



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-135-85 (9-11-85)

FEDERAL DEPOSIT INSURANCE TERMINATED AT FIRST SECURITY BANK OF DICKSON, DICKSON, TENNESSEE

Federal insurance coverage of deposits in the First Security Bank of Dickson, Dickson, Tennessee, will terminate at midnight today, September 11, 1985. Although the termination of deposit insurance is effective as of midnight, insured deposits in the bank on September 11 continue to be insured for two years.

Under the provisions of Section 8(a) of the Federal Deposit Insurance Act, any deposits made by a depositor after this date, either in the form of new deposits or additions to existing deposits, will not be insured by the Federal Deposit Insurance Corporation.

The bank had been the subject of an FDIC administrative action, initiated on March 26, 1984, to correct poor lending and operating practices and policies. The bank was then and continues to be characterized by massive loan losses, poor earnings, inadequate capital and severe liquidity strains.

On March 12, 1985, the FDIC and the bank agreed to postpone a scheduled hearing on the administrative action, and the bank submitted to the FDIC an undated notice of voluntary termination of its insured status, which could be executed by the FDIC upon the bank's failure to comply with specific corrective measures set forth in the agreement.

The bank failed to comply with the terms of the agreement and the notice of voluntary termination was executed by the FDIC on May 13, 1985, to take effect on August 12, 1985. On August 8, 1985, at the request of the bank, the FDIC Board of Directors granted the bank a 30-day extension of the effective date to September 11, 1985. The extended termination date was reached today without compliance by the bank with the provisions of the agreement, and the insurance termination took effect.