



PRESS RELEASE

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FOR IMMEDIATE RELEASE
October 5, 2010

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FDIC Announces Settlement With Monterey County Bank, Monterey, California, for Deceptive Practices

The Federal Deposit Insurance Corporation (FDIC) announced a settlement with Monterey County Bank, Monterey, California (MCB), for deceptive practices in violation of Section 5 of the Federal Trade Commission Act and Section 807 of the Fair Debt Collection Practices Act in connection with solicitations for its balance transfer credit card program (Balance Transfer Card) and debit card program.

Under the settlement, MCB has agreed to a Consent Order and to pay restitution of approximately \$2 million in the form of credits or cash refunds to approximately 15,500 Balance Transfer Card consumers and approximately \$250,000 of cash restitution in connection with the debit card program. MCB will pay a civil money penalty of \$500,000. MCB will contact those consumers entitled to restitution; affected consumers need not take any action.

MCB is also going to donate \$300,000 toward consumer financial education and counseling.

The Balance Transfer Card was marketed to consumers with charged-off consumer debt as an opportunity to pay down old debts and obtain credit cards. The FDIC determined that the solicitations did not disclose information necessary for consumers to make an informed decision. In addition, MCB failed to adequately disclose all fees and charges assessed in connection with its debit card product, which was marketed by a third party through e-mail solicitations and advertisements on various Web sites. In agreeing to the issuance of the consent order, MCB does not admit or deny any liability.

A copy of the FDIC's Consent Order, Order of Restitution, and Order to Pay issued against MCB is attached.

Attachment:

[Consent Order, Order for Restitution, and Order to Pay Civil Money Penalty - PDF \(PDF Help\)](#)



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-223-2010**