



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-2-86 (1-9-86)

FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST STATE BANK, CACHE, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of First State Bank, Cache, Oklahoma, by The American National Bank of Lawton, Lawton, Oklahoma, a subsidiary of American National Bancorp, Inc., Lawton, Oklahoma.

The failed bank's Cache office will reopen on Friday, January 10, 1986, as a branch of The American National Bank of Lawton and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court. The Medicine Park Branch will not reopen. Its customer accounts will be administered by the Cache office.

First State Bank was closed on Thursday, January 9, 1986, by Oklahoma Bank Commissioner Robert Y. Empie and the FDIC was named receiver. Mr. Empie said: "This is a case of tragic mismanagement and insider abuse. The FBI is currently investigating to determine if there have been criminal violations. The agriculture or energy economies are not involved in the causes of failure."

The American National Bank will assume about \$17.9 million in 3,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$282,000. It also will purchase certain of the failed bank's assets for \$7.2 million. To facilitate the transaction, the FDIC will advance \$11.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$12.4 million. Total assets of the failed bank amounted to \$19.6 million.

-more-

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The Board made such a finding in this case because of the premium paid by The American National Bank.

The FDIC expects to recover a substantial portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

###