

Merger to create 'Alliance'

Alaska Mutual Bancorporation and United Bancorporation Alaska Inc. announced last week that they are distributing a joint proxy statement to their shareholders to solicit shareholder approval of a joint plan of financial restructuring.

Alaska Mutual and UBA will hold separate special meetings of their shareholders Nov. 5 to consider the joint plan.

The previously announced plan, which has been unanimously approved by the boards of directors, calls for the merger of the two Alaska-based bank holding companies and their subsidiary banks, a cash contribution of \$295 million in open bank assistance by the Federal Deposit Insurance Corp. and a common stock rights offering to the shareholders of the surviving bank holding company with a commitment from The Hallwood Group Inc. to ensure receipt of not less than \$65 million.

The surviving bank holding company will be renamed Alliance Bancorporation, and the surviving bank will be renamed Alliance Bank.