



NEWS RELEASE

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FDIC AND MCorp REACH ACCORD WHILE RESTRUCTURING PROPOSALS ARE CONSIDERED

The Federal Deposit Insurance Corporation announced today it has reached an understanding with MCorp under which MCorp's request for assistance along with other proposals can be considered in a stable and non-disruptive environment.

"This will enable the FDIC to work toward the most effective and least costly resolution to MCorp's problems in a way that is consistent with the legitimate interests of all parties concerned," said FDIC Chairman L. William Seidman.

Conditions agreed to by MCorp include the following:

- MCorp will allow FDIC-approved investors free and open access to the books, records and personnel of MCorp and its banks.
- The company will to work to preserve stability in the operations and staffing of its banks, as well as in its customer relationships.

As part of the agreement, the Office of the Comptroller of the Currency and the Federal Reserve Board have agreed not to pursue various enforcement actions against certain MCorp banks and the holding company, respectively, while consideration of proposals by MCorp and other parties goes forward. The agreement does not address the disposition of certain assets of the holding company.

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