



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF FIRST CALIFORNIA BANK, LA MESA, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of First California Bank, La Mesa, California, by Valle De Oro Bank, N.A., Spring Valley, California, and Scripps Bank, San Diego, California.

First California Bank, with total assets of \$79.0 million, was closed on Friday, July 9, 1993, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver. At the time of the closing, the FDIC announced that efforts were under way to find one or more healthy institutions to assume the operations of First California Bank. Those efforts were successful when an agreement with Valle De Oro Bank, N. A., and Scripps Bank was reached late yesterday.

The failed bank, with a main office in La Mesa and a branch in San Diego, had total deposits of about \$75.5 million in about 4,400 accounts, including about \$2.5 million in about 170 accounts that exceeded the federal deposit insurance limit of \$100,000.

Valle De Oro Bank, N. A., Spring Valley, will assume about \$51.8 million of the failed bank's insured deposits from its main office in La Mesa, which will remain open until further notification by that acquirer. Scripps Bank, San Diego, will assume about \$21.2 million of insured deposits at the failed bank's San Diego location and will operate that office as a branch.

Depositors of the failed bank's main office in La Mesa will automatically become depositors of Valle De Oro Bank, N. A., and depositors of the branch

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office in San Diego will automatically become depositors of Scripps Bank. Both offices will open Monday, July 12, 1993, at regular business hours.

The FDIC Board of Directors also voted to make a prompt advance payment to uninsured depositors which will equal 70 percent of the uninsured claims. Uninsured depositors can submit their claims for advance payment at their respective locations, where FDIC claims agents will be available to assist them, also beginning Monday, July 12, 1993, at regular business hours. If actual collections on the failed bank's assets exceed this initial payment, uninsured depositors ultimately will receive additional payments on their claims.

Each acquiring institution will pay a premium of \$50,000 for the right to receive its portion of the failed bank's insured deposits. Valle De Oro Bank, N. A., will purchase about \$32.5 million of the failed bank's assets, and Scripps Bank will purchase about \$19.2 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$19.2 million to Valle De Oro Bank, N. A., and about \$2.0 million to Scripps Bank.

The FDIC 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.

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