

During time of national banking crisis:

## Officers say: Local institutions strong

By Sandy Gilhe  
The Carlisle Mercury Staff

**CARLISLE** - On November 8, 1990 Joseph Mellone, president of Rhode Island's Heritage Loan and Investment Co. disappeared, along with \$13 million in depositor money.

This set a chain of events in motion which have brought the Rhode Island banking system to its knees.

Tuesday, January 2, Rhode Island Governor Bruce O. Sundius closed 46 banks across that state.

"Could this happen here in Carlisle?"

According to Lanny Hutchison, president of the First National Bank of Carlisle, Nicholas County's finances are in no danger.

"We are FDIC insured where the Rhode Island banks are insured by RISDIC, a state level insurance agency. I understand that RISDIC is having financial problems but congress is just not going to allow that to happen to FDIC. Congress cannot allow FDIC to become insolvent. The public has to have confidence in the banking system."

Greg Wilts, executive vice president of the Deposit Bank, agrees with Hutchison.

"We don't have to worry about that happening here. The FDIC is sound. This year they increased the premiums from 12 cents for every \$100 deposit to 19 cents. That's going to bring in five billion more dollars this year. William Seidman (director of FDIC) has proposed an additional, one time, 1 percent assessment which would cost this bank alone \$250,000."

Although FDIC coverage insures depositors up to \$100,000, Carlisle banks show every sign of being healthy enough to never need the federal money.

Bauer Financial Reports, a prestigious national firm, gives both Nicholas County banks a five star rating, the highest awarded.

"The key," says Hutchison,

is to make sound loans and serve the community."

Rhode Island is not the first state to suffer an internal banking crisis.

In March 1985 the collapse of Cincinnati's Home State Savings Bank caused a crisis.

Carlisle First National Bank's Hutchison explains why the failure of one bank can affect so many others.

"When banks have excess capital we sell it to other institutions. We have to check out those institutions very thoroughly. But if a large national bank becomes un sound there is a domino effect."

Bob Hutchison and Wilts are optimistic about Carlisle's banking future.

"It says in our charter that we're here to serve the community and that's what we do. We don't give the money away but we do strive to serve the community," Hutchison said.

Wilts cites the Deposit Bank's long history and combined years of banking experience.

"We have a board of directors that has over 130 years combined experience."

"They're here on a day to day basis overseeing the operation of this bank. We've been here since 1866 and we plan to stay a lot longer."

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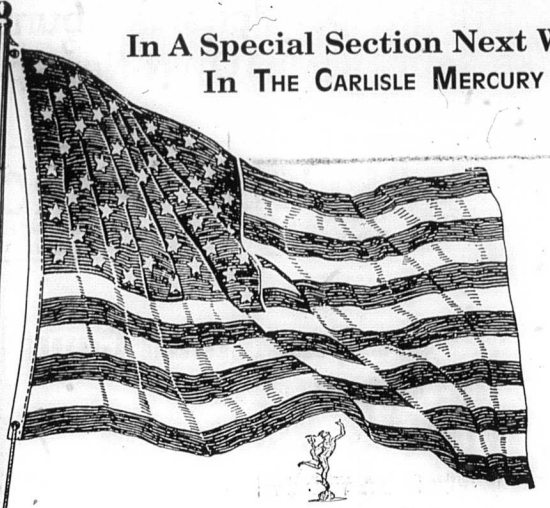
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**CLINIC DATES:**  
Jan. 10, Feb. 1 & 22  
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May 3 & 24, June 7 & 21

Dr. Bryan N. Prater has been in private practice since 1977. He is a Diplomate of the American Board of Ophthalmology and a Fellow of the American Academy of Ophthalmology, President of the Kentucky Academy of Eye Physicians and Surgeons in 1989 and 1987, and a member of the American Medical Association and the Kentucky Medical Association. Dr. Prater's practice philosophy and premises are to provide prompt and excellent medical eye care and prompt, used attention. We always find time to answer your questions.

## Send Your Words of Encouragement To Our Members of the US Military

In A Special Section Next Week  
In THE CARLISLE MERCURY



In The January 24, 1991 edition of The Carlisle Mercury we will be producing a special section of letters to our servicemen serving America.

A copy of this special section will be sent to all service addresses so these individuals with Nicholas County ties will be able to read your words of encouragement. For your letter to appear in this section it will need to be delivered to The Mercury office by 12 noon, Monday, January 21.

We will reproduce these letters and other messages in the special section to be included in The Mercury and forward them and... and too, allow our readers to enjoy the words of encouragement.

Mail your letters to:  
The Carlisle Mercury, Box 272, Carlisle, KY 40311  
or drop them by the office at 234 N. Locust Street.  
**WE THANK YOU FOR YOUR PARTICIPATION**  
**AND LOOK FORWARD TO PUBLISHING THE LETTERS.**