



# NEWS RELEASE

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PR-16-92 (1-31-92)

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF FOUNTAIN BANK, SCOTTSDALE, ARIZONA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Fountain Bank, Scottsdale, Arizona, by Bank of Arizona, Scottsdale, a newly chartered bank subsidiary of Pacific Southwest Bank, a Scottsdale, Arizona holding company. Pacific Southwest Bank is a new subsidiary of First Buffalo Holding Company, Buffalo, North Dakota.

Fountain Bank, with total assets of \$15.2 million, was closed on Friday, January 31, 1992, by the Arizona Superintendent of Banks and the FDIC was named receiver.

The failed bank's two offices will reopen on Saturday, February 1, 1992, as Bank of Arizona, and its depositors automatically will become depositors of the assuming bank.

Bank of Arizona will assume about \$13.8 million in 2,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$105,280. It also will purchase \$3.3 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$10.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$11.9 million.

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 will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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