



ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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Arizona Department of Financial Institutions Announces Receivership and Sale of Central Arizona Bank

PHOENIX – Lauren W. Kingry, Superintendent of the Arizona Department of Financial Institutions (“DFI”), today announced that the Federal Deposit Insurance Corporation (“FDIC”) has been appointed receiver of Central Arizona Bank (“CAB”). CAB was a \$31-million bank, originally chartered in Arizona on June 30, 1997.

Western State Bank of Devils Lake, North Dakota, has agreed to buy CAB and all its deposits. Western State Bank was chartered in North Dakota October 19, 1902 and reported total assets of \$584 million as of March 31, 2013. Western State bank currently has four branches in North Dakota and two branches in Arizona. The Scottsdale location will be the third Western State Bank branch in Arizona.

The branches of CAB will reopen on Wednesday, May 15, 2013 as offices of Western State Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship. Customers of CAB should continue to use their existing branch until they receive notice from Western State Bank that it has completed system changes to process their accounts. CAB’s customers can continue to write checks and use their debit cards and ATMs. Loan customers should continue to make their payments as usual.

Superintendent Kingry said, “Western State Bank’s willingness to further invest in Arizona shows that bank investment and ownership is still viable business opportunity and that our State is recovering and has promise for future business. It also means that Central Arizona Bank’s depositors have been protected by the regulatory process.”

DFI and the FDIC have been coordinating the examination and supervision of this bank for months. The cooperative efforts have culminated in this receivership action. DFI sought the receivership because the bank’s financial condition was unsafe and unsound. Details of CAB’s situation can be found on the FDIC website at www.fdic.gov. The Order appointing the Receiver is posted on the Department’s website at www.azdfi.gov.

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