



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF CITY & COUNTY  
BANK OF JEFFERSON COUNTY, WHITE PINE, TENNESSEE

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of City & County Bank of Jefferson County, White Pine, Tennessee, have been assumed by Merchants and Planters Bank of Newport, Newport, Tennessee. The failed bank's two offices will reopen on Monday, January 23, 1984, as branches of Merchants and Planters and its depositors automatically will become depositors of the assuming bank.

City & County Bank of Jefferson County was closed on January 20, 1984, by Tennessee Commissioner of Banking William C. Adams, and the FDIC was named receiver. Mr. Adams attributed the insolvency to heavy loan losses.

The deposit assumption was made possible with assistance from the FDIC and avoids the necessity for a payoff of the 5,600 accounts in the failed bank. It also prevents possible financial loss to the owners of deposits that exceed the statutory insurance limit of \$100,000.

In addition to assuming about \$22 million in deposits and other liabilities, Merchants and Planters has agreed to pay the FDIC a purchase premium of \$345,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$8.2 million to the assuming bank. In addition, the FDIC will retain assets of the failed bank with a book value of approximately \$13 million.

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

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because of the premium paid by Merchants and Planters. 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 the shareholders of the closed bank.

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