

ACCOUNTING in the headlines

How much does Seacoast Banking Corporation of Florida pay to redeem one share of its preferred stock?

The following is from a press release from Seacoast Banking Corporation of Florida, the holding company for Seacoast National Bank, dated November 29, 2013:

“...Seacoast National Bank...announced it has issued a notice to redeem, subject to regulatory approval, all of its 2,000 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A... for an aggregate price of \$50,000,000, the face liquidation amount of the shares, plus approximately \$386,000 of accrued but unpaid dividends. The shares will be redeemed from current holders through The Depository Trust Company as securities depository for the Series A Preferred Stock. The redemption date is expected to be December 31, 2013, subject to regulatory approval.”

Questions

- 1) Is Seacoast National Bank required to pay the accrued dividends? How do you know?
- 2) How much is the accrued dividend on each preferred share?
- 3) What does “face liquidation value” mean? What is the face liquidation value of each share of preferred stock?
- 4) How much in total will each preferred share be redeemed for?