director due to serious illness. Mr. Judge, who is at least 87 years old, claimed to have very labile hypertension. The Group believes Mr. Judge also suffers from senile dementia likely caused by the hypertension. Mr. Judge (and the other directors) should have recognized, or reasonably recognized, that Mr. Judge could no longer perform his functions consistent with his fiduciary duties as a PBIP director.

On May 22, 2008, Stilwell Value Partners I voluntarily discontinued the pending lawsuit because it determined that it would be more effective and appropriate to pursue the Issuer's directors on a personal basis in a derivative action, in accordance with the demand described above, for (a) the removal of John Judge due to his infirmity, (b) holding the directors personally liable for costs incurred in defending the lawsuit, and (c) stopping the directors from attempting to self-adopt stock benefit plans against the wishes of the public shareholders.

On June 9, 2008, the Issuer announced that Mr. Judge had resigned from the board in response to the Group's demand. On June 13, 2008, Stilwell Value Partners I wrote to the board of directors regarding the directors' obligations in connection with the derivative demand. (A copy of this letter is attached as Exhibit 7.)

On June 11, 2008, Stilwell Value Partners I filed a notice to appeal certain portions of the court's August 15, 2007 order dismissing portions of the lawsuit filed by the Group on October 4, 2006.

On November 7, 2008, the Group and Issuer entered into a settlement agreement and an expense agreement under which the Group will support Issuer's stock benefit plans, drop its litigation and withdraw its shareholder demand, and generally support management, and, in exchange, the Issuer will, subject to certain conditions, repurchase up to 3 million of its shares (including shares previously purchased), reimburse a portion of the Group's expenses, and either adopt a second step conversion or add a Group nominee who meets certain qualification requirements to its board if the repurchases are not completed by a specified time. The settlement agreement is attached as Exhibit 8.

Since 2000, affiliates of the Group have filed Schedule 13Ds to report greater than five percent positions in 15 other publicly traded companies. For simplicity, these affiliates are referred to as the Group, we, us, or our. In each instance, our purpose has been to profit from the appreciation in the market price of the shares we held by asserting shareholder rights. In each situation, we believed that the values of the companies' assets were not adequately reflected in the market prices of their shares. The filings are described below.

On May 1, 2000, we filed a Schedule 13D to report a position in Security of Pennsylvania Financial Corp. (SPN). We scheduled a meeting with senior management to discuss ways to maximize the value of SPN 's assets. On June 2, 2000, prior to the scheduled meeting, SPN and Northeast Pennsylvania Financial Corp. announced SPN 's acquisition. We then sold our shares on the open market.

On July 7, 2000, we filed a Schedule 13D to report a position in Cameron Financial Corporation (Cameron). We exercised our shareholder rights by, among other things, requesting that Cameron management hire an investment banker, demanding Cameron 's list of shareholders, meeting with Cameron 's management, demanding that Cameron invite our representatives to join the board, writing to other Cameron shareholders to express our dismay with management 's inability to maximize shareholder value and publishing that letter in the local press. On October 6, 2000, Cameron announced its sale to Dickinson Financial Corp., and we sold our shares on the open market.

On January 4, 2001, following the announcement by Community Financial Corp. (CFIC) of the sale of two of its four subsidiary banks and its intention to sell one or more of its remaining subsidiaries, we filed a Schedule 13D to report our position. We reported that we acquired CFIC stock for investment purposes. On January 25, 2001, CFIC announced the sale of one of its remaining subsidiaries. We then announced our intention to run an alternate slate of directors at the 2001 annual meeting if CFIC did not sell the remaining subsidiary by then. On March 27, 2001, we wrote to CFIC confirming that CFIC had agreed to meet with one of our proposed nominees to the board. On March 30, 2001, before our meeting took place, CFIC announced its merger with First Financial Corporation, and we sold our shares on the open market.

On February 23, 2001, we filed a Schedule 13D to report a position in Montgomery Financial Corporation (Montgomery). On April 20, 2001, we met with Montgomery 's management, and suggested that they maximize shareholder value by selling the institution. We also informed management that we would run an alternate slate of directors at the 2001 annual meeting unless Montgomery were sold. Eleven days after we filed our Schedule 13D, however, Montgomery 's board amended its bylaws to make it more difficult for us to run an alternate slate by limiting the pool of potential nominees to local persons with a banking relation and shortening the deadline to nominate an alternate slate. We located qualified nominees under the restrictive bylaw provisions and noticed our slate within the deadline. On June 5, 2001, Montgomery announced that it had hired a banker to explore a sale. On July 24, 2001, Montgomery announced its merger with Union Community Bancorp.

On June 14, 2001, we filed a Schedule 13D reporting a position in HCB Bancshares, Inc. (HCB). On September 4, 2001, we reported that we had entered into a standstill agreement with HCB, under which HCB agreed to: (a) add a director selected by us, (b) consider conducting a Dutch tender auction, (c) institute annual financial targets, and (d) retain an investment banker to explore alternatives if it did not achieve the financial targets. On October 22, 2001, our nominee, John G. Rich, Esq., was named to the board. On January 31, 2002, HCB announced a modified Dutch tender auction to repurchase 20% of its shares. Although HCB 's outstanding share count decreased by 33% between the filing of our original Schedule 13D and August 2003, HCB did not achieve the financial target. On August 12, 2003, HCB announced it had hired a banker to assist in exploring alternatives for maximizing
