

Texas Department of Banking

Press Release

The Pecos County State Bank Acquires All Deposits of Sanderson State Bank, Sanderson, Texas

Date: December 12, 2008

Texas Banking Commissioner, Charles G. Cooper, announced today that The Pecos County State Bank, Fort Stockton, Texas, acquired all deposits of Sanderson State Bank, Sanderson, Texas, in a transaction facilitated by the Federal Deposit Insurance Corporation. The bank will reopen Monday morning as a branch of The Pecos County State Bank and customers should have uninterrupted access to their funds. Additional information can be found on the [FDIC's website](#).

Sanderson State Bank had deposits totaling approximately \$27 million, including \$16 million in brokered deposits as of December 12, 2008. Commissioner Cooper stated that the bank was experiencing significant liquidity problems caused by an over-reliance on brokered deposits and inability to meet these liability obligations. The institution also encountered severe asset quality problems and recorded losses in 2007 and year-to-date 2008. The Board of Directors was unsuccessful in resolving these significant problems, resulting in the bank's closure. Also closed was the bank's loan production office in Houston and loan servicing office in Dallas.

Sanderson, a small community in West Texas, has a population of approximately 800 and is located 274 miles west of San Antonio. Commissioner Cooper stated that it is important that another local institution, The Pecos County State Bank, was able to acquire the failed institution and continue to provide quality financial services to citizens in the Sanderson area.

The [Texas Department of Banking](#) supervises 328 state-chartered financial institutions with total assets exceeding \$156 billion.