



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF WEST VALLEY BANK, WOODLAND HILLS, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of West Valley Bank, Woodland Hills, California, have been assumed by First Interstate Bank, Ltd., Woodland Hills, California. The failed bank's two offices will reopen on Monday, February 11, 1985, as First Interstate Bank, Ltd., and its depositors automatically will become depositors of the assuming bank.

West Valley Bank was closed on Friday, February 8, 1985, by California Superintendent of Banks Louis Carter, and the FDIC was named receiver. Mr. Carter said: "The failure was the result of significant loan losses which reduced the capital of the bank to an unsafe level."

In addition to assuming about \$33.1 million in 2,700 deposit accounts, First Interstate Bank, Ltd. has agreed to pay the FDIC a purchase premium of \$800,000. The assuming bank also will purchase the failed bank's installment loans and real estate loans and certain other assets for \$6.9 million. To facilitate the transaction, the FDIC will advance cash amounting to \$31.2 million to the acquiring bank and will retain assets of the failed bank with a book value of about \$33.7 million.

The failed bank's deposits included \$17.6 million in brokered funds. Deposit brokers who placed funds in the bank included: Carey Investments, Laguna Hills, California; First Empire Funding Corporation, Huntington, New York; High Yield Management, Clifton, New Jersey; Kominz Co., Playa Del Rey, California; Long Beach Savings and Loan, Long Beach, California; National

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Asset Management, Rockville Center, New York; National Rate Exchange, San Diego, California; New Financial Northeast Corporation, West Caldwell, New Jersey; Peak Financial, Commack, New York; Professional Asset Management, Del Mar, California; and TCD National, Inc., Encino, California.

Brokered funds originated from depositors in 34 states as far away as Hawaii, Massachusetts and Florida. Brokered funds were placed with the bank by the following types of depositors in the following amounts:

58 Savings and Loan Associations	\$5,800,000
47 Credit Unions	4,700,000
46 Banks	4,600,000
25 Other	2,500,000

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

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 shareholders of the closed bank.

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