



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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**FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
THE MERCHANT BANK OF CALIFORNIA, BEVERLY HILLS, CALIFORNIA**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The Merchant Bank of California, Beverly Hills, California, by Western Bank, Los Angeles, California.

The failed bank's sole office will reopen on Monday, June 11, 1990, as a branch of Western Bank, and its depositors automatically will become depositors of the assuming bank.

The Merchant Bank of California, with total assets of \$51.3 million, was closed on Friday, June 8, 1990, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Western Bank will assume about \$49.7 million in about 1,000 deposit accounts. It also will purchase certain of the failed bank's assets for \$12.2 million and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$37.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$39.0 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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