

February 27, 1986 LB 1029

But this is the sort of thing that happened not just there but time and again with their developments. Another development that they had was the Green Prairies Development where they have \$2.5 million and more invested out there and that is nothing more than a field, and I think they have sold four lots and have four homes on it. They had seven people, in the end, that owed Commonwealth about \$24 million, people without assets to cover anything close to that amount of money that they owed Commonwealth. That is about one-third of the situation. These people and the other family members of the Copple's were all involved in insider transactions which I think were the major reason that Commonwealth failed. David Domina, who...with the Domina-Miller report, said clearly the number one reason he felt that Commonwealth had failed were insider real estate transactions, yet the Commonwealth committee said that the real reasons that they failed were too much investment in real estate and the tight money market that had occurred in the early eighties. In fact I think that same situation occurred for a number of other institutions and they did not fail. But the fact is that the reason they failed was, yes, that was a problem, but on top of that that real estate investment had no equity position whatsoever, and in fact they were nothing more than a sham of transactions, all for the personal benefit of the Copple's who were estimated to have received about \$10 million out of the institution in what is described by Neil West as out-and-out thievery. On and on you could talk about the situation. There is no doubt in my mind that what we did, in terms of the Commonwealth people, was unfair. They were involved unknowingly in the largest robbery, I guess, the state has seen. These people were out-and-out thieves. And we sat here, and we have looked at it, and we've allowed it to go on through the Banking Department, who did bank examinations,...

SPEAKER NICHOL: One minute.

SENATOR WESELY: ...looked at the situation, and in fact knew that there were paper transactions. If you look at the bank examiners reports, time and again they noticed, and noted the problems over there, yet no action was taken. These people have been wronged. They happen to be by and large be in Lincoln, but they are Nebraskans by and large. I think almost all of them are Nebraskans, and more than that they are people. When somebody hurts it doesn't matter