



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF THE AMERICAN BANK, ALMA, WISCONSIN

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of The American Bank, Alma, Wisconsin, to Bank of Alma, a newly-chartered subsidiary of La Farge Bancorp Inc., La Farge, Wisconsin. The failed bank's three offices will reopen on Monday, June 23, 1986, as Bank of Alma.

The Board of Directors decided to arrange an insured deposit transfer because no acceptable bids were received for the failed bank.

The American Bank, which had total assets of \$38.4 million, was closed on Friday, June 20, 1986, by Wisconsin Commissioner of Banking Richard E. Galecki, and the FDIC was named receiver. Mr. Galecki said: "This bank suffered from mismanagement, an inattentive board of directors, and poor banking practices involving highly speculative out-of-territory lending."

At the time the bank closed, its deposits amounted to about \$34.8 million in 8,100 deposit accounts including \$1.8 million in 20 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an

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18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of \$551,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$24.3 million.

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