

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Department Announces \$35.6 Million In Proceeds From Auctions Of Preferred Stock Of Three Financial Institutions

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Auctions Part of Treasury's Continued Efforts to Wind Down TARP's Bank Programs, Proceeds Deliver Additional Profit for Taxpayers on TARP's Bank Programs

WASHINGTON – As part of the strategy it outlined for winding down its remaining Troubled Asset Relief Program (TARP) bank investments, the U.S. Department of the Treasury announced that it priced auctions of preferred stock (the "CPP Securities") in the following three institutions at the following prices:

Issuer and Security	Price per share	Number of shares	Aggregate Gross Proceeds
First United Corporation, Oakland, MD			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	\$1,002.01	30,000	\$30,060,300.00
Lone Star Bank, Houston, TX			
Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A	\$621.25	3,072	\$1,908,480.00
Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series B	\$600.01	154	\$92,401.54
			\$2,000,881.54
Porter Bancorp, Inc., Louisville, KY			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	\$100.00	35,000	\$3,500,000.00

Treasury did not sell any of its shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A and B, of Liberty Shares, Inc. due to the fact that Treasury did not receive sufficient bids above the minimum price for the securities in accordance with the auction procedures. Treasury set a minimum price for each of the securities as part of the auctions in order to protect taxpayer interests.

The aggregate gross proceeds to Treasury from the auctions are expected to be approximately \$35.6 million.

TARP's bank programs have already earned a significant profit for taxpayers. Including the expected proceeds from the transactions announced today, Treasury has now recovered almost \$275 billion from TARP's bank programs through repayments, dividends, interest, and other income – compared to the \$245 billion initially invested. Approximately \$2.2 billion of the repayments were refinanced under the Small Business Lending Fund (SBLF). Congress created the SBLF outside of TARP and required Treasury to let CPP institutions repay

TARP funds by borrowing under that program. Each additional dollar recovered from TARP's bank programs is an additional dollar of profit for taxpayers.

The vast majority of the almost \$275 billion in funds recovered to date are from repayments at par, as well as dividends, interest, and sales of warrants. Proceeds from CPP preferred stock and subordinated debt auctions comprise less than one percent (approximately \$3 billion) of that overall total (almost \$275 billion).

These auctions are part of the strategy that Treasury outlined in May 2012 for winding down its remaining TARP bank investments in a way that protects taxpayer interests and preserves the strength of our nation's community banks. Treasury indicated that it intends to use a combination of repayments, restructurings, and sales to manage and recover those remaining investments. The closings for the auctions are expected to occur on or about December 4, 2014, subject to customary closing conditions. The offerings were priced through modified Dutch auctions.

The CPP Securities 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 were 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 respective issuers of the CPP Securities. 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.

For more details on Treasury's lifetime cost estimates for TARP programs, please visit Treasury's Monthly 105(a) Report to Congress on TARP at this [link](#). To see how Treasury has invested and recovered TARP funds, please see the interactive TARP Tracker [here](#).

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