



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF CROSSROADS BANK, VICTORIA, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the failure of Crossroads Bank, Victoria, Texas. The FDIC acted following notification by Kenneth W. Littlefield, Texas State Banking Commissioner, that Crossroads Bank was in danger of failing.

As a result of this action, Crossroads Bank has been acquired by an investor group headed by Dorothy Ploeger. The bank has been strengthened and recapitalized, and uninterrupted service will be afforded all customers. The bank, which operates one office in Victoria, Texas, has assets of approximately \$26 million.

The FDIC's financial assistance consists of a cash infusion of \$2,000,000. The key feature of the assistance program is that the FDIC assumes none of the bank's assets and will have no further obligation. Further, the FDIC will share in collections on a designated pool of the bank's assets. It is anticipated that this will significantly reduce the overall cost to the FDIC. The investors have contributed \$2.5 million to the bank's capital structure.

The financial assistance program was agreed to by the FDIC which determined it to be less costly than the costs which would be incurred by allowing the bank to fail.

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