

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1998-07-22**  
SEC Accession No. **0000909654-98-000191**

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### FILER

#### LENOX BANCORP INC

CIK: **1000050** | IRS No.: **311445959** | State of Incorporation: **OH** | Fiscal Year End: **1231**  
Type: **S-8** | Act: **33** | File No.: **333-59605** | Film No.: **98669809**  
SIC: **6036** Savings institutions, not federally chartered

Mailing Address  
5255 BEECH STREET  
CINCINNATI OH 45217

Business Address  
5255 BEECH ST  
CINCINNATI OH 45217  
5132426900

As filed with the Securities and Exchange Commission on July 22, 1998

Registration No. 333-\_\_\_\_\_

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-8  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933  
LENOX BANCORP, INC.

(exact name of registrant as specified in its certificate of incorporation)

OHIO 6035 31-1445959  
(state or other jurisdiction of (Primary Standard (IRS Employer  
incorporation or organization) Classification Code Number) Identification No.)

5255 BEECH STREET  
ST. BERNARD, OHIO 45217  
(513) 242-6900

(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

LENOX BANCORP, INC. 1997 INCENTIVE PLAN  
(Full Title of the Plan)

COPIES TO:

VIRGINIA DEISCH LORI M. BERESFORD, ESQUIRE  
PRESIDENT AND CHIEF EXECUTIVE OFFICER MULDOON, MURPHY & FAUCETTE  
LENOX BANCORP, INC. 5101 WISCONSIN AVENUE, N.W.  
5255 BEECH STREET WASHINGTON, DC 20016  
ST. BERNARD, OHIO 45217 (202) 362-0840  
(513) 242-6900

(Name, address, including zip code, and telephone  
number, including area code, of agent for service)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as  
practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a  
delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, check the following box. / X /

<TABLE>  
<CAPTION>

Title of each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Purchase Price Per Share	Estimated Aggregate Offering Price(2)	Registration Fee
<S> Common Stock \$.01 par Value	<C> 42,567 Shares (3)	<C> \$15.22 (4)	<C> \$647,870	<C> \$192
Common Stock \$.01 par Value	17,027 Shares (5)	\$15.70 (6)	\$267,309	\$ 79

(1) Together with an indeterminate number of additional shares which may be necessary to adjust the number of shares reserved for issuance pursuant to the Lenox Bancorp, Inc. 1997 Incentive Plan (the "Plan") as the result of a stock split, stock dividend or similar adjustment of the outstanding Common Stock of Lenox Bancorp, Inc., pursuant to 17 C.F.R. ss.230.416(a).

(2) Estimated solely for purposes of calculating the registration fee pursuant to 17 C.F.R. ss.230.457(h)(1).

(3) Represents the total number of shares currently reserved or available for

issuance as options pursuant to the Plan.

- (4) Weighted average price determined by the average exercise price of \$14.75 per share at which options for 34,482 shares under the Plan have been granted to date and by \$17.25 the market value of the Common Stock on July 20, 1998 as determined by the sales price listed over-the-counter through the National Daily Quotation Service "Pink Sheet" published by the National Quotation Bureau, Inc. for 8,085 shares for which options have not yet been granted under the Plan.
- (5) Represents the total number of shares currently reserved or available for issuance as stock awards under the Plan.
- (6) Weighted average price determined by the market value of \$14.75 per share at which awards for 10,563 shares under the Plan have been granted to date and by \$17.25 the market value of the Common Stock on July 20, 1998 as determined by the sales price listed over-the-counter through the National Daily Quotation Service "Pink Sheet" published by the National Quotation Bureau, Inc. for 6,464 shares for which awards have not yet been granted under the Plan.

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THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE IMMEDIATELY UPON FILING IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT") AND 17 C.F.R. SS.230.462.

Number of Pages 17

Exhibit Index begins on Page 12

2

LENOX BANCORP, INC.

PART I INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

ITEMS 1 & 2. The documents containing the information for the Lenox Bancorp, Inc. (the "Company" or the "Registrant") 1997 Incentive Plan (the "Plan") required by Part I of the Registration Statement will be sent or given to the participants in the Plan as specified by Rule 428(b)(1). Such document is not filed with the Securities and Exchange Commission (the "SEC") either as a part of this Registration Statement or as a prospectus or prospectus supplement pursuant to Rule 424 in reliance on Rule 428.

PART II INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed or to be filed with the SEC are incorporated by reference in this Registration Statement:

(a) The Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1997, which include the consolidated balance sheets of the Company and its sole subsidiary, Lenox Savings Bank, as of December 31, 1997 and 1996, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1997, together with the related notes (File No. 0-28162) filed with the SEC on March 25, 1998.

(b) The Form 10-QSB report filed by the Registrant for the fiscal quarter ended March 31, 1998 (File No. 0-28162), filed with the SEC on May 15, 1998.

(c) The description of Registrant's Common Stock contained in Registrant's Form 8-A (File No. 0-28162), as filed with the SEC on April 8, 1996 pursuant to Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 12b-15 promulgated thereunder.

(d) All documents filed by the Registrant pursuant to Section 13(a) and (c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the filing of a post-effective amendment which deregisters all securities then remaining unsold.

ANY STATEMENT CONTAINED IN THIS REGISTRATION STATEMENT, OR IN A DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE HEREIN, SHALL BE DEEMED TO BE MODIFIED OR SUPERSEDED FOR PURPOSES OF THIS REGISTRATION STATEMENT TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN, OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH ALSO IS INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE HEREIN, MODIFIES OR SUPERSEDES SUCH STATEMENT. ANY SUCH STATEMENT SO MODIFIED OR SUPERSEDED SHALL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS REGISTRATION STATEMENT.

2

3

ITEM 4. DESCRIPTION OF SECURITIES

The common stock to be offered pursuant to the Plan has been registered pursuant to Section 12 of the Exchange Act. Accordingly, a description of the common stock is not required herein.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

None.

The validity of the Common Stock offered hereby has been passed upon by Muldoon, Murphy & Faucette, Washington, D.C., special counsel to the Registrant.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

(A) OHIO REVISED CODE

Division (E) of Section 1701.13 of the Ohio Revised Code authorizes a corporation to indemnify its officers and directors and to pay their expenses subject to certain limitation and exceptions. Both Lenox Savings Bank (the "Bank") and the Company have adopted provisions providing for the indemnification of officers and directors in accordance with the Ohio Revised Code.

(B) THE BANK'S AMENDED CONSTITUTION

Article Eight of the Amended Constitution of the Bank provides for indemnification of officers and directors as follows:

Section 1. This Bank shall indemnify or agree to indemnify any person who -----  
was or is a party or is threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding whether civil, criminal administrative, or investigative, other than an action by or in the right of this Bank, by reason of the fact that he or she is or was a director or officer of this Bank, or is or was serving at the request of this Bank as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this Bank and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this Bank and, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that his conduct was unlawful.

Section 2. This Bank shall indemnify or agree to indemnify any person who

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was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of this Bank to procure a judgment in its favor by reason of the fact that he or she is or was a director or officer of this Bank or is or was serving at the request of this Bank as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she

3

4

reasonably believed to be in or not opposed to the best interests of this Bank, except that no indemnification shall be made in respect of any of the following

(A) Any claim, issue, or matter as to which such person is adjudged to be liable for negligence or misconduct in the performance of his or her duty to this Bank unless, and only to the extent that, the Court of Common Pleas of Hamilton County, Ohio, or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas of Hamilton County, Ohio, or such other court shall deem proper;

(B) Any action or suit in which the only liability asserted against a director is pursuant to 1701.95 of the Ohio Revised Code.

Section 3. To the extent that a director or officer has been successful on

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the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article Eight, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the action, suit, or proceeding.

Section 4. Any indemnification under Sections 1 or 2 of this Article

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Eight, unless ordered by a court, shall be made by this Bank only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article Eight. Such determination shall be made as follows:

(A) By a majority vote of a quorum consisting of directors of this Bank who were not and are not parties to or threatened with any such action suit, or proceeding,

(B) If the quorum described in Subsection (A) of this Section 4 is not obtainable or if a majority vote of a quorum of disinterested directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for this Bank or any person to be indemnified within the past five years;

(C) By the shareholders;

(D) By the Court of Common Pleas of Hamilton County, Ohio, or the court in which such action suit, or proceeding was brought.

Any determination made by the interested directors under Subsection (A) of this Section 4 or by independent legal counsel under Subsection (B) of this Section 4 shall be promptly communicated to the person who threatened or brought the action or suit by or in the right of this Bank under Section 2 of this Article Eight, and within ten days after receipt of such notification such

person shall have the right to petition the Court of Common Pleas of Hamilton County, Ohio, or the court in which such action or suit was brought to review the reasonableness of such determination.

Section 5.  
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(A) Expenses, including attorney's fees, incurred by a director in defending the action suit, or proceeding shall be paid by this Bank as they are incurred, in advance of the final disposition of the action suit, or proceeding upon receipt of an undertaking by or on behalf of the director in which he or she agrees to do both of the following

4

5

(i) Repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that his action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to this Bank or undertaken with reckless disregard for the best interests of this Bank;

(ii) Reasonably cooperate with this Bank concerning the action, suit, or proceeding.

(B) Expenses, including attorney's fees, incurred by a director, trustee, officer, employee, or agent in defending any action, suit, or proceeding referred to in Section 2 of this Article Eight, may be paid by this Bank as they are incurred, in advance of the final disposition of the action, suit, or proceeding as authorized by the directors in the specific case upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee, or agent to repay such amount, if it ultimately is determined that he or she is not entitled to be indemnified by this Bank.

Section 6. The indemnification authorized by this Article Eight shall not  
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be exclusive of and shall be in addition to, any other rights granted to those seeking indemnification under the Articles or the Constitution of this Bank or any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. This Bank may purchase and maintain insurance or furnish  
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similar protection, including but not limited to trust funds, letters of credit, or self-insurance, on behalf of or for any person who is or was a director, officer, employee, or agent of this Bank, or is or was serving at the request of this Bank as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not this Bank would have the power to indemnify him or her against such liability under this section. Insurance may be purchased from or maintained with a person in which this Bank has a financial interest.

Section 8. The authority of this Bank to indemnify persons pursuant to  
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Sections 1 or 2 of this Article Eight does not limit the payment of expenses as they are incurred, indemnification insurance, or other protection that may be provided pursuant to Sections 5, 6 and 7. Sections 1 and 2 of this Article Eight do not create any obligation to repay or return payments made by this Bank pursuant to Sections 5, 6 or 7.

Section 9. As used in this Article Eight, references to this Bank include

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all constituent corporations in a consolidation or merger and the new or surviving corporation, so that any person who is or was a director, officer, employee, or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, shall stand in the same position under this section with respect to the new or surviving corporation as he or she would if he or she had served the new or surviving corporation in the same capacity.

Section 10. Any action, suit or proceeding to determine a claim for

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indemnification under this Article Eight may be maintained by the person claiming such indemnification, or by the corporation, in the Court of Common Pleas of Hamilton County, Ohio. This Bank and (by claiming such indemnification) each such person consent to the exercise of jurisdiction over its or his person by the Court of Common Pleas of Hamilton County, Ohio, in any such action, suit or proceeding.

The Bank currently maintains a directors' and officers' liability policy providing for insurance of directors and officers for liability incurred in connection with performance of their duties as directors and officers. Such policy does not, however, provide insurance for losses resulting from willful or criminal misconduct.

(C) THE HOLDING COMPANY'S CODE OF REGULATIONS

Article Six of the Holding Company's Code of Regulations provides for the indemnification of officers and directors as follows:

Section 1. Third Party Actions. The Corporation shall to the fullest

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extent permitted by Ohio law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including all appeals (other than action, suit or proceeding by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Derivative Actions. The Corporation shall indemnify any person

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who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit, including all appeals, by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer,

employee, member, manager or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless, and only to the extent that the Court of Common Pleas or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas or such other court shall deem proper.

Section 3. Rights After Successful Defense. To the extent that a director,  
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trustee, officer, employee, member, manager or agent has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Other Determinations of Rights. Except in a situation governed  
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by Section 3, any indemnification under Section 1 or 2 (unless ordered by a court) shall be made by the Corporation only as

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7

authorized in the specific case upon a determination that indemnification of the director, trustee, officer, employee, member, manager or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or 2. Such determination shall be made (a) by a majority vote of directors acting at a meeting at which a quorum consisting of directors who were not parties to such action, suit, or proceeding is present, or (b) if such a quorum is not obtainable (or even if obtainable), and a majority of disinterested directors directs, by independent legal counsel (compensated by the Corporation) in a written opinion, or (c) by the affirmative vote in person or by proxy of the holders of a majority of the shares entitled to vote in the election of directors, without regard to voting power which, may thereafter exist upon a default, failure, or other contingency.

Section 5. Advances of Expenses. Expenses of each person indemnified  
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hereunder incurred in defending a civil, criminal, administrative, or investigative action, suit, or proceeding (including all appeals), or threat thereof may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee, member, manager or agent, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

Section 6. Nonexclusiveness - Heirs. The indemnification provided by this  
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Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under the Articles, these Regulations, any agreement, vote of Shareholders, any insurance purchased by the Corporation, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, trustee, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of such a person.



maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article or of the Ohio General Corporation Law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers or persons controlling the Registrant, the Registrant has been informed that in the opinion of the Commission that such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

7

8

ITEM 8. LIST OF EXHIBITS.

The following exhibits are filed with or incorporated by reference into this Registration Statement on Form S-8 (numbering corresponds generally to Exhibit Table in Item 601 of Regulation S-B):

- 3.1 Amended Articles of Incorporation of the Registrant.1
- 3.2 Amended and Restated Code of Regulations of the Registrant.1
- 4.0 Lenox Bancorp, Inc. 1997 Incentive Plan.
- 5.0 Opinion of Muldoon, Murphy & Faucette as to the legality of the Common Stock registered hereby.
- 23.0 Consent of Muldoon, Murphy & Faucette (contained in the opinion included in Exhibit 5).
- 23.1 Consent of Clark, Schaefer, Hackett & Co.
- 24.0 Power of Attorney is located on the signature pages.

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1 Incorporated herein by reference from the Exhibit of the same number contained in the Registration Statement on Form S-1 (SEC No. 33-96248), as amended, filed with the SEC on August 25, 1995 and declared effective on May 13, 1996.

ITEM 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
  - (i) To include any Prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the Prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement

unless the information required by (i) and (ii) is contained in periodic reports filed by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference into this Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the

8

9

securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the Offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such directors, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

9

10

CONFORMED

SIGNATURES

Pursuant to the requirements of the Securities Act, Lenox Bancorp, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration

Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Bernard, State of Ohio, on July 22, 1998.

LENOX BANCORP, INC.

By: /s/ Virginia M. Deisch

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Virginia M. Deisch  
President, Chief Executive Officer  
and Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

KNOW ALL MEN BY THESE PRESENT, that each person whose signature appears below (other than Ms. Deisch) constitutes and appoints Virginia M. Deisch and Ms. Deisch hereby constitutes and appoints William P. Riekert, Jr., as the true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for her (or him) and in her (or his) name, place and stead, in any and all capacities to sign any or all amendments to the Form S-8 Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, respectively, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and things requisite and necessary to be done as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Name ----	Title -----	Date ----
/s/ Virginia M. Deisch ----- Virginia M. Deisch	President, Chief Executive Officer and Director (principal executive officer)	July 22, 1998
/s/ Michael P. Cooper ----- Michael P. Cooper	Chief Financial Officer and Treasurer (principal accounting and financial officer)	July 22, 1998
----- Gail R. Behymer	Director	July __, 1998
/s/ Richard C. Harmeyer ----- Richard C. Harmeyer	Director	July 22, 1998

10

11

/s/ Robert R. Keller ----- Robert R. Keller	Director	July 22, 1998
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/s/ William P. Riekert, Jr.	Director	July 22, 1998
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## EXHIBIT 4.0 LENOX BANCORP, INC. 1997 INCENTIVE PLAN

LENOX BANCORP, INC.  
1997 INCENTIVE PLAN1. DEFINITIONS.  
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(a) "Affiliate" means (i) a member of a controlled group of corporations of which the Holding Company is a member or (ii) an unincorporated trade or business which is under common control with the Holding Company as determined in accordance with Section 414(c) of the Code and the regulations issued thereunder. For purposes hereof, a "controlled group of corporations" shall mean a controlled group of corporations as defined in Section 1563(a) of the Code determined without regard to Section 1563(a) (4) and (e) (3) (C).

(b) "Alternate Option Payment Mechanism" refers to one of several methods available to a Participant to fund the exercise of a stock option set out in Section 11 hereof. These mechanisms include: broker assisted cashless exercise and stock for stock exchange.

(c) "Award" means a grant of one or some combination of one or more Non-statutory Stock Options, Incentive Stock Options and Stock Awards under the provisions of this Plan.

(d) "Bank" means Lenox Savings Bank.

(e) "Board of Directors" or "Board" means the board of directors of the Holding Company or the Bank and Directors Emeritus of the Holding Company or the Bank.

(f) "Change in Control" means a change in control of the Bank or Holding Company of a nature that; (i) would be required to be reported in response to Item 1 of the current report on Form 8-K, as in effect on the date hereof, pursuant to Section 13 or 15(d) of the Exchange Act; or (ii) results in a Change

in Control within the meaning of the Home Owners' Loan Act of 1933, as amended ("HOLA") and the Rules and Regulations promulgated by the Office of Thrift Supervision ("OTS") (or its predecessor agency), as in effect on the date hereof (provided, that in applying the definition of change in control as set forth under such rules and regulations the Board shall substitute its judgment for that of the OTS); or (iii) without limitation such a Change in Control shall be deemed to have occurred at such time as (A) any "person" (as the term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Bank or the Holding Company representing 20% or more of the Bank's or the Holding Company's outstanding securities except for any securities of the Bank purchased by the Holding Company and any securities purchased by any tax qualified employee benefit plan of the Bank; or (B) individuals who constitute the Board of Directors of the Holding Company on the date hereof (the "Incumbent Board") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by the Holding Company's stockholders was approved by a Nominating Committee serving under an Incumbent Board, shall be, for purposes of this clause (B), considered as though he were a member of the Incumbent Board;

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or (C) a plan of reorganization, merger, consolidation, sale of all or substantially all the assets of the Bank or the Holding Company or similar transaction occurs in which the Bank or Holding Company is not the resulting entity; or (D) after a solicitation of shareholders of the Holding Company, by someone other than current management of the Holding Company, stockholders approve a plan of reorganization, merger or consolidation of the Holding Company or Bank or similar transaction with one or more corporations, as a result of which the outstanding shares of the class of securities then subject to the plan would be exchanged for or converted into cash or property or securities not issued by the Bank or the Holding Company; or (E) a tender offer is made for 20% or more of the voting securities of the Bank or the Holding Company.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Committee" means a committee consisting of the entire Board of Directors or consisting solely of two or more members of the Board of Directors who are defined as Non-Employee Directors as such term is defined under Rule 16b-3(b)(3)(i) under the Exchange Act as promulgated by the Securities and Exchange Commission.

(i) "Common Stock" means the Common Stock of the Holding Company, par value, \$.01 per share or any stock exchanged for shares of Common Stock pursuant to Section 15 hereof.

(j) "Date of Grant" means the effective date of an Award.

(k) "Disability" means the permanent and total inability by reason of mental or physical infirmity, or both, of a Participant to perform the work customarily assigned to him or , in the case of a Director, to serve on the Board. Additionally, a medical doctor selected or approved by the Board of Directors must advise the Committee that it is either not possible to determine when such Disability will terminate or that it appears probable that such Disability will be permanent during the remainder of said Participant's lifetime.

(l) "Effective Date" means July 21, 1997, the effective date of the Plan.

(m) "Employee" means any person who is currently employed by the Holding Company or an Affiliate, including officers, but such term shall not include Outside Directors.

(n) "Employee Participant" means an Employee who holds an outstanding Award under the terms of the Plan.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exercise Price" means the purchase price per share of Common Stock deliverable upon the exercise of each Option in order for the option to be exchanged for shares of Common Stock.

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(q) "Fair Market Value" means, when used in connection with the Common Stock on a certain date, the average of the high and low sales prices of the Common Stock as reported by a national securities exchange which is the primary trading market for such Common Stock or the average of the high and low bid prices of the Common Stock as reported by Nasdaq Stock Market ("NASDAQ") if the NASDAQ serves as the primary trading market for the Common Stock, each as published in the Wall Street Journal, if published, on such date or, if the Common Stock was not traded on such date, on the next preceding day on which the Common Stock was traded thereon or the last previous date on which a sale was reported. If the Common Stock is not traded on a national securities exchange or the NASDAQ or the NYSE, the Fair Market Value of the Common Stock is the value so determined by the Board in good faith, based upon the most recently available pricing information the Board has regarding the recent closing price per share of the Common Stock, as reported over-the counter through the National Daily Quotation Service "Pink Sheet."

(r) "Holding Company" means Lenox Bancorp, Inc.

(s) "Incentive Stock Option" means an Option granted by the Committee to a Participant, which Option is designated by the Committee as an Incentive Stock Option pursuant to Section 7 hereof and is intended to be such under Section 422 of the Code.

(t) "Limited Right" means the right to receive an amount of cash based upon the terms set forth in Section 8 hereof.

(u) "Non-statutory Stock Option" means an Option to a Participant pursuant to Section 6 hereof, which is not designated by the Committee as an Incentive Stock Option or which is redesignated by the Committee as a Non-statutory Stock Option or which is designated an Incentive Stock Option under Section 7 hereof, but does not meet the requirements of such under Section 422 of the Code.

(v) "Option" means the right to buy a fixed amount of Common Stock at the Exercise Price within a limited period of time designated as the term of the option as granted under Section 6 or 7 hereof.

(w) "Outside Director" means a member of the Board of Directors or a Director Emeritus of the Holding Company or its Affiliates, who is not also an Employee.

(x) "Outside Director Participant" means an Outside Director who holds an outstanding Award under the terms of the Plan.

(y) "Participant(s)" means collectively an Employee Participant and/or an Outside Director Participant who hold(s) outstanding Awards under the terms of the Plan.

(z) "Retirement" with respect to an Employee Participant means termination of employment which constitutes retirement under any tax qualified plan maintained by the Bank. However, "Retirement" will not be deemed to have occurred for purposes of this Plan if a Participant continues to serve as a consultant to or on the Board of Directors of the Holding Company or its Affiliates even if such Participant is receiving retirement benefits under any retirement plan of the Holding Company or its Affiliates. With respect to an Outside Director Participant, "Retirement" means the termination of service from the Board of Directors of the Holding Company or its Affiliates following written notice to the Board as a whole of such Outside Director's intention to retire, except that an Outside Director Participant shall not be deemed to have



"retired" for purposes of the Plan in the event he continues to serve as a consultant to the Board or as an advisory director or director emeritus, including pursuant to any retirement plan of the Holding Company or the Bank.

(aa) "Stock Awards" are Awards of Common Stock which may vest immediately or over a period of time. Vesting of Stock Awards under Section 9 hereof may be contingent upon the occurrence of specified events or the attainment of specified performance goals as determined by the Committee.

(bb) "Termination for Cause" shall mean, in the case of a Director, removal from the Board of Directors, or, in the case of an Employee, termination of employment, in both such cases as determined by the Board of Directors, because of Participant's personal dishonesty, incompetence, willful misconduct, any breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule or regulation (other than traffic violations or similar offenses).

(cc) "Trust" means a trust established by the Board in connection with this Plan to hold Plan assets for the purposes set forth herein.

(dd) "Trustee" means that person or persons and entity or entities approved by the Board to hold legal title to any of the Trust assets for the purposes set forth herein.

## 2. ADMINISTRATION.

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(a) The Plan shall be administered by the Committee. The Committee is authorized, subject to the provisions of the Plan, to grant awards to Employees and establish such rules and regulations as it deems necessary for the proper administration of the Plan and to make whatever determinations and interpretations in connection with the Plan it deems necessary or advisable. All determinations and interpretations made by the Committee shall be binding and conclusive on all Employee Participants and Outside Director Participants in the Plan and on their legal representatives and beneficiaries.

(b) Awards to Outside Directors of the Holding Company or its Affiliates shall be granted by the Board of Directors or the Committee, pursuant to the terms of this Plan.

(c) Actual transference of the Award requires no, nor allows any, discretion by the Trustee.

3. TYPES OF AWARDS AND RELATED RIGHTS.  
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The following Awards and related rights as described below in Paragraphs 6 through 9 hereof may be granted under the Plan:

- (a) Non-statutory Stock Options
- (b) Incentive Stock Options
- (c) Limited Right
- (d) Stock Awards

4. STOCK SUBJECT TO THE PLAN.  
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Subject to adjustment as provided in Section 15 hereof, the maximum number of shares of Common Stock reserved for Awards under the Plan is 59,594 shares which number may not be in excess of 14% of the outstanding shares of the Common Stock determined immediately as of the Effective Date. Subject to adjustment as provided in Section 15 hereof, the maximum number of shares of Common Stock reserved hereby for purchase pursuant to the exercise of Options and Option-related Awards granted under the Plan is 42,567 shares, which number may not be in excess of 10% of the outstanding shares of Common Stock as of the Effective Date. 26,500 options will qualify as Incentive Stock Options. The maximum number of the shares of Common Stock reserved for award as Stock Awards is 17,027 shares, which number may not be in excess of 4% of the outstanding shares of Common Stock as of the Effective Date. These shares of Common Stock may be either authorized but unissued shares or authorized shares previously issued and reacquired by the Holding Company or acquired by the Trustee. To the extent that Options and Stock Awards are granted under the Plan, the shares underlying such Awards will be unavailable for any other use including future grants under the Plan except that, to the extent that Stock Awards or Options terminate, expire, or are forfeited without having been exercised (or in cases where a Limited Right has been granted in connection with an option, the amount of such Limited Right received in lieu of the exercise of such option), new Awards may be made with respect to those shares underlying such terminated, expired or forfeited Options or Stock Awards.

5. ELIGIBILITY.  
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Subject to the terms herein, all Employees and Outside Directors shall be eligible to receive Awards under the Plan.

6. NON-STATUTORY STOCK OPTIONS.  
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The Committee may, subject to the limitations of the Plan and the availability of shares reserved but unawarded under the Plan, from time to time, grant Non-statutory Stock Options to Employees and Outside Directors, upon such terms and conditions as the Committee may determine

and grant Non-statutory Stock Options in exchange for and upon surrender of previously granted Awards under this Plan under such terms and conditions as the Committee may determine. Non-statutory Stock Options granted under this Plan are subject to the following terms and conditions:

(a) Exercise Price. The Exercise Price of each Non-statutory Stock Option

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shall be determined by the Committee. Such Exercise Price shall not be less than 100% of the Fair Market Value of the Holding Company's Common Stock on the Date of Grant. Shares of Common Stock underlying a Non-statutory Stock Option may be purchased only upon full payment of the Exercise Price or upon operation of an Alternate Option Payment Mechanism set out in Section 11 hereof.

(b) Terms of Non-statutory Stock Options. The term during which each

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Non-statutory Stock Option may be exercised shall be determined by the Committee, but in no event shall a Non-statutory Stock Option be exercisable in whole or in part more than 10 years from the Date of Grant. The Committee shall determine the date on which each Non-statutory Stock Option shall become exercisable. The Committee may also determine as of the Date of Grant any other specific conditions or specific performance goals which must be satisfied prior to the Non-statutory Stock Option becoming exercisable. The shares of Common Stock underlying each Non-statutory Stock Option installment may be purchased in whole or in part by the Participant at any time during the term of such Non-statutory Stock Option after such installment becomes exercisable. The Committee may, in its sole discretion, accelerate the time at which any Non-statutory Stock Option may be exercised in whole or in part, subject to applicable rules and regulations. The acceleration of any Non-statutory Stock Option under the authority of this paragraph shall create no right, expectation or reliance on the part of any other Participant or that certain Participant regarding any other unaccelerated Non-statutory Stock Options. Unless determined otherwise by the Committee and except in the event of the Participant's death or pursuant to a domestic relations order, a Non-statutory Stock Option is not transferable and may be exercisable in his lifetime only by the Participant to whom it is granted. Upon the death of a Participant, a Non-statutory Stock Option is transferable by will or the laws of descent and distribution.

(c) NSO Agreement. The terms and conditions of any Non-statutory Stock

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Option granted shall be evidenced by an agreement (the "NSO Agreement") which shall be subject to the terms and conditions of the Plan.

(d) Termination of Employment or Service. Unless otherwise determined by

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the Committee, upon the termination of a Participant's employment or service for any reason other than Disability, death or Termination for Cause, the Participant's Non-statutory Stock Options shall be exercisable only as to those shares that were immediately exercisable by the Participant at the date of termination and only for a period of three months following termination; provided that in the event of termination of a Participant's employment or service due to Retirement, the Participant shall have up to one year following the Participant's cessation of employment or service to exercise the Participant's immediately exercisable Non-statutory Options. Notwithstanding any provisions set

forth herein or contained in any NSO Agreement relating to an award of a Non-statutory Stock Option, in the event of termination of the Participant's employment or service for Disability or death, all Non-statutory Stock Options held by such Participant shall immediately vest and be exercisable for one year after such termination of service, and, in the event of a Termination for Cause, all rights under the Participant's Non-statutory Stock Options shall expire immediately upon such Termination for Cause. Notwithstanding the above, in no event shall any Non-statutory Stock Options be exercisable beyond the expiration of the Non-Statutory Stock Option term.

7. INCENTIVE STOCK OPTIONS.  
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The Committee may, subject to the limitations of the Plan and the availability of shares reserved but unawarded under the Plan, from time to time, grant Incentive Stock Options to Employees upon such terms and conditions as the Committee may determine. Incentive Stock Options granted pursuant to the Plan shall be subject to the following terms and conditions:

(a) Exercise Price. The Exercise Price of each Incentive Stock Option  
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shall be not less than 100% of the Fair Market Value of the Common Stock on the Date of Grant. However, if at the time an Incentive Stock Option is granted to an Employee Participant, such Employee Participant owns Common Stock representing more than 10% of the total combined voting securities of the Holding Company (or, under Section 424(d) of the Code, is deemed to own Common Stock representing more than 10% of the total combined voting power of all classes of stock of the Holding Company, by reason of the ownership of such classes of stock, directly or indirectly, by or for any brother, sister, spouse, ancestor or lineal descendent of such Employee Participant, or by or for any corporation, partnership, estate or trust of which such Employee Participant is

a shareholder, partner or beneficiary), ("10% Owner"), the Exercise Price per share of Common Stock deliverable upon the exercise of each Incentive Stock Option shall not be less than 110% of the Fair Market Value of the Common Stock on the Date of Grant. Shares may be purchased only upon payment of the full Exercise Price or upon operation of an Alternate Option Payment Mechanism set out in Section 11 hereof.

(b) Amounts of Incentive Stock Options. Incentive Stock Options may be

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granted to any Employee in such amounts as determined by the Committee; provided that the amount granted is consistent with the terms of Section 422 of the Code. In the case of an Option intended to qualify as an Incentive Stock Option, the aggregate Fair Market Value (determined as of the time the Option is granted) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by the Employee Participant during any calendar year (under all plans of the Employee Participant's employer corporation and its parent and subsidiary corporations) shall not exceed \$100,000. The provisions of this Section 7(b) shall be construed and applied in accordance with Section 422(d) of the Code and the regulations, if any, promulgated thereunder. To the extent an Award of an Incentive Stock Option under this Section 7 exceeds this \$100,000 limit, the portion of the Award in excess of such limit shall be deemed a Non-statutory Stock Option. The Committee shall have discretion to redesignate Options granted as Incentive Stock Options as

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Non-Statutory Stock Options. Such Non-statutory Stock Options shall be subject to Section 6 hereof.

(c) Terms of Incentive Stock Options. The term during which each Incentive

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Stock Option may be exercised shall be determined by the Committee, but in no event shall an Incentive Stock Option be exercisable in whole or in part more than 10 years from the Date of Grant. If at the time an Incentive Stock Option is granted to an Employee Participant who is a 10% Owner, the Incentive Stock Option granted to such Employee Participant shall not be exercisable after the expiration of five years from the Date of Grant. No Incentive Stock Option is transferable except by will or the laws of descent and distribution and is exercisable in his lifetime only by the Employee Participant to whom it is granted. The designation of a beneficiary does not constitute a transfer.

The Committee shall determine the date on which each Incentive Stock Option shall become exercisable. The Committee may also determine as of the Date of Grant any other specific conditions or specific performance goals which must be satisfied prior to the Incentive Stock Option becoming exercisable. The shares comprising each installment may be purchased in whole or in part at any

time during the term of such Incentive Stock Option after such installment becomes exercisable. The Committee may, in its sole discretion, accelerate the time at which any Incentive Stock Option may be exercised in whole or in part, subject to applicable rules and regulations. The acceleration of any Incentive Stock Option under the authority of this paragraph shall not create a right, expectation or reliance on the part of any other Participant or that certain Participant regarding any other unaccelerated Incentive Stock Options.

(d) ISO Agreement. The terms and conditions of any Incentive Stock Option  
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granted shall be evidenced by an agreement (the "ISO Agreement") which shall be subject to the terms and conditions of the Plan.

(e) Termination of Employment. Unless otherwise determined by the  
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Committee, upon the termination of an Employee Participant's employment for any reason other than Disability, death or Termination for Cause, the Employee Participant's Incentive Stock Options shall be exercisable only as to those shares that were immediately exercisable by the Participant at the date of termination and only for a period of three months following termination, except that in the event of the termination of an Employee Participant's employment due to Retirement, the Participant shall have up to one year following the Participant's cessation of employment to exercise any Incentive Stock Options exercisable on that date. Notwithstanding any provision set forth herein or contained in any ISO Agreement relating to an award of an Incentive Stock Option, in the event of termination of the Employee Participant's employment for Disability or death, all Incentive Stock Options held by such Employee Participant shall immediately vest and be exercisable for one year after such termination, and, in the event of Termination for Cause, all rights under the Employee Participant's Incentive Stock Options shall expire immediately upon termination. Notwithstanding anything contained herein to the contrary, no Incentive Stock Option shall be eligible for treatment as an Incentive Stock Option in the event such Incentive Stock Option is exercised more than three months following the

date of a Participant's cessation of employment. In no event shall an Incentive Stock Option be exercisable beyond the expiration of the Incentive Stock Option term.

(f) Compliance with Code. The Incentive Stock Options granted under this  
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Section 7 are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code, but the Holding Company makes no warranty as

to the qualification of any Option as an incentive stock option within the meaning of Section 422 of the Code. All Options that do not so qualify shall be treated as Non-statutory Stock Options.

8. LIMITED RIGHT.  
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Simultaneously with the grant of any Option to a Participant, the Committee may grant a Limited Right with respect to all or some of the shares covered by such Option. Limited Rights granted under this Plan are subject to the following terms and conditions:

(a) Terms of Rights. In no event shall a Limited Right be exercisable in  
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whole or in part before the expiration of six months from the Date of Grant of the Limited Right. A Limited Right may be exercised only in the event of a Change in Control.

The Limited Right may be exercised only when the underlying Option is eligible to be exercised, and only when the Fair Market Value of the underlying shares on the day of exercise is greater than the Exercise Price of the underlying Option.

Upon exercise of a Limited Right, the underlying Option shall cease to be exercisable. Upon exercise or termination of an Option, any related Limited Rights shall terminate. The Limited Rights may be for no more than 100% of the difference between the purchase price and the Fair Market Value of the Common Stock subject to the underlying option. The Limited Right is transferable only when the underlying option is transferable and under the same conditions.

(b) Payment. Upon exercise of a Limited Right, the holder shall promptly  
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receive from the Holding Company an amount of cash equal to the difference between the Exercise Price of the underlying option and the Fair Market Value of the Common Stock subject to the underlying Option on the date the Limited Right is exercised, multiplied by the number of shares with respect to which such Limited Right is exercised. Payments shall be less any applicable tax withholding as set forth in Section 16 hereof.

9. STOCK AWARD.  
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The Committee (or in the case of an Outside Director Participant, the Board of Directors) may, subject to the limitations of the Plan, from time to time, make an Award of shares of Common Stock to Employees and Outside Directors ("Stock Awards"). The Stock Awards shall be made subject to the following terms and conditions:



(a) Payment of the Stock Award. The Stock Award may only be made in whole  
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shares of Common Stock. Stock Awards may only be granted from shares reserved under the Plan but unawarded at the time the new Stock Award is made.

(b) Terms of the Stock Awards. The Committee shall determine the dates on  
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which Stock Awards granted to a Participant shall vest and any specific conditions or performance goals which must be satisfied prior to the vesting of any installment or portion of the Stock Award. Notwithstanding other paragraphs in this Section 9, the Committee may, in its sole discretion, accelerate the vesting of any Stock Award. The acceleration of any Stock Award under the authority of this paragraph shall create no right, expectation or reliance on the part of any other Participant or that certain Participant regarding any other unaccelerated Stock Awards.

(c) Stock Award Agreement. The terms and conditions of any Stock Award  
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shall be evidenced by an agreement (the "Stock Award Agreement") which such Stock Award Agreement will be subject to the terms and conditions of the Plan. Each Stock Award Agreement shall set forth:

(i) the period over which the Stock Award will vest;

(ii) the performance goals, if any, which must be satisfied prior to the vesting of any installment or portion of the Stock Award. The performance goals may be set by the Committee on an individual level, for all Participants, for all Awards made during a given period of time, or for all Awards for indefinite periods;

(d) Certification of Attainment of the Performance Goal. No Stock Award or  
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portion thereof that is subject to a performance goal is to be distributed to the Participant until the Committee certifies that the underlying performance goal has been achieved.

(e) Termination of Employment or Service. Unless otherwise determined by  
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the Committee, upon the termination of a Participant's employment or service for any reason other than Disability, death or Termination for Cause, the Participant's unvested Stock Awards as of the date of termination shall be forfeited and any rights the Participant had to such unvested Stock Awards shall become null and void. Notwithstanding any provisions set forth herein or contained in any Agreement relating to an award of a Stock Option or Stock Award, in the event of termination of the Participant's service due to Disability or death, all unvested Stock Awards held by such Participant shall immediately vest and, in the event of the Participant's Termination for Cause, the Participant's unvested Stock Awards as of the date of such termination shall



be forfeited and any rights the Participant had to such unvested Stock Awards shall become null and void.

(f) Non-Transferability. Except to the extent permitted by the Code, the

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rules promulgated under Section 16(b) of the Exchange Act or any successor statutes or rules:

(i) The recipient of a Stock Award shall not sell, transfer, assign, pledge, or otherwise encumber shares subject to the Stock Award until full vesting of such shares has occurred. For purposes of this Section, the separation of beneficial

ownership and legal title through the use of any "swap" transaction is deemed to be a prohibited encumbrance.

(ii) Unless determined otherwise by the Committee and except in the event of the Participant's death or pursuant to a domestic relations order, a Stock Award is not transferable and may be earned in his lifetime only by the Participant to whom it is granted. Upon the death of a Participant, a Stock Award is transferable by will or the laws of descent and distribution. The designation of a beneficiary does not constitute a transfer.

(iii) If a recipient of a Stock Award is subject to the provisions of Section 16 of the Exchange Act, shares of Common Stock subject to such Stock Award may not, without the written consent of the Committee (which consent may be given in the Stock Award Agreement), be sold or otherwise disposed of within six months following the date of grant of the Stock Award.

(g) Accrual of Dividends. Whenever shares of Common Stock underlying a

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Stock Award are distributed to a Participant or beneficiary thereof under the Plan, such Participant or beneficiary shall also be entitled to receive, with respect to each such share distributed, a payment equal to any cash dividends or distributions (other than distributions in shares of Common Stock) and the number of shares of Common Stock equal to any stock dividends, declared and paid with respect to a share of the Common Stock if the record date for determining shareholders entitled to receive such dividends falls between the date the relevant Stock Award was granted and the date the relevant Stock Award or installment thereof is issued. There shall also be distributed an appropriate

amount of net earnings, if any, of the Trust with respect to any dividends paid out.

(h) Voting of Stock Awards. After a Stock Award has been granted but for

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which the shares covered by such Stock Award have not yet been earned and distributed to the Participant pursuant to the Plan, the Participant shall be entitled to direct the Trustee as to the voting of such shares of Common Stock which the Stock Award covers subject to the rules and procedures adopted by the Committee for this purpose. All shares of Common Stock held by the Trust as to which Participants are not entitled to direct, or have not directed, the voting, shall be voted by the Trustee in the same proportion as the Common Stock covered by Stock Awards which have been awarded is voted.

10. PAYOUT ALTERNATIVES

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Payments due to a Participant upon the exercise or redemption of an Award, may be made subject to the following terms and conditions:

(a) Discretion of the Committee. The Committee has the sole discretion to determine what form of payment (whether monetary, Common Stock, a combination of payout alternatives or otherwise) it shall use in making distributions of payments for all Awards. If the Committee

requests any or all Participants to make an election as to form of distribution or payment, it shall not be considered bound by the election.

(b) Payment in the form of Common Stock. Any shares of Common Stock

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tendered in satisfaction of an obligation arising under this Plan shall be valued at the Fair Market Value of the Common Stock on the day preceding the date of the issuance of such stock to the Participant.

11. ALTERNATE OPTION PAYMENT MECHANISM

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The Committee has sole discretion to determine what form of payment it will accept for the exercise of an Option. The Committee may indicate acceptable forms in the ISO or NSO Agreement covering such Options or may reserve its decision to the time of exercise. No Option is to be considered exercised until payment in full is accepted by the Committee or its agent.

(a) Cash Payment. The exercise price may be paid in cash or by certified

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check.

(b) Borrowed Funds. To the extent permitted by law, the Committee may

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permit all or a portion of the exercise price of an Option to be paid through borrowed funds.

(c) Exchange of Common Stock.  
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(i) The Committee may permit payment by the tendering of previously acquired shares of Common Stock. This includes the use of "pyramiding transactions" whereby some number of Options are exercised; then the shares gained through the exercise are tendered back to the Holding Company as payment for a greater number of Options. This transaction may be repeated as needed to exercise all of the Options available.

(ii) Any shares of Common Stock tendered in payment of the exercise price of an Option shall be valued at the Fair Market Value of the Common Stock on the date prior to the date of exercise.

12. RIGHTS OF A SHAREHOLDER: NONTRANSFERABILITY.  
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No Participant shall have any rights as a shareholder with respect to any shares of Common Stock covered by an Option until the date of issuance of a stock certificate for such shares. Nothing in this Plan or in any Award granted confers on any person any right to continue in the employ or service of the Holding Company or its Affiliates or interferes in any way with the right of the Holding Company or its Affiliates to terminate a Participant's services as an officer or other employee at any time.

Except as permitted under the Code (with respect to Incentive Stock Options) and the rules promulgated pursuant to Section 16(b) of the Exchange Act or any successor statutes or rules, no

Award under the Plan shall be transferable by the Participant other than by will or the laws of intestate succession or pursuant to a domestic relations order or unless determined otherwise by the Committee.

13. AGREEMENT WITH GRANTEEES.

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Each Award will be evidenced by a written agreement(s) (whether constituting an NSO Agreement, ISO Agreement, Stock Award Agreement or any combination thereof), executed by the Participant and the Holding Company or its Affiliates that describes the conditions for receiving the Awards including the date of Award, the Exercise Price if any, the terms or other applicable periods, and other terms and conditions as may be required or imposed by the Plan, the Committee, or the Board of Directors, and may describe or specify tax law considerations or applicable securities law considerations.

14. DESIGNATION OF BENEFICIARY.  
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A Participant may, with the consent of the Committee, designate a person or persons to receive, in the event of death, any Award to which the Participant would then be entitled. Such designation will be made upon forms supplied by and delivered to the Holding Company and may be revoked in writing. If a Participant fails effectively to designate a beneficiary, then the Participant's estate will be deemed to be the beneficiary.

15. DILUTION AND OTHER ADJUSTMENTS.  
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In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, reorganization, combination or exchange of shares, or other similar corporate change, or other increase or decrease in such shares without receipt or payment of consideration by the Holding Company, or in the event a capital distribution is made the Committee will make such adjustments to Awards to prevent dilution, diminution or enlargement of the rights of the Participant, as the Committee deems appropriate, including any or all of the following:

(a) adjustments in the aggregate number or kind of shares of Common Stock or other securities that may underlie future Awards under the Plan;

(b) adjustments in the aggregate number or kind of shares of Common Stock or other securities underlying Awards already made under the Plan;

(c) adjustments in the exercise price of outstanding Incentive and/or Non-statutory Stock Options, or any Limited Rights attached to such Options.

Alternatively, the Committee could provide the participant with a cash

benefit for shares underlying vested, but unexercised options, in order to achieve the aforementioned effect. All Awards under this Plan shall be binding upon any successors or assigns of the Holding Company.

16. TAX WITHHOLDING.

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Awards under this Plan shall be subject to tax withholding to the extent required by any governmental authority. Any withholding shall comply with Rule 16b-3 or any amendment or successive rule. Shares of Common Stock withheld to pay for tax withholding amounts shall be valued at their Fair Market Value on the date the Award is deemed taxable to the Participant.

17. AMENDMENT OF THE PLAN.

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The Board of Directors may at any time, and from time to time, subject to applicable rules and regulations, modify or amend the Plan or any Award granted under the Plan, in any respect, prospectively or retroactively; provided however, that provisions governing grants of Incentive Stock Options, unless permitted by the rules and regulations or staff pronouncements promulgated under the Code shall be submitted for shareholder approval to the extent required by such law, regulation or interpretation.

Failure to ratify or approve amendments or modifications by shareholders shall be effective only as to the specific amendment or modification requiring such ratification. Other provisions, sections, and subsections of this Plan will remain in full force and effect.

No such termination, modification or amendment may adversely affect the rights of a Participant under an outstanding Award without the written permission of such Participant.

18. EFFECTIVE DATE OF PLAN.

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The Plan shall become effective upon being presented to shareholders for ratification for the purpose of obtaining preferential tax treatment for Incentive Stock Options. The failure to obtain shareholder ratification for such purpose will not effect the validity of the Plan and the Options thereunder, provided, however, that if the Plan is not ratified, the Plan shall remain in full force and effect, and any Incentive Stock Options granted under the Plan shall be deemed to be Non-statutory Stock Options.

19. TERMINATION OF THE PLAN.

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The right to grant Awards under the Plan will terminate upon the earlier of: (i) ten (10) years after the Effective Date; (ii) the issuance of a number of shares of Common Stock pursuant to the exercise of Options or the distribution of Stock Awards which together with the exercise of Limited Rights

is equivalent to the maximum number of shares reserved under the Plan as set forth in Section 4. The Board of Directors has the right to suspend or terminate the Plan at any time, provided that no such action will, without the consent of a Participant, adversely affect a Participant's vested rights under a previously granted Award.

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20. APPLICABLE LAW.

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The Plan will be administered in accordance with the laws of the State of Ohio and applicable federal law.

21. COMPLIANCE WITH FDIC CONVERSION REGULATIONS

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Notwithstanding any other provision contained in this Plan:

(a) unless the Plan is approved by a majority vote of the Holding Company's stockholders at a duly called meeting of stockholders to consider the Plan, as required by 12 CFR ss.333.4(f)(2), the Plan shall not become effective or implemented prior to one year from the date of the Bank's mutual to stock conversion;

(b) no Award granted prior to one year from the date of the Bank's mutual to stock conversion shall become vested or exercisable at a rate in excess of 20% of the total number of Stock Awards or Options (whichever may be the case) granted to such Participant, provided, that Awards shall become fully vested or immediately exercisable in the event of a Participant's termination of service due to death or Disability;

(c) no Award granted to any individual employee prior to one year from the date of the Bank's mutual to stock conversion may exceed 25% of the total amount of Awards which may be granted under the Plan;

(d) no Award granted to any individual Outside Director prior to one year from the date of the Bank's mutual to stock conversion may exceed 5% of the total amount of Awards which may be granted under the Plan; and

(e) the aggregate amount of Awards granted to all Outside Directors prior to one year from the date of the Bank's mutual to stock conversion may not exceed 30% of the total amount of Awards which may be granted under the Plan.

22. DELEGATION OF AUTHORITY

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The Committee may delegate all authority for: the determination of forms of payment to be made by or received by the Plan; the execution of Award agreements; the determination of Fair Market Value; the determination of all other aspects of administration of the plan to the executive officer(s) of the Holding Company or the Bank. The Committee may rely on the descriptions, representations, reports and estimate provided to it by the management of the Holding Company or the Bank for determinations to be made pursuant to the Plan, including the attainment of performance goals. However, only the Committee or a portion of the Committee may certify the attainment of a performance goal.

EXHIBIT 5.0 OPINION OF MULDOON, MURPHY & FAUCETTE

[MULDOON, MURPHY & FAUCETTE LETTERHEAD]

July 22, 1998

Board of Directors  
Lenox Bancorp, Inc.  
5255 Beech Street  
St. Bernard, Ohio 45217

Re: Lenox Bancorp, Inc. 1997 Incentive Plan  
Registration Statement on Form S-8 for Offer and Sale of  
59,594 Additional Shares of Common Stock

Ladies and Gentlemen:

We have been requested by Lenox Bancorp, Inc. (the "Company") to issue a legal opinion in connection with the registration under the Securities Act of 1933, as amended, on Form S-8 of 59,594 shares of the Company's Common Stock, \$.01 par value (the "Shares"), to be issued under the Lenox Bancorp, Inc. 1997 Incentive Plan (the "Plan").

We have made such legal and factual examinations and inquiries as we deemed advisable for the purpose of rendering this opinion. In our examination, we have assumed and have not verified (i) the genuineness of all signatures, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity with the originals of all documents supplied to us as copies, and (iv) the accuracy and completeness of all corporate records and documents and of all certificates and statements of fact, in each case given or made available to



us by the Company or its subsidiary, Lenox Savings Bank.

Based on the foregoing and limited in all respects to Ohio law and the facts as they exist on the date hereof, it is our opinion that the Shares reserved under the Plan have been duly authorized and upon the issuance of the Shares in the manner described in the Plan, will be validly issued, fully paid and nonassessable.

Article Eight of the Company's Articles of Incorporation, which generally prohibits the acquisition of beneficial ownership of more than 10% of any class of equity security of the Company for a period of five years from the date of the Company's acquisition of the Bank, may not be given effect by a court applying Ohio law, but in our opinion the failure to give effect to

3

Board of Directors  
Lenox Bancorp, Inc.  
July 22, 1998  
Page 2

such provisions will not affect the duly authorized, validly issued, fully paid and nonassessable status of the Common Stock.

This opinion is rendered to you solely for your benefit in connection with the issuance of the Shares as described above. This opinion may not be relied upon by any other person or for any other purpose, and it should not be quoted in whole or in part or otherwise referred to or be filed with or furnished to any governmental agency (other than the Securities and Exchange Commission in connection with the aforementioned Registration Statement on Form S-8 in which this opinion is contained) or any other person or entity without the prior written consent of this firm.

We hereby consent to the filing of this opinion as an exhibit to, and the reference to this firm in, the Company's Registration Statement on Form S-8.

Very truly yours,

/s/ MULDOON, MURPHY & FAUCETTE

EXHIBIT 23.1 CONSENT OF CLARK, SCHAEFER, HACKETT & CO.

[CLARK, SCHAEFER, HACKETT & CO. LETTERHEAD]

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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We have issued our report dated January 23, 1998 accompanying the consolidated balance sheets of Lenox Bancorp, Inc. (the "Company") as of December 31, 1997 and 1996 and the related statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1997, which report is incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 1997. We consent to the incorporation by reference in this Registration Statement of the aforementioned report.

/s/ Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio  
July 21, 1998