

Exhibit B

ATTORNEYS AT LAW
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 A PROFESSIONAL CORPORATION
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 404 577-1900
 June 20, 1984

Mr. Daniel P. Doherty
 Chief Legislative Assistant
 Office of Senator John Glenn
 Hart Senate Office Building
 Washington, D.C. 20510

Re: FHLB Resolution No. 84-227

Dear Dan:

Thank you very much for taking the time to meet with Jim Grogan and me on June 19 with reference to the Federal Home Loan Bank Board's recently proposed regulations which would severely restrict the permissible investments of state chartered savings and loan institutions. As we discussed, Jim is Vice-President and General Counsel of Lincoln American Savings & Loan, a California savings and loan, which in turn is a wholly-owned subsidiary of American Continental Corporation of Phoenix, Arizona.

California and Arizona, along with various other states, have enacted legislation which frees state chartered savings and loan institutions from the very restrictive investment limitations which have brought many such institutions to the brink of disaster. In those states, S & L's are permitted to form service corporations, enter into joint ventures, take equity positions, and, in general, exercise sound business judgment, without artificial restrictions, in making lending and investment decisions. Many S & L's are thus now earning their way out of the problems of the past.

The FHLB has proposed to limit to ten percent of assets, investments by insured institutions in equity positions, service corporations and the like. The effect of such a rule will not improve the financial soundness of S & L's, but rather will force them back to less-diversified portfolios with an unhealthy preponderance of residential mortgages. This is precisely what placed the S & L industry in its current precarious financial situation.

Special Counsel
Exhibit G-2

As we discussed, Lincoln believes the states should be permitted to regulate their own state chartered financial institutions. On the other hand, Lincoln would support legislative measures granting FHLB the power to establish minimum standards and procedures for state regulatory bodies, with the FHLB able to impose investment restrictions on federally insured institutions in these states which do not. Further, Lincoln would support measures to rebuild the financial stability of FSLIC by permitting the assessment of risk-based deposit insurance premiums on state chartered institutions which do not meet the investment restrictions on federally chartered institutions.

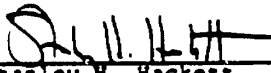
We are concerned that the FHLB will take advantage of the shortened legislative year and attempt to ram through its regulation without proper and deliberate consideration. For that reason, again, we would appreciate your looking into this matter, and assisting in delaying implementation of the regulation until more appropriate remedies can be considered by the Congress.

Thank you again for meeting with us and for your help.

Very truly yours,

Henkel, Hackett, Edge & Fleming
A Professional Corporation

By:


Stanley H. Hackett
Attorneys for Lincoln American
Savings & Loan Association

SHH/vb