



## NEWS RELEASE

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PR-164-87 (9-16-87)

### FDIC APPROVES ASSISTANCE PROGRAM FOR JEFFERSON GUARANTY BANK, METAIRIE, LOUISIANA

A financial assistance program to prevent the failure of Jefferson Guaranty Bank, Metairie, Louisiana, has received preliminary approval from the Federal Deposit Insurance Corporation.

The assistance will be provided in conjunction with the acquisition of Jefferson Guaranty Bank by Royal Windsor Holding Corporation, a one-bank holding company in organization. The bank has total assets of approximately \$307 million.

The key elements of the rehabilitation plan are:

- A one-time \$57.5 million contribution from the FDIC to enhance the reserves for losses and capital of the bank; and
- An infusion of \$17 million in additional capital in the bank from the new holding company.

The FDIC will have no further obligation, nor will it purchase any of the assets held by the assisted bank. Instead, the bank's new investors and managers will be expected to implement their own strategies for dealing with poor quality assets and maintaining the bank in sound condition.

The financial assistance program has been agreed to by the FDIC, which determined that it will be less costly to the FDIC than the costs which would be incurred by the failure of Jefferson Guaranty Bank.

As a condition of the assistance program, Peter Del Col and Roy Simpson of Colson Investments, Inc., New York, New York; Douglas W. Hawes, Esq.; and local investor James J. Coleman, Sr., will organize a securities offering to raise \$19 million of capital for the new holding company. This offering will represent all of the ownership interest in the new holding company. Seventeen

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million dollars of the funds raised will be immediately injected into the capital accounts of the bank.

The FDIC agreed to the assistance program after it was advised by Louisiana's Commissioner of Financial Institutions that Jefferson Guaranty Bank was in danger of failing. Section 13(c) of the Federal Deposit Insurance Act permits the FDIC to extend financial assistance to a bank to prevent its closing when such assistance is determined to be less costly to the FDIC than a payoff of insured depositors.

The assistance program is subject to approval of final documentation by the FDIC. It is anticipated that the transaction will be consummated in the near future.

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