

WESTERN EMPIRE SAVINGS AND LOAN AGREES TO BE ACQUIRED

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Body

IRVINE, Cal., Nov. 7 /PRN/ -- **Western Empire** Savings and Loan Association announced today it had agreed to be acquired by WESL Merger Corp., a company newly formed by John K. Castle and Leonard M. Harlan, the principals of Castle Harlan Inc., a private merchant bank in New York City.

Details of the financing were not disclosed, but Castle and Harlan said they would recapitalize the institution with up to \$23 million.

In a joint statement, Castle and Harlan said: "**Western Empire** is a highly respected organization that has served its customers well for many years. We at Castle Harlan see a unique opportunity to increase the importance of the association's role in the Orange County market and at the same time to bring about a significant expansion of **Western Empire**'s service to its community.

"We believe that **Western Empire** has great growth potential for providing savings accounts and residential mortgages in Orange County and Southern California."

Under the agreement, **Western Empire** will merge into WESL but will continue to do business as **Western Empire** Savings and Loan. WESL was formed solely to do the transaction.

Robert Margolis, chief executive officer of **Western Empire**, will continue in that position.

He hailed the merger agreement and said the recapitalization would inject new vigor into **Western Empire** and greatly enhance its ability to serve its customers.

Castle is a former chief executive officer of Donaldson Lufkin & Jenrette, the securities brokerage firm, and Harlan is the major stockholder of the Harlan Company, a real estate investment and advisory company. They formed Castle Harlan Inc. last year.

Their agreement to acquire **Western Empire** is subject to the approval of

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the Federal Home Loan Bank Board and the California Savings and Loan Commissioner. It also must be approved by shareholders and is subject to final financing commitments.

The terms of the agreement provide that **Western Empire**'s 378 shareholders will receive 21 cents per share for their holdings.

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