

them to be cautious about that based upon what has happened thus far to the depositors. I think it's important that we have a legal foundation. I want to say this, we have a legal foundation for this claim, the depositors do. The Department of Banking has had seven years through their receivers to be in charge. Senator Crosby pointed out that the Department of Banking had gone completely into disfavor with the depositors, they had lost confidence in the Department of Banking. How true. Sadly, Senator Crosby, when the depositors had lost faith in the Department of Banking, we dumped the whole process back into their lap again and in my opinion considerable assets were wasted. I agree with Senator Crosby. It is not up to us at this time to concern ourselves with fixing blame. We suffice it to know that situations developed that justify this tort claim and that there was no one who could possibly have foreseen all of the events that took place. Who would have ever thought that one of the receivers would have stolen \$1,300,000 that was supposed to be under his supervision. He was supposed to be protecting it. Secondly, who would think that the other two gentlemen who were involved in the process would not be suspicious and would not know what was going on? Doesn't anyone check the checkbook?

SENATOR CONWAY: One minute.

SENATOR SCHMIT: I just want to point out though another thing, that I think if you have any doubt, if you have not read the tort claim, I think you must read it. On page 33, for whatever reason, for whatever reason the receiver purchased from an individual here in town some real estate for \$540,000. In addition they added another 70 parcels of real estate to that. They added 36 residential lots, they added 8 irregular tracts of real estate which was located on the east side of Capital Beach Lake subdivision. And another I believe, 100, and then another 102 acres of land and sold it all, ladies and gentlemen, for \$50,000, property they purchased for 537 or 40,000 and then added all that property to it and sold it for \$50,000. Ladies and gentlemen, I was here. I should have been watching. You should have been watching.

SPEAKER BAACK PRESIDING

SPEAKER BAACK: Time.

SENATOR SCHMIT: We should have been watching. We didn't. We