

Amen defends actions in Commonwealth

By Jeff Goodwin

The Legislature's Special Commonwealth Committee concluded two days of hearings Wednesday afternoon with former state Banking Director Paul Amen defending his role in the affair.

Amen, who said he had been looking forward to the chance to tell his story for five months, said that a number of factors, including the overall state of the economy, contributed to the failure of Commonwealth Savings Co.

He also said he and his department had attempted a number of actions to keep Commonwealth from going under.

One action he took was attempting to get S. E. Copple, the president of Commonwealth, to pump his own assets into Commonwealth to provide the institution with fresh capital.

Amen said he also tried to find a buyer to take over Commonwealth and was in fact attempting to put a deal together with investors the day before the institution was closed.

He said an Associated Press story that ran in area papers on the morning of Nov. 1 caused a run on the institution and effectively ended any hope of finding a buyer.

Amen also rebutted criticisms that he should have taken action sooner to keep Commonwealth from going under.

He said an earlier takeover of Commonwealth would have created a run on similar institutions around the state.

He also said removing Copple from his position as president of Commonwealth would have shaken depositors' faith in the institution.

"S. E. Copple was a man of great reputation in the city of Lincoln," Amen said. "To most people who were familiar with the institution he was Commonwealth."

Amen refused to shoulder any of the blame for Commonwealth's collapse.

"I have not come up with a single action that we took or did not take that could have changed the situation," he said.

Tuesday the committee heard testimony from Gov. Bob Kerrey, former governors Charles Thone and J. James Exon, and William Riley, state banking director under Exon.

Riley said Commonwealth was not a major concern during his term as banking director but he did admit that, given the financial instability of the institution, it was a mistake for the Nebraska Depository Institutions Guaranty Corp. to admit Commonwealth as a member.

Kerrey testified that he first learned of the seriousness of the Commonwealth situation Oct. 25 at a

meeting with Amen.

"The impression up until Oct. 25 was still that S. E. Copple was going to save the day," Kerrey said.

He said the possibility of finding a buyer for Commonwealth was discussed at the Oct. 25 meeting. He said it was the feeling at the time that there was about a 10 percent chance of finding a buyer.

Kerrey said he believes the state does have a liability to the Commonwealth depositors.

"My basis for that is that we have made some mistakes," Kerrey said. "We did not properly regulate it. This private corporation (the NDIGC) that we permitted to be created was honoring the law and advertising that accounts were covered up to \$30,000 even though they knew they didn't have the money to back it up."

Charles Mitchell, deputy director of the state Banking Department, also testified before the committee.

Mitchell, while saying that he did not think an earlier closing of Commonwealth was justified, did say that Commonwealth probably could have been closed on the basis of the March 31, 1982, examination of the institution.

"I think they could have justified that decision," he said. "The examination report did indicate there were outstanding losses existing."

Claims board rules depositors entitled to money back

By Jeff Goodwin

The state Claims Board ruled Thursday morning that Commonwealth Savings Co. depositors are entitled to compensation from the state.

The ruling, however, applies to the depositors' tort claim. The board said it has not yet reached a decision about the contract claim made by the depositors.

The board rejected contentions made by the state's attorneys that the duties of the banking department under the statutes which set up the Nebraska Depository Institution Guaranty Corp., were discretionary and not mandatory.

The board's decision also stated that the department committed a 'negligent or wrongful' act in permitting Commonwealth Savings Co. to gain entrance into the corporation at a time when the department knew, or by the exercise of reasonable care should have known, that Commonwealth was not in a position of financial strength and that its failure would serve to emasculate the NDIGC.

The board also rejected the state's claim that the act of Commonwealth's insolvency occurred in 1980 and, as a result, the two-year Statute of Limitations began at that time and had run out by the

time Commonwealth actually went under.

The board stated, "To argue that the cause of action occurred before November 1, 1983, is simply not logical. The depositors had no knowledge of any injury or cause of action before the institution was closed. Their claim did not accrue until November 1, 1983, and,

accordingly, the Statute of Limitations could not have begun to run until that time."

Under the board's proposal a compromise agreement would be reached under which the depositors would receive \$33 million.

The agreement must now be approved by the Lancaster County District

Court.

It would then be referred to the Legislature,

which has the final say in allocating any compensation to the depositors.

MOON MULLINS
So says the VA... by Ford Johnson

Come Shopping!

The Centrum

Open week-nights till 9 p.m.

Daily Nebraskan

EDITOR	Lauri Hopple, 472-1766
GENERAL MANAGER	Daniel Shattil
PRODUCTION MANAGER	Kitty Policky
ADVERTISING MANAGER	Tom Byrns
ASSISTANT	
ADVERTISING MANAGER	Kelly Mangan
CIRCULATION MANAGER	Steve Meyer
NEWS EDITOR	Jim Fussell
ASSOCIATE NEWS EDITOR	Jann Nyffeler
SPORTS/ENTERTAINMENT EDITOR	Christopher Burbach
COPY DESK SUPERVISOR/WIRE EDITOR	Michela Thuman
NIGHT NEWS EDITOR	Jeff Goodwin
ASSISTANT NIGHT NEWS EDITOR	
PHOTOGRAPHERS	Julie Jordan
	Craig Andresen
	Dave Trouba
	Lou Anne Zacek
ARTIST	
PUBLICATIONS BOARD CHAIRPERSON	Carla Johnson, 475-0375
PROFESSIONAL ADVISER	Don Walton, 473-7301

The Daily Nebraskan (USPS 144-080) is published by the UNL Publications Board Monday through Friday in the fall and spring semesters and Tuesdays and Fridays in the summer sessions, except during vacations.

Readers are encouraged to submit story ideas and comments to the Daily Nebraskan by phoning 472-2588 between 9 a.m. and 5 p.m. Monday through Friday. The public also has access to the Publications Board. For information, call Carla Johnson, 475-0375.

Postmaster: Send address changes to the Daily Nebraskan, 34 Nebraska Union, 1400 R St., Lincoln, Neb. 68588-0448.

ALL MATERIAL COPYRIGHT 1984 DAILY NEBRASKAN

★★★★★★★★★★★★★★★★★★★★

RALEIGH REBATE SALE!

Olympian	239.95 Regular Price
	209.95 Sale Price
12-Speed lightweight	-10.00 Raleigh Rebate
	199.95 Your Price

Wyoming	299.95 Regular Price
	279.95 Sale Price
12-Speed extralight	-20.00 Raleigh Rebate
	259.95 Your Price

Offer good through June 22

DOWNTOWN 427 South 13th 475-0204	EAST PARK PLAZA 208 North 66th 464-0188
---	--

Downtown Hours
9-7 Mon-Thur 9-6 Fri 9-5 Sat 12-5 Sun

★★★★★★★★★★★★★★★★★★★★

Core-Cet Acquainted

For All UNL Summer School Students
(valid thru June 15, 1984)

\$2 OFF Hair Style

Complete Hair Service Always at Student Prices!!

College of Hair Design

11th & M St. • 474-4244
• Appt. or Walk In • "Lincoln's Corner on Hairstyling"

1984 COLLEGE WORLD SERIES

June 1-9/10 Rosenblatt Stadium

OMAHA: COLLEGE BASEBALL'S CAPITAL CITY

Tickets on sale now at Brandeis Crossroads Ticket Center