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Manhattan Beach bank reopening as Calif. Bank & Trust

From wire service reports

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Vineyard Bank's seven branches in Los Angeles County and one in Irvine will reopen today as branches of California Bank & Trust.

The Corona-based bank, which has a branch in Manhattan Beach, was closed by government regulators Friday.

Depositors have automatically become depositors of California Bank & Trust and continue to be insured by the Federal Deposit Insurance Corp., according to David Barr of the FDIC.

California Bank & Trust agreed to purchase approximately \$1.8 billion of Vineyard Bank's assets and nearly all of its approximately \$1.6 billion of deposits, except for about \$134 million in brokered deposits.

The FDIC will pay the brokers directly for the amount of their funds. Customers who placed money with brokers should contact them directly for more information about the status of their deposits, Barr said.

Vineyard Bank had total assets of \$1.9 billion as of March 31, Barr said.

California Bank & Trust and FDIC entered into loss-share transactions on approximately \$1.5 billion of Vineyard Bank's assets, with the new owner sharing in the losses on the asset pools, Barr said.

The loss-sharing agreement is projected to maximize returns on the assets covered by keeping them in the private sector and expected to minimize disruptions to loan customers, Barr said.

Barr estimated that the Vineyard Bank's failure will cost the FDIC's Deposit Insurance Fund \$579 million, Barr said.

The acquisition of the bank's deposits by California Bank & Trust was the "least costly" resolution for the fund compared to the alternatives, Barr said.

Vineyard Bank was the 57th FDIC-insured institution to fail in the nation this year, and the eighth in California.

Vineyard Bank's Los Angeles County branches were in Covina, Diamond Bar, Irwindale, La Verne, Manhattan Beach, San Dimas and Walnut.

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