



# NEWS RELEASE

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## FDIC REPORTS ON LIQUIDATION OF FIRST CONTINENTAL BANK & TRUST COMPANY OF DEL CITY - DEL CITY, OKLAHOMA

The Federal Deposit Insurance Corporation today released the following report as of December 31, 1984, on the status of the First Continental Bank & Trust Company of Del City, (FCB) Receivership, which has been in liquidation since the bank's failure on May 11, 1984. This report is part of the FDIC's effort to keep the public and the creditors and stockholders of the failed bank fully informed of the progress of the Receivership.

### Background

FCB was declared insolvent and closed by the Oklahoma State Banking Commissioner on May 11, 1984. With the approval of the FDIC Board of Directors, both insured and secured deposits totaling \$92,933,342, were transferred to United Oklahoma Bank of Del City (UOB), a newly-chartered state non-member subsidiary of United Oklahoma Bancshares, Inc. UOB paid the FDIC a premium of \$1,710,000 for the right to receive the transferred deposits. As part of this transaction, UOB purchased certain assets of FCB, including installment loans and fixed assets, in the amount of \$38.2 million. UOB subsequently purchased an additional \$13.9 million in loans from the Receivership.

### Uninsured Deposits

First Continental held \$1,086,063 in deposits in 283 accounts that exceeded the \$100,000 insured limit and were not secured. Owners of these deposits who received receivership certificates for their claims will share proportionately with the FDIC in the proceeds realized from the liquidation of the bank's assets. All uninsured depositors received from the FDIC, on May 14, 1984, an advance payment equal to 40 percent of their uninsured claims. It is anticipated that a recommendation to pay a second liquidation dividend to uninsured depositors, including the FDIC, will be presented to Receivership Court during the first half of 1985.

### Estimated Recovery for Holders of Receivership Certificates

Pursuant to Oklahoma law, all depositors, including the FDIC, must be paid in full prior to any payment to other creditors of First Continental. These other creditors who have been issued receivership certificates consist of 59 General Creditors, totaling \$76,474; and 20 Capital Note Holders, totaling \$307,880.

The FDIC has determined that deposits with accounts over the \$100,000 insurance limit may realize 75 percent recovery of their uninsured deposits. This is a tentative estimate and is subject to revision depending on future collections of First Continental assets.

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Due to the likelihood that uninsured depositors will not realize full recovery of their claims, it is projected that the General Creditors and Capital Note Holders will not receive any recovery on their claims.

#### Status of the First Continental Receivership

Upon appointment as liquidating agent for First Continental, the FDIC acquired for liquidation assets totaling \$59.2 million. In addition, the FDIC acquired \$9.4 million in assets which had been charged off by the bank prior to its closing.

As of December 31, 1984, the principal book balance of assets under liquidation was \$46.2 million. The Receivership estate also had cash or cash equivalent of \$9.6 million. Collections as of December 31, 1984, totaled approximately \$28.5 million, representing both principal and interest.

Expenses of the liquidation from inception to December 31, 1984, totaled \$1.4 million. These expenses represent 4.9 percent of collections. This ratio of expenses to collections will increase significantly as the liquidation progresses and the quality of the remaining assets decline.

#### Bond Claims and Directors' Liability Matters

FDIC personnel have been conducting a thorough examination of First Continental records since May 11, 1984, with a view toward developing and presenting substantial claims under First Continental's bankers' blanket bond. The FDIC is continuing with its investigation in regard to claims against former officers and directors of the bank.

#### Criminal Irregularity

The FDIC is conducting, in conjunction with the FBI, a thorough investigation of the events and activities which led to First Continental's failure. To date, 28 matters which may constitute criminal offenses under federal law, have been referred to the Justice Department for further investigation and possible prosecution.

#### Location of Receivership Office

The Receivership office was moved in June 1984 and is now consolidated with other liquidation offices in the Oklahoma City Subregional Office. The address and telephone number of the Receivership is: Federal Deposit Insurance Corporation, 1919 Penn Square, P. O. Box 26208, Oklahoma City, OK 73126. Telephone: (405) 842-7441.

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