



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

Division of Supervision

SPECIAL ALERT

FIL-46-2000
July 12, 2000

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Safekeeping Receipts*

The First-Citizens Bank & Trust Company, Raleigh, North Carolina, has advised that the bank recently issued multiple safekeeping receipts in connection with an escrow agreement between the bank and Joshua Sports, Inc. Some of the receipts purport to be "fully negotiable, assignable, and transferable." Others could be construed as a guarantee of the stated value and legal validity of escrowed materials. The instruments have been repudiated and withdrawn by First-Citizens Bank & Trust Company and should not be relied upon by financial institutions in extending credit, evaluating any securities offering or for any other purpose. Copies of the various instruments are attached for your information.

If you have any information concerning these documents, please contact:

James E. Creekman or Kathy A. Klotzberger
Legal Services Department
First-Citizens Bank & Trust Company
P. O. Box 27131
Raleigh, NC 27611
Telephone: 919-716-4477
Fax: 919-716-7518

Information also may be forwarded to FDIC's Special Activities Section, 550 17th Street, NW, Room F-6012, Washington, DC 20429. For your reference, all FDIC Financial Institution Letters published since January of 1995 may be found on the FDIC's Web site at www.fdic.gov under "News, Events & FOIA."

James L. Sexton
Director

Attachments: (not available electronically)

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).