



# PRESS RELEASE

Federal Deposit Insurance Corporation

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Media Contact:  
Andrew Porterfield (714) 442-1131

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## **FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF COMMERCEBANK, NEWPORT BEACH, CALIFORNIA: MONEY-DESK DEPOSITS TO BE PAID OUT**

### FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of insured deposits of CommerceBank, Newport Beach, California, by California State Bank, West Covina, California. CommerceBank, with total assets of \$156.5 million and total deposits of \$140.0 million in about 4,600 accounts as of May 31, was closed today by James E. Gilleran, California Banking Superintendent, and the FDIC was named receiver. The failed bank's money-desk deposits, which totaled \$71 million in 700 accounts, will be paid out up to the \$100,000 federal insurance limit.

Of the failed bank's four offices, only the Newport Beach headquarters on 1201 Dove St. and Orange office on 170 Main St. will reopen as branches of California State Bank. Customers of the remaining two offices will have access to their accounts at the reopened branch in Newport Beach beginning Monday, August 1, 1994, during regular business hours. The failed bank's depositors will automatically become depositors of the assuming bank. Customers of the failed bank's money desk will have their deposits, up to the federal \$100,000 insurance limit, mailed to them beginning Saturday, July 30, 1994.

California State Bank will assume about \$56.2 million in about 3,900 deposit accounts. At the time the bank failed, about \$12.8 million in 176 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by California State Bank.

The FDIC Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 67 percent of uninsured claims. Uninsured depositors can call an FDIC claims agent at (714) 851-9000 beginning Saturday, July 30, 1994, to arrange payment.



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.

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The assuming bank will pay a premium of \$380,000 for the right to receive the failed bank's deposits and will purchase \$82.5 million of the failed bank's assets.

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 FDIC notes that its claim on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.