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STILWELL JOSEPH  
Form DFAN14A  
January 04, 2006

SCHEDULE 14A  
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Filed by the registrant [ ]

Filed by a party other than the registrant [X]

Check the appropriate box:

[ ] Preliminary proxy statement.

[ ] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).

[ ] Definitive proxy statement.

[X] Definitive additional materials.

[ ] Soliciting material under Rule 14a-12.

PRUDENTIAL BANCORP, INC. OF PENNSYLVANIA

-----  
(Name of Registrant as Specified in its Charter)

THE STILWELL GROUP

-----  
(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid

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previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

The Stilwell Group  
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January 4, 2006

Dear Fellow Shareholder of Prudential Bancorp, Inc. of Pennsylvania:

It is the Stilwell Group's intention to hold its nine-percent plus position indefinitely, and to actively oppose, for at least the next decade, through the solicitation of proxies or otherwise, the proposed stock recognition and retention and stock option plans (together, the "Stock Benefit Plans") until such time as a representative of the Group is appointed to the Company's Board of Directors and a satisfactory agreement on capital allocation is reached. (Because FDIC regulations currently bar the Company's parent, Prudential Mutual Holding Company, which holds 55.3 % of the Company's outstanding common stock, from voting on equity compensation plans such as the Stock Benefit Plans, only the public shareholders are able to approve such plans.) The Group will not sell its shares in a block trade or accept a payment from the Company. The Group will only sell its shares proportionally as the share count is reduced in order to stay below 9.9% of the outstanding shares. In other words, the Group intends to be a shareholder for the long haul and has no intention of "going away" just because the Company has put off its planned adoption of the Stock Benefit Plans to avoid a shareholder vote.

I believe that the Company's directors, who have no prior experience sitting on the board of a public company, no prior experience in allocating capital for a public company and do not personally own a substantial number of shares of the Company's stock, clearly need help in allocating the Company's capital. Since May 2005, when the Company announced its plan to repurchase 277,000 shares of its stock, through December 16, 2005, IT ONLY PURCHASED 66,300 SHARES. It purchased those shares in May and June but made no purchases for the rest of the year, even though the shares continued to trade at a price that the Group believes to be attractive. In my estimation, there is simply no excuse for the Company not to have already completed its May 2005 share repurchase program. I can only conclude that the Company could use the Group's assistance.

By withholding your vote you can send a strong message to the Company that you believe your investment is best served by having a representative of the Group on the Board.

WE URGE YOU TO WITHHOLD YOUR VOTE FROM THE ELECTION OF DIRECTORS, WHICH IS PROPOSAL 1 ON THE ENCLOSED PROXY CARD, BY MARKING THE BOX "WITHHOLD." IF YOU





