



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF BEAVER CREEK STATE BANK, BEAVER CREEK, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of the Beaver Creek State Bank, Beaver Creek, Minnesota, to Citizens State Bank of Silver Lake, Silver Lake, Minnesota. The failed bank's two offices will reopen on Monday, March 16, 1987, as facilities of Citizens State Bank of Silver Lake.

The Board of Directors decided to arrange an insured deposit transfer because no bids were received for a purchase and assumption transaction.

Beaver Creek State Bank, with total assets of \$7.3 million, was closed on Friday, March 13, 1987, by Michael A. Hatch, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$7.3 million in 1,900 deposit accounts including approximately \$32,000 in four accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and non depositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new

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bank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. Citizens State Bank is paying the FDIC a premium of \$30,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$5.3 million.