State regulators close Metairie bank

By KATHERYN FLOURNOY
Advocate business writer

Louisiana's eighth bank failure of the year occurred Thursday when state regulators closed Commercial Bank and Trust Co. in Metairie because of insolvency brought on by bad real estate loans.

The accounts of the bank were insured up to $100,000 by the Federal Deposit Insurance Corp., which was appointed receiver.

Commercial Bank and Trust and its one branch office will open Friday as a branch of Pontchartrain State Bank of Metairie. Pontchartrain bought all of the bank's $55.9 million in loans and other assets at a discount of $7.77 million, and will assume $54.2 million in 11,000 deposit accounts, according to Carole Austrian, FDIC spokeswoman.

Commercial Bank and Trust had reported a first-quarter loss of $988,000 and reported that non-performing loans were 20.29 percent of total assets, according to the most recent figures available from Sheshunoff Information Services Inc., an Austin, Texas, firm that tracks bank performance. Non-performing loans are loans that are no longer paying according to their original terms and includes foreclosed real estate.

Thursday's acquisition brings Pontchartrain's assets to $177.2 million, according to Mary Amedee, spokeswoman for Fred Dent, Commissioner of State Financial Institutions.

Commercial Bank and Trust is the third failed bank that Pontchartrain has bought this year. In mid-January, when Colonial Bank of New Orleans failed, also because of soured real estate loans, Pontchartrain assumed $47.4 million in deposits and bought $43.6 million of Colonial's assets.

Later in January, Pontchartrain assumed $28.7 million in deposits and bought $31.1 million in assets for a $6.88 million discount, following the collapse of Louisiana Commercial Bank in Madisonville because of bad real estate loans.

Pontchartrain is owned by Tom Benson, who also owns the New Orleans Saints football team.

Pontchartrain previously had been owned by AMI Inc. in Shreveport, which once operated banks, hotels and other businesses in 10 states. AMI was owned by Herman K. Beebe, who pleaded guilty in April to two counts of defrauding banks in Louisiana and Texas. Under Beebe's plea bargain, he agreed to cooperate in other federal investigations in Texas and Louisiana.

Beebe and three business associates were accused of conspiring to secure loans in February 1984 from Pontchartrain; City Savings Bank and Trust in DeRidder; Bank of Southwest Louisiana in Oakdale; and First National Bank in Ruston, which failed in April 1986.