



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF BOND COUNTY STATE BANK, POCAHONTAS, ILLINOIS

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 Bond County State Bank, Pocahontas, Illinois.

Concurrent with the granting of FDIC assistance, Bond County State Bank has been acquired by an investor group headed by Karl D. Tauber, an Illinois banker. The investors have acquired all of the bank's stock and have contributed \$450,000 to the bank's capital structure.

These actions have strengthened and recapitalized the bank and will ensure uninterrupted service to its customers. The bank, which operates one office in Pocahontas, Illinois, has assets of about \$6.6 million and deposits of \$6.4 million in 3,300 accounts.

The FDIC's assistance consists of:

- . A cash infusion of up to \$450,000 to cover the deficit net worth of the bank.
- . A guarantee of up to \$825,000 covering losses of principal and interest on loans outstanding at the time the agreement was consummated.
- . An indemnity of up to \$150,000 to cover possible losses in contingent liabilities.

A 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. The FDIC Board of Directors determined that this transaction will be less costly to the FDIC than alternative methods of addressing the bank's problems.

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