

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Department Announces Future Auctions for Preferred Stock and Subordinated Debt Positions

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**WASHINGTON** – Today, the U.S. Department of the Treasury is making an early announcement that it will continue to conduct periodic, individual auctions of its Capital Purchase Program preferred stock and subordinated debt positions (the “CPP Securities”) including for another 53 of the 218 remaining institutions in this program beginning as early as late January. Those institutions are listed at the end of this announcement. The specific details of the scheduling of the first of these auctions will be announced in January. Additional individual auctions of CPP institutions beyond those listed in this announcement are also expected to occur throughout 2013.

Treasury is making this early announcement of its intention to conduct periodic, individual auctions of these institutions’ CPP Securities because these CPP Securities may represent a large portion of the equity capital of the financial institution, or the CPP Securities may be in arrears on dividend payments such that they would generally be considered voting securities under banking laws or regulations. As a result, purchases of the CPP Securities issued by these specific institutions may require the prior approval of and/or prior nonobjection by the Federal Reserve Board (“FRB”) or the Office of the Comptroller of the Currency (the “OCC”) under the Change in Bank Control Act (“CBCA”), the Bank Holding Company Act (“BHCA”), or the Home Owners’ Loan Act (“HOLA”), and the prior approval of and/or prior notice to applicable state regulatory agencies. Any purchases of these securities may also be subject to various agency policies and regulations that limit the voting and non-voting equity ownership, director representation rights, as well as business and other relationships that an investor may have in a financial institution or its parent holding company without the prior approval of the FRB or the OCC under the BHCA, HOLA, or CBCA.

The auction procedures for these CPP Securities will be modified from prior auctions and will include the following requirements:

- Prior to placing bids, all potential investors contemplating bidding on these CPP Securities, regardless of the size of their contemplated investment, should consult with their own legal advisors and must, in each case, consult with the staff of the FRB and/or the OCC, or any applicable state regulator regarding the filings, notices or other actions necessary (including, among other things, establishing that the investment would not be deemed controlling under relevant banking laws and regulations and that the investment is legally permissible) to comply with applicable requirements.
- The amount of CPP Securities for which a bidder may bid may be limited under banking laws and regulations and depending on whether the bidder has received prior approval from and/or provided prior notice to the FRB and/or the OCC under the BHCA, HOLA or the CBCA. Any bidders seeking to bid on an amount of CPP Securities that requires the prior approval of or prior nonobjection by the FRB or the OCC must obtain such approval or nonobjection in accordance with the applicable banking laws and regulations prior to bidding.
- Bidders with the prior approval of the FRB or the OCC to purchase all of the securities of any series may also submit all-or-none bids, i.e. stipulating that a bid is valid only for all of a particular series of these CPP Securities.

Investors with questions regarding the foregoing should contact:

FRB: Michael Waldron, Special Counsel, (202) 452-2798 (Michael.W.Waldron@frb.gov); Brian Knestout, Counsel, (202) 452-2249 (Brian.P.Knestout@frb.gov).

OCC: Securities & Corporate Practices: Suzette Greco (suzette.greco@occ.treas.gov)/Martin Chavez (martin.chavez@occ.treas.gov) for investment authority matters; Licensing Activities: Robert Fernandez (Robert.fernandez@occ.treas.gov)/Patricia Roberts (Patricia.Roberts@occ.treas.gov) for CBCA and any other licensing requirements; and Bank Activities & Structure: John Soboeiro (john.soboeiro@occ.treas.gov)/Frances C. Augello (frances.augello@occ.treas.gov) for CBCA and any other matters not described above.

The CPP Securities that will be sold in the auction have not been and will not be registered under the Securities Act of 1933, as amended (the “Act”), and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons absent registration under, or an applicable exemption from, the registration requirements of the Act and applicable state securities law. The CPP Securities will be offered only to (1) domestic “qualified institutional buyers” as defined in Rule 144A under the Act, (2) certain domestic institutional “accredited investors” as defined in Rule 501(a) under the Act that have total assets of not less than \$25,000,000 and (3) in certain cases, certain directors and executive officers of the issuers of the CPP Securities. The auction procedures will be described in full in the applicable bidder letter agreement for the specific auction.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the CPP Securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful. Treasury expects to conduct the auctions beginning as soon as late January of 2013.

The sale of these securities is one part of Treasury's broader efforts to wind down the Troubled Asset Relief Program's (TARP) Capital Purchase Program. Treasury will continue to wind-down the Capital Purchase Program through a combination of redemptions, restructurings, and sales. Sales are expected to take place through both individual and pooled auctions, with such auction procedures as may be applicable given the circumstances and the CPP securities being auctioned.

Below are the institutions whose CPP Securities Treasury intends to sell in accordance with the procedures described above:

AB&T Financial Corporation/Alliance Bank & Trust Company (Gastonia, NC)  
Alliance Financial Services, Inc. (Saint Paul, MN)  
Allied First Bancorp, Inc. (Oswego, IL)  
AmFirst Financial Services, Inc. (McCook, NE)  
BancStar, Inc. (Festus, MO)  
Biscayne Bancshares, Inc. (Coconut Grove, FL)  
Blue Valley Ban Corp (Overland Park, KS)  
Boscobel Bancorp, Inc. (Boscobel, WI)  
Bridgeview Bancorp, Inc./ Bridgeview Bank Group (Bridgeview, IL)  
Brogan Bankshares, Inc./The Bank of Kaukauna (Kaukauna, WI)  
Carolina Bank Holdings, Inc. (Greensboro, NC)  
Citizens Bancshares Co. (Chillicothe, MO)  
Coastal Banking Company, Inc. (Fernandina Beach, FL)  
CoastalSouth Bancshares, Inc. (Hilton Head Island, SC)  
Colony Bankcorp, Inc./Colony Bank (Fitzgerald, GA)  
Community Bancshares, Inc. (Kingman, AZ)  
Community Pride Bank Corporation (Isanti, MN)  
Delmar Bancorp (Salisbury, MD)  
Dickinson Financial Corporation II (Kansas City, MO)  
Eastern Virginia Bankshares, Inc. (Tappahannock, VA)  
F & M Bancshares, Inc. (Trezevant, TN)  
FC Holdings, Inc. (New York, NY)  
Fidelity Federal Bancorp (Evansville, IN)  
First Financial Service Corporation (Elizabethtown, KY)  
First Reliance Bancshares, Inc. (Florence, SC)  
First Southwest Bancorporation, Inc. (Alamosa, CO)  
First Trust Corporation (New Orleans, LA)  
First United Corporation (Oakland, MD)  
Flagstar Bancorp, Inc. (Troy, MI)  
Grand Financial Corporation (Hattiesburg, MS)  
Great River Holding Company (Baxter, MN)  
HMN Financial, Inc. (Rochester, MN)  
Intervest Bancshares Corporation (New York, NY)  
Madison Financial Corporation (Richmond, KY)  
National Bancshares, Inc. (Bettendorf, IA)  
Northwest Bancorporation, Inc. / Inland Northwest Bank (Spokane, WA)  
Old Second Bancorp, Inc. (Aurora, IL)  
Pathway Bancorp (Cairo, NE)  
Patriot Bancshares, Inc./ Patriot Bank (Houston, TX)  
Plato Holdings Inc. (Drake Bank) (Saint Paul, MN)  
Plumas Bancorp (Quincy, CA)  
Porter Bancorp, Inc. (Louisville, KY)  
Premier Financial Corp. (Dubuque, IA)  
Private Bancorporation, Inc. / Private Bank Minnesota (Minneapolis, MN)  
The Queensborough Company (Louisville, GA)  
Ridgestone Financial Services, Inc. / Ridgestone Bank (Brookfield, WI)  
Santa Clara Valley Bank (Santa Paula, CA)  
Security State Bank Holding-Company (Bank Forward) (Hannaford, ND)  
SouthCrest Financial Group, Inc. (Bank of Upson) (Peachtree City, GA)  
Spirit Bank /Spirit Bank Corp. Inc. (Bristow, OK)  
Stonebridge Financial Corp. (West Chester, PA)  
Tennessee Valley Financial Holdings, Inc. (Oak Ridge, TN)  
Waukesha Bankshares, Inc. (Sunset Bank & Savings) (Waukesha, WI)

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