



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

Division of Supervision

Special Alert

FIL-131-98

December 4, 1998

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Cancellation of Check Form Instruments by Banca Populara Ardealul, Bistrita, Romania*

In FIL-49-98: Financial Institution Letters: dated May 11, 1998, the Federal Deposit Insurance Corporation (FDIC) provided information from the Office of the Comptroller of the Currency about the issuance of \$650 million (U.S.) face value check form instruments by Banca Populara Ardealul, Bistrita, Romania, which was not authorized by the government of Romania to conduct a banking business. Information recently received indicates that Banca Populara Ardealul, while not licensed by the National Bank of Romania (Central Bank), is entered on the Register of Commerce as a "credit-cooperative-popular bank" (Law No. 109/1996).

Banca Populara Ardealul reportedly issued \$650 million (U.S.) face value debt obligations, and the obligations were not funded as agreed. The instruments have subsequently, in effect, been cancelled. However, it has been reported that some of the instruments denominated at \$25 million each remain in circulation. Banca Populara Ardealul states that any such instruments are to be considered "fake and false."

Any information you have about this matter should be reported to:

Banca Populara Ardealul
Piata Petru Rares nr.
7A, Bistrita BN, Romania
Telephone/Fax 4063 323 135

Information may also be forwarded to the FDIC's Special Activities Section, 550 17th Street, NW, Room F-6012, Washington, DC 20429.

Nicholas J. Ketcha Jr.
Director

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).