



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ESTABLISHES NEW BANK TO ASSUME DEPOSITS OF
FIRST AMERICAN BANK AND TRUST, NORTH PALM BEACH, FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation today established a new, full service national bank which will assume all deposits and secured liabilities of First American Bank and Trust, North Palm Beach, Florida.

The new institution, First American Bank and Trust, National Association, was chartered by the Comptroller of the Currency and is owned entirely by the FDIC. The new bank assumed the activities of First American Bank and Trust following its closure by Gerald Lewis, Comptroller for the State of Florida, who also appointed the FDIC receiver. All of the bank's offices will open for business as usual on Monday, December 18, 1989, and those offices which have Saturday hours will reopen on December 16, 1989.

Full banking services will continue to be available to all deposit and loan customers and the hours of operation remain unchanged. Depositors, including those with funds in excess of the \$100,000 insurance limit, were fully protected by this transaction. General unsecured creditors (including holders of contingent or off-balance sheet items) having proven claims against the failed bank will share on a pro rata basis with the FDIC in any collections on the bank's assets.

First American Bank and Trust, with total assets of approximately \$1.075 billion, was closed by Mr. Lewis, who determined the institution was insolvent due to its continued operation in an unsound, unsafe or unauthorized manner. The bank's earlier efforts to seek new sources of capital were unsuccessful.

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The FDIC normally attempts to arrange an immediate acquisition following the failure of an insured bank. In this case, the FDIC Board of Directors decided to exercise its authority to organize and arrange, on an interim basis, for the operation of a full service bank. Use of the FDIC's "bridge bank" authority was determined to be the most cost effective way to preserve existing banking services and give the FDIC sufficient time to arrange a permanent transaction.

Five prominent individuals with broad financial and public service expertise have agreed to serve as directors of First American Bank and Trust, National Association. They are: James L. Billmeyer, former President of Horizon Bank, Morristown, New Jersey, and former President of First American Bank and Trust; John J. Early, former Director of the FDIC's Division of Supervision; Lawrence A. Merrigan, former President of Bank of New Orleans, New Orleans, Louisiana; Alan Miller, former Executive Secretary of the FDIC; and Reford J. Wedel, former Deputy General Counsel of the FDIC.

As its first act of business, the Board of Directors of First American Bank and Trust, National Association, announced it will unanimously elect Mr. Merrigan as Chairman and Chief Executive Officer and Mr. Billmeyer as President.

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