



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF PACIFIC HERITAGE BANK, LOS ANGELES, CALIFORNIA

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Pacific Heritage Bank, Los Angeles, California, by California Federal Bank, FSB, Los Angeles, California. Pacific Heritage Bank, with total assets of \$155.6 million, was closed by Conrad W. Hewitt, California Superintendent of Banks, on Friday, July 28, 1995, and the FDIC was named receiver.

The failed bank's three offices will reopen on Monday, July 31, as offices of California Federal. The failed bank's depositors will automatically become depositors of the assuming bank.

California Federal will assume approximately \$138.4 million in about 10,300 deposit accounts. At the time the bank closed, about 200 accounts totaling \$8.2 million exceeded the federal insurance limit of \$100,000 and will not be assumed by California Federal.

The FDIC Board of Directors also voted to make an advance payment to uninsured depositors equal to 48 percent of uninsured claims. Uninsured depositors can call an FDIC staff member at (213) 770-2462 beginning Monday, July 31, to arrange an appointment.

California Federal will pay a premium of \$752,000 for the right to receive the failed bank's deposits and will purchase \$31.5 million of the failed bank's assets.

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.



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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