



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-107-85 (7-19-85)

FDIC ANNOUNCES DEPOSIT ASSUMPTION OF GILPIN COUNTY BANK, BLACK HAWK, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Gilpin County Bank, Black Hawk, Colorado, have been assumed by First Interstate Bank of Golden, N.A., Golden, Colorado.

The failed bank's sole office will reopen on Monday, July 22, 1985, as a detached facility of First Interstate Bank of Golden and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Gilpin County Bank was closed on Friday, July 19, 1985, by Colorado Bank Commissioner Richard B. Doby, and the FDIC was named receiver. Mr. Doby said: "The bank was declared insolvent after directors and stockholders failed to comply with a June 18, 1985, levy of assessment and did not infuse the required capital by the close of business July 18, 1985."

First Interstate Bank of Golden will assume about \$3.7 million in 1,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$176,900. It also will purchase certain of the failed bank's loans and other assets for \$2.6 million. To facilitate the transaction, the FDIC will advance \$900,000 to the assuming bank and will retain assets of the failed bank with a book value of about \$1.4 million.

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 First Interstate Bank of Golden.

-more-

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.

###