

THE DEPARTMENT OF BANKING NEWS RELEASE

STATE OF CONNECTICUT

DEPARTMENT OF BANKING

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**CONNECTICUT SUPERIOR COURT PLACES CIRCLE TRUST
COMPANY INTO REGULATORY RECEIVERSHIP
State Banking Commissioner John P. Burke Named Receiver**

State Banking Commissioner John P. Burke today declared that the financial condition of Circle Trust Company (“CTC”), headquartered in Darien, Connecticut was such that it would be unsafe and unsound for it to continue operations. A petition was filed at the Superior Court for the Judicial District of Hartford County to name Commissioner Burke as Receiver of the Circle Trust Company as outlined under Chapter 664c of the Connecticut General Statutes.

The company will continue normal business operations once it enters into regulatory receivership. The Banking Commissioner, in his capacity as the receiver of CTC, has maintained a sufficient operating staff at CTC and customers may call CTC directly to inquire about their accounts.

Commissioner Burke stated the action taken today was necessary due to the fact that Circle Trust’s capital had fallen below the minimum threshold as required by the Connecticut law. The minimum amount to operate a trust bank is \$2,000,000.

According to Commissioner Burke, the trust bank had been under increased regulatory scrutiny since 2003, and despite great efforts to recapitalize, its financial condition has continued to erode. This is the first bank failure in Connecticut since 2002.

Circle Trust Company is the former Columbus Circle Trust Company, founded in 1995, based in Stamford, Connecticut. It began use of the Circle Trust Company name in 1999 and relocated its office to Darien in 2005. CTC also has an office located in Rutland, Vermont. CTC is not a deposit bank but a trust company providing trust and custodial services to banks and third party administrators, not-for-profits and high net worth individuals.

For additional information, please review the attached question and answer sheet.

CIRCLE TRUST COMPANY **ADDITIONAL RECEIVERSHIP INFORMATION**

- Where is the information related to the Circle Trust Company on the Banking Department's Web site?

The press release is posted to the Web site at <http://www.ct.gov/dob/>. Additional information on limited purpose trust companies (trust banks) activities within Connecticut is also posted at this site.

- Where is the Circle Trust Company ("CTC") based?

CTC is headquartered in Darien, CT at One Thorndal Circle, Darien, CT and maintains a branch in Rutland, VT.

- What operations are conducted at these sites?

Darien, Connecticut is the company's main office of operations. The Vermont office is primarily for trust processing services for other bank clients.

- What services are offered by CTC?

Private trust services, retirement services (third party administration), stable value fund and bank trust services.

- What does the closing of CTC mean for a customer's account?

It is expected that the company's operations will continue through the receivership period. It is anticipated that accounts will transition smoothly and as soon as possible to a selected party or parties upon the sale of the company.

- How were the issues/problems at Circle Trust Company brought to the Banking Department's attention?

Circle Trust Company, as a state chartered trust bank, was subject to regulatory oversight by the Connecticut Banking Department. The Banking Department has been closely monitoring the company and its attempts to find a new owner and inject needed capital.

- Why was CTC closed?

The Banking Commissioner determined that CTC did not satisfy the statutory capital requirements under Connecticut Banking Law and the Banking Commissioner sought a court supervised receivership.

- What is the next step?

The Banking Commissioner is appointed by the Connecticut Superior Court as receiver of Circle Trust Company. The Banking Commissioner has engaged Howard Siegel of Brown Rudnick as counsel and advisor for the receivership. It is expected the company's operations will continue through the receivership process. The Banking Commissioner in his capacity as the court appointed receiver is charged with marshalling the assets and has engaged a selling agent for the assets of the institution.

- When will a new owner of CTC be announced?

As soon as possible. The Banking Commissioner as Receiver has engaged a selling agent and the sale process has already begun. A new owner will be announced once a buyer has been identified.