



NEWS RELEASE

FOR IMMEDIATE RELEASE

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**FDIC ANNOUNCES DEPOSIT ASSUMPTION OF
GOLDEN SPIKE STATE BANK, TREMONTON, UTAH**

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Golden Spike State Bank, Tremonton, Utah, have been assumed by a newly-chartered state bank that will operate under the same name as the failed bank. The failed bank's sole office will reopen on Thursday, December 6, 1984, at noon, and its depositors automatically will become depositors of the acquiring bank, subject to approval by the appropriate court.

Golden Spike State Bank was closed on December 4, 1984, by Elaine B. Weis, Utah Commissioner of Financial Institutions, and the FDIC was named receiver.

In addition to assuming about \$6.8 million in 3,000 deposit accounts, including \$792,000 in accounts placed by deposit brokers, the acquiring bank has agreed to pay the FDIC a purchase premium of \$126,500. The acquiring bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$4.1 million and will retain assets of the failed bank with a book value of approximately \$4.8 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 because of the premium paid by the acquiring bank.

The FDIC expects to recover a substantial portion of its outlay through the liquidation of assets not transferred to the acquiring bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.