



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF PIONEER BANK, FULLERTON, 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 Pioneer Bank, Fullerton, California, by Chino Valley Bank, Ontario, California. Pioneer Bank, with total assets of \$136.8 million and total deposits of \$128.5 million in 4,300 accounts (as of March 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 \$37.0 million in 374 accounts, will be paid out up to the \$100,000 federal insurance limit.

Of the failed bank's three offices, only the Fullerton main office will reopen as a branch of Chino Valley Bank. Customers can get access to their accounts at the failed bank's main office in Fullerton beginning Monday, July 11, 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 Monday, July 11, 1994.

Chino Valley Bank will assume about \$78.5 million in about 3,700 deposit accounts. At the time the bank failed, about \$13.0 million in 221 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Chino Valley Bank.

The FDIC Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 50 percent of uninsured claims. Uninsured depositors can call an FDIC claims agent at the failed bank's main office at (714) 773-0600 beginning Saturday, July 9, 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.

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-42-94

The assuming bank will pay a premium of \$1.3 million for the right to receive the failed bank's deposits and will purchase \$33.9 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.