



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF THE FIRST NATIONAL BANK AND TRUST COMPANY OF CUSHING, CUSHING, OKLAHOMA

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 First National Bank and Trust Company of Cushing, Cushing, Oklahoma, to The American National Bank of Bristow, Bristow, Oklahoma. The failed bank's sole office will reopen on Friday, March 11, 1988, as a branch of The American National Bank of Bristow.

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

The First National Bank and Trust Company of Cushing, with total assets of \$61.7 million, was closed on Thursday, March 10, 1988, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Mr. Herrmann said the failure was due to unsafe and unsound lending practices and substantial insider abuse by former chief executive officer and chairman James J. Wasson. "Despite the appointment of new management and the removal of Mr. Wasson by the regulators, loan losses were too severe and exhausted the bank's capital, resulting in its failure," he said.

At the time the bank closed, its deposits totaled about \$59.1 million in 5,800 deposit accounts including approximately \$123,000 in 30 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors will share proportionately with the FDIC and nondepositor creditors in the proceeds realized from the liquidation of the failed bank's assets.

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Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Friday, March 11, 1988. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank also will purchase \$39.4 million of the failed bank's assets. Included in these assets are about \$2 million in smaller loans purchased at a discount of \$200,000.

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