



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF LIBERTY NATIONAL BANK, DALLAS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Liberty National Bank, Dallas, Texas, by Cornerstone Bank, National Association, Dallas, Texas. The failed bank's sole office will reopen on Friday, May 26, 1989, as a branch of Cornerstone Bank, National Association, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Liberty National Bank, with total assets of about \$72.1 million, was closed on Thursday, May 25, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Cornerstone Bank, National Association, will assume about \$69.2 million in 5,800 deposit accounts.. It also will purchase approximately \$62.0 million of the failed bank's assets, including \$4.4 million of the bank's small loans at a discount of \$1,257,000.

To facilitate the transaction the FDIC will advance \$9.0 million to the assuming bank and will retain assets of the failed bank with a book value of \$10.0 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of shareholders of the closed bank.

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