

READ AND TOSS

March 10, 1988

TO: Senator DeConcini  
 FROM: Maynes/Sedlmayr  
 RE: Lincoln Savings and Loan

.....  
 A. Following are the facts that demonstrate the size and economic importance of Lincoln's presence in Arizona:

1. Lincoln currently employs 1,300 people in Arizona.
2. Lincoln's Arizona payroll expense for 1987 was approximately \$49,000,000.
3. Lincoln's direct investment in Arizona land, hotels and commercial properties was approximately \$763,000,000 at 12-31-87.
4. Lincoln's indirect costs of doing business in Arizona in 1987 were about \$100,000,000.
5. At 12-31-87 Lincoln had loans outstanding to Arizona companies or companies doing business in Arizona in the amount of \$605,000,000.

B. Keating first contacted us on Grey in June 1984. The FHLBB examination of Lincoln began approximately March 1986. A final report has not yet been issued. Field examination occurred from March through May 1986 and again from August to October 1986. In a letter to you in March 1987, Arthur Young International stated:

Examinations generally are conducted over a period of two to three months by field examiners, and final reports are usually issued within six months from the start of the examination. Hence, the duration of this examination appears to be clearly outside normal standards."

C. You and or staff contacted FHLBB on behalf of the following institutions. It would be unfair to these institutions to mention their names. Mentioning names would undoubtedly result in additional questions as to what specifically we did for these institutions and those are questions that we don't want to get into. I believe we can simply state that we helped other savings and financial institutions on these dates on problems with FHLBB, and for business reasons for these institutions it would not be fair to mention names.

1. Bowery Savings and Loan, NY, 8-82
2. Capital Savings and Loan, Phx, 8-84
3. 1st American Savings, Tucson, 8-84
4. Tamco Finance Corp., 9-84
5. Union Savings and Loan, Phx, 12-84
6. 1st Commercial Savings, Phx, 1-85

D 000675

- DDC -- Exhibit 6