

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1578 SCOMM 59: JNT. COMMITTEE ON ECONOMIC RECOVERY, 1988

1875

CURRICULUM VITAE

Ryan C. Amacher

December 1987

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Office Address: College of Commerce
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Date of Birth: November 9, 1945; Medford, Wisconsin.

Marital Status: Married; Susan Smith Amacher (1967).

Citizenship: U.S.A.

Education: A.B. Ripon College May, 1967 Economics
Ph.D. University of Virginia June, 1971 Economics

Permanent Appointments:

Dean, College of Commerce and Industry, Clemson University, July 1981-Present.

Professor of Economics, Clemson University, July 1981-Present.

Chairman, Department of Economics, Arizona State University, July 1977-June 1981.

Professor of Economics and Associate Professor of Economics, Arizona State University, July 1975-June 1981.

Senior International Economist, U.S. Treasury, 1974-1975.

Assistant Professor of Economics, University of Oklahoma, 1972-1974,
Associate Professor, 1974.

Economist, General Electric TEMPO, Center for Advanced Studies, 1971-1972.

Instructor, University of Virginia, 1970-1971.

Graduate Instructor, Principles of Economics, University of Virginia, 1968-1970.

Research Assistant, University of Virginia, Summer, 1968.

Special Appointments:

Lecturer, University of Alaska, program on Economic Development Strategy and Tax Policy for State of Alaska, Anchorage and Juneau, February 1987, sponsored by the Alaska Council on Economic Education.

Lecturer, Universidad Pontificia Bolivariana, Medellin, Colombia, S.A. (organized a joint program between Clemson University and UPB), 1986.

Lecturer, summer session, University of Aix-Marseille, Aix-en-Provence, France, 1985.

Lecturer, Ecole Supérieure de Commerce de Pau, France (formalized a joint program between ESC and Clemson which leads to a Master's in Industrial Management from Clemson and a diploma from ESC), 1985.

Lecturer, special program on Joint U.S.-Caribbean Textile Trade issues, Barbadoes, 1984.

Lecturer, China Textile University, Shanghai, PRC (established joint CTU/Clemson University educational exchange program), 1984.

Special Commentator, Carolina Journal, Educational Television, Columbia, S.C. (taped 35 3-minute issue-oriented spots), 1984-Present.

Lecturer, Third American-Romanian Business Exchange, Stefan Gheorghiu Academy, Bucharest, Romania, 1978.

Consulting and Professional Activities:

Governor's Appointee, South Carolina Council on Competitiveness, 1987-Present. Chair, Subcommittee on Taxation.

Member, Board of Directors, CFI, Arizona, 1987-Present.

Member, Transition Team for Economic Development, Governor-Elect Carroll Campbell, November 1986-January 1987.

Member, Board of Trustees, Citizens and Southern Bank of South Carolina, 1986-Present.

Charter Member, Economic Advisory Committee, and Board of Directors, Business Week, South Carolina Chamber of Commerce, 1986-Present.

Member, Continuing Accreditation Committee, American Assembly of Collegiate Schools of Business, 1986-Present.

Member, Initial Accreditation Committee, American Assembly of Collegiate Schools of Business, 1984-1986.

Member, Visitation Committee, American Assembly of Collegiate Schools of Business, 1983-1985.

Member, Board of Directors, South Carolina Council on Economic Education, 1983-Present.

Consultant, South Carolina State Chamber of Commerce, June 1983-Present.

Consultant, South Carolina Textile Manufacturers Association, May 1982-Present.

Governor's Appointee, Textile Industry Study Committee, November 1981-Present.

Member, Energy Committee of South Carolina Chamber of Commerce, April 1982-1985.

Member, Board of Directors, S.C. Small Business Development Center, 1981-Present; Chairman, 1983-1986.

Member, The Productivity Task Force (South Carolina), April 1982-August 1983.

Member, Governor Richard Riley's Education Transition Team, 1982-1983.

Consultant, Federal Trade Commission, December 1981-August 1983.

Consultant, Mountain West Research, 1979-1981.

Consultant on Tax Reform, Governor Bruce Babbitt, Arizona, May 1979-June 1981.

Member, Legislative Committee on Property Tax Reform, Arizona Senate, 1979.

Consultant, U.S. Treasury, 1972-1977.

Administrative Experience:

Clemson University, July 1981-Present.

Dean of college composed of 127 faculty and 40 staff in the School of Business (Departments of Economics, Finance, Management, and Marketing), the School of Accountancy, the School of Textiles, the Office of Professional Development, the Small Business Development Center, and the Center for Policy Studies, with a combined annual budget of \$11.3 million. Major responsibility in raising over \$5.3 million in support and endowment funds since 1981. Raised \$770 thousand private cash contribution in fiscal year 1986-87. Made frequent speeches to business and industrial groups and presentations to the South Carolina Budget and Control Board.

Arizona State University, 1977-1981.

Chairman of a 32-person department, responsible for budget, recruiting, scheduling and curriculum development. Frequent interaction with committees of the state legislature.

U.S. Treasury, 1974-1975.

Assistant to the Deputy Assistant Secretary for Research. Responsible for administration for 20 economists and 10 supporting staff. Duties included budget and personnel matters (including recruiting).

Major University Committees:

Clemson University

Advisory Board, Center for the Study of the Black Experience in Higher Education, 1987-Present.

Advisory Board, Emerging Technology, Development, and Marketing Center, 1987-Present.

Army Advisory Committee, 1987-Present.

Board of Directors, Clemson University Foundation, sole University member, 1987-Present.

Facilities Planning Committee, 1987-Present.

Commission on Salaries and Fringe Benefits, 1985-Present.

President's Council, 1982-1985.

Commission on Student Affairs, 1981-Present.

Deans Council, 1981-Present.

Commission on Faculty Affairs, 1981-1983.

Arizona State University

Pacific Basin Institute Planning Committee, 1980-1981.

Goldwater Chair Search Committee, 1977-1979.

Long-Range Planning Committee, 1976-1977.

University of Oklahoma

Member of Dean's Ad Hoc Advisory Committee, 1973-1974.

Chairman of Recruiting Committee, 1972-1973.

Honors and Awards:

Distinguished Alumnus, Ripon College, 1987.

Honorary Inductee, Phi Psi, 1984.

Award for Outstanding Contributions, South Carolina Textile Manufacturers Association, 1983.

Honorary Inductee, Delta Sigma Pi, 1983.

Honorary Inductee, Beta Gamma Sigma, 1979.

Brookings Policy Fellowship, 1974 (declined).

Governor's Fellow, University of Virginia, 1969-1971.

Omicron Delta Epsilon, 1968.

Professional Affiliations:

Member: American Economic Association, Western Economic Association, Society for the Study of Public Choice, Southern Economic Association, Southern Textile Association, Southern Deans Association, American Assembly of Collegiate Schools of Business, National Council for Textile Education, The Textile Institute.

Reviewer: Journal of Political Economy, American Economic Review, Economic Inquiry, Public Finance Quarterly, Prentice-Hall, Wadsworth, National Science Foundation, Houghton Mifflin,

Southern Economic Journal, Journal of Money, Credit and Banking.

Academic Fields of Interest: Microeconomic Theory; Public Finance; International Economics.

Books:

Principles of Economics (Cincinnati: South-Western Publishing Co., 1981), [1st edition, 1981; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principles of Macro-Economics (Cincinnati: South-Western Publishing Co., 1980), [1st edition, 1980; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principios De Macroeconomia (Cincinnati: South-Western Publishing Co., 1983). Spanish translation of **Principles of Macro-Economics**, translated by E.A. Cabarrouy.

Principles of Micro-Economics (Cincinnati: South-Western Publishing Co., 1980), [1st edition, 1980; 2nd edition, 1983; 3rd edition, 1986, with H. Ulbrich].

Principios De Microeconomia (Cincinnati: South-Western Publishing Co., 1984). Spanish translation of **Principles of Micro-Economics**, translated by E.A. Cabarrouy.

Public Sector Managerial Economics (Cincinnati: South-Western Publishing Co., in progress).

Challenges to a Liberal International Economic Order, edited by R.C. Amacher, G. Habler, and T.D. Willett (Washington: American Enterprise Institute, 1980).

The Economic Approach to Public Policy: Selected Readings, edited, and with independent contributions by R.C. Amacher, R.D. Tollison, and T.D. Willett (Ithaca: Cornell University Press, 1976).

The Law of the Sea: U.S. Interests and Alternatives, edited by R.C. Amacher and R.J. Sweeney (Washington: American Enterprise Institute, 1976).

Yugoslavia's Foreign Trade (New York: Praeger Publishers, 1972).

The Economics of the Military Draft (Morristown, N.J.: General Learning Press, 1973), with J.C. Miller, M.V. Pauly, R.D. Tollison, and T.D. Willett. Reprinted as a chapter in **The Military Draft: Selected Readings on Conscription**, edited by M. Anderson (Palo Alto: Hoover Institution Press, 1982).

Articles, Chapters in Books, and Notes:

- "Principles of Economics: From Now Until Then," Journal of Economic Education, forthcoming.
- "Comment on Thurow, Marris, Shelton-Colby, and Gardner--'Beyond Protectionism, New Problems, New Approaches,'" World Policy Journal, Winter 1985-86.
- "Economic Value of an In-House Editor," Public Choice, Vol. 48, No. 2, 1986, with J. McDowell.
- "The Behavior of Regulatory Activity Over the Business Cycle: An Empirical Test," Economic Inquiry, January, 1985, with R. Higgins, W. Shughart, and R. Tollison. Reprinted in Mackay, Miller, and Yandle, Public Choice and Regulation: A View From Inside the Federal Trade Commission (Stanford: Hoover Institution Press, 1987). Summarized in "Readings of Particular Interest," Regulation (Washington, D.C.: American Enterprise Institute).
- "International Markets versus the New International Economic Order: Challenges to the Independence of Nation States," New Horizons in East-West Relations, edited by M. Jackson and J. Woodson (New York: Columbia University Press, 1984).
- "Inflation in The Planned Economies: Reply," Southern Economic Journal, October, 1984, with P. Culbertson.
- "Economics and Public Policy," chapter in Social Science and Public Policy: The Roles of Academic Disciplines in Policy Analysis, edited by G.J. McCall and G.H. Weber (Port Washington, N.Y.: Associated Faculty Press, 1984).
- "Unemployment Rates and Political Outcomes: An Incentive for Manufacturing a Political Business Cycle," Public Choice, 38: 1982, with W.J. Boyes.
- "On the Integration of Labor Markets: A Definition and Test of the Radical Segmentation Hypothesis," Journal of Labor Research, Spring, 1981, with R.J. Sweeney.
- "The New International Economic Order and the Distribution of Gains from Trade: Lessons From The 'Real World.'" The Journal of Social and Political Studies, Spring/Summer, 1980.
- "The Problems of Youth Employment: Comment," Proceedings of Governor's Conference on Full Employment, edited by P.L. Burgess, Arizona State University, 1979.
- "Understanding the Conflict Between Theory and Practice," Problems of the International Economy, edited by A.L. Chickering (San

- Francisco: Institute for Contemporary Studies, 1979), with W.J. Boyes.
- "The Political Business Cycle: A Review of Theoretical and Empirical Evidence," ACES Bulletin, Fall/Winter, 1979, with W.J. Boyes, T. Deaton, and R. Tollison.
- "Politicians and Polity: Responsiveness in American Government," Southern Economic Journal, October, 1979, with W.J. Boyes.
- "Macroeconomic Policies and Political Incentives in Democratic Governments: A Test of the Political Business Cycle," ACES Bulletin, Vol. XXI, No. 1, Spring, 1979, with W.J. Boyes.
- "Analyzing International Externalities: The Case of the Law of the Sea Negotiations," Public Goods and Public Policy, edited by Loehr and Sandler (Beverly Hills: Sage Publications, 1978), with R.D. Tollison.
- "Cycles in Senatorial Voting Behavior: Implications for the Optimal Frequency of Elections," Public Choice, #3, 1978, with W.J. Boyes.
- "Eastern Europe's Stake in the Law of Sea Negotiations," East-West Business: Theory and Evidence, edited by Josef Brada (Bloomington: Indiana University Press, 1978).
- "Inflation in the Planned Economies: Some Estimates for Eastern Europe," Southern Economic Journal, October, 1978, with W.P. Culbertson, Jr.
- "A Note on the Webb-Pomerene Law and the Webb-Cartels," The Antitrust Bulletin, Summer, 1978, with R.D. Tollison and R.J. Sweeney.
- "Structural Disequilibrium and Growth Retardation in the Soviet Union," Weltwirtschaftliches Archiv, Heft 2, 1977, with D. Conger.
- "The Externality Argument for In-Kind Transfers: A Defense," Kyklos, Fasc. 2, 1977, with T. Sandler.
- "A Menu of Distributional Considerations," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.
- "International Commodity Cartels and the Threat of New Entry: Implications of Ocean Mineral Resources," Kyklos, Fasc. 2, 1976, with R.J. Sweeney.
- "Risk Avoidance and Political Advertising: Neglected Issues in the Literature on Budget Size in a Democracy," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.

- "The Economic Approach to Social Policy Questions: Some Methodological Perspectives," The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976), with R.D. Tollison and T.D. Willett.
- "Property Rights Within Government and Devices to Increase Government Efficiency," Public Finance Quarterly, April, 1976, with R.D. Tollison.
- "State Trading and the Question of Discrimination: The Yugoslav Case," Economic Inquiry, September, 1975.
- "Budget Size in a Democracy: A Review of the Arguments," Public Finance Quarterly, April, 1975, with R.D. Tollison and T.D. Willett.
- "The Economic Theory of Clubs: A Geometric Exposition," Public Finance, Nos. 3-4, 1974, with L. Allen and R.D. Tollison.
- "Fiscal Preference and Balanced Budget Fiscal Policy," Public Choice, Fall, 1974, with R.D. Tollison.
- "Purchasing Power Parity Theory and Economic Reform in Yugoslavia," Journal of Political Economy, July/August, 1974, with J.S. Hodgson.
- "Yugoslav Trade in the Years of the Reform," East European Quarterly, Vol. III, No. 2, 1973.
- "Import Controls on Foreign Oil: Comment," American Economic Review, December, 1973, with R.D. Tollison and T.D. Willett.
- "The Economics of Fatal Mistakes: Fiscal Mechanisms for Preserving Endangered Predators," Public Policy, with R.D. Tollison and T.D. Willett, Summer, 1972. Reprinted in The Economic Approach to Public Policy: Selected Readings (Ithaca: Cornell University Press, 1976).

Book Reviews, Research Reports, and Other Publications:

- "Making It In Worldwide Markets: How Can a U.S. Business Move Forward in Today's International Environment?" Keynote speech, Association of the Nonwoven Fabrics Industry, printed in INDA 86 14th Annual Technical Symposium, October, 1986.
- "Review of The United States and Multilateral Resource Management," Journal of Comparative Economics, 10, 1986.

- Operation Baseline: An Audit of South Carolina's Economy**, South Carolina State Chamber of Commerce, November, 1985, coordinator and contributor.
- "Good Times and Bad Times in the Textile Industry," **Summer Technical Conference Papers** (Gastonia: Textured Yarn Association of America, July, 1985).
- "The Relationship of Technology to the U.S. Position in the World's Textile Market," **Proceedings of the American Association for Textile Technology, Inc.**, March, 1985.
- "Excise Taxes Overlooked in Tax Reform Proposals," **The American Legion**, September, 1985.
- "Testimony Before U.S. Congress," **Federal Enforcement of Textile and Apparel Import Quotas**, Committee on Government Operations, U.S. House of Representatives, November 18, 1984.
- "The United States Textile Industry," **Textile Science, Technology, and Economics** (Shanghai: East China Institute of Textile Science and Technology, 1984) with E. Vaughn and C. Rogers.
- "Trade: The New International Order and The United States Market," **Textile Science, Technology, and Economics** (Shanghai: East China Institute of Textile Science and Technology, 1984).
- "Testimony Before U.S. Congress on Small Business Development," testimony before the U.S. House of Representatives, Committee on Small Business, Parren J. Mitchell, Chairman, December 9, 1983.
- "Review of **Toward a Science of Politics**," **Southern Economic Journal**, July, 1982.
- "Teaching Supply Side Economics," in **Strategies for Teaching Economics**, by J.R. Clark, Joint Council on Economic Education, 1981.
- "Review of **Industrial Man and Industrialism in Retrospect**," **Southern Economic Journal**, January, 1981.
- "Comments on The Teaching of Introductory Economics," in **Economics: Strategies for Teaching Principles of Economics in Two-Year Colleges**, edited by J.R. Clark, Joint Council on Economic Education, 1980.
- "Recruiting Economics Majors," **Collegiate News and Views**, 1980, with R.J. Sweeney.
- "Review of **Defending the National Interest**," **Southern Economic Journal**, January, 1980.

- "The Economics of Taxation," Chapter 2 in Toward Tax Reform, under auspices of Arizona Academy, published by Center for Public Affairs, Arizona State University, September, 1979.
- "Review of Cost of Preventive Services," Annals of Regional Science, March, 1979.
- "Winning Federal Grants in Maricopa County," Arizona Business, January, 1977, with S. Hoffman.
- "The Public Sector," Chapter V in Arizona's Economy: Yesterday, Today and Tomorrow, under auspices of Arizona Academy, Occasional Paper No. 12, Bureau of Business and Economic Research, College of Business Administration, Arizona State University, 1976, pp. 85-98, with W.J. Boyes.
- "New York City and The Urban Financial Crises; Implications for Phoenix," Arizona Business, June/July, 1976, with W. Boyes.
- "Has the Government of Business Become the Business of Government?" American Issues Forum, edited by R. Rice, Arizona State University, June, 1976.
- "Review of Redistribution Through Public Choice," Annals of Regional Science, March, 1976.
- "Review of Money and Finance in Contemporary Yugoslavia," East European Quarterly, Vol. IX, No. 2, 1975.
- International Aviation Policy Review: Rates, Fares, and Costs, Report of Working Group 2, Council of Economic Advisors, June 2, 1975, with others.
- International Aviation Policy Review: Air Transport Environment, Report of Working Group 8, Department of State, May 28, 1975, with others.
- "Review of Inflation and Economic Development in Brazil: 1946-1964," Annals of Regional Science, March, 1975.
- "Review of Economic Policy in Socialist Yugoslavia," East European Quarterly, Vol. VII, No. 2, 1974.
- "Review of The All Volunteer Army: An Analysis of Demand, Supply and The Case Against a Volunteer Army," American Political Science Review, with R.D. Tollison, June, 1974.
- "Review of Analysis of Public Systems," Annals of Regional Science, December, 1973.

Innovations for Achieving an All-Volunteer Force, report prepared for the Office of the Secretary of Defense (Washington, D.C.: General Electric TEMPO, January, 1972), with others.

References provided on request.

Patrick M. Rodey
Senator

Alaska State Legislature



Senate

1024 W. 6th Avenue, Suite 308
Anchorage, Alaska 99501
(907) 276-6731

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-3717

TO : Senator Arliss Sturgulewski

FROM: Senator Patrick M. Rodey

DATE: February 29, 1988

RE: Limitation on use of new exemption in bankruptcy proceedings

Attached is a copy of the drafted amendment I mentioned which would exempt interests and payments under certain retirement plans from seizure by creditors.

I would appreciate you reviewing this proposal and would welcome your suggestions and input.

Attachment

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

February 29, 1988

SUBJECT: Limitation on use of new exemption
in bankruptcy proceedings

TO: Senator Pat Rodey

FROM: Theresa L. Bannister *TB*
Legislative Counsel

This memo accompanies the amendment for SB 474 that you requested to exempt interests and payments under certain retirement plans from seizure by creditors. Please be aware, however, that with regard to bankruptcy proceedings the bill will not protect those plans where the individual establishes the individual's plan or where the individual can invade the corpus of the trust before retirement, disability or death. Legislation will not prevent this result because it is based on court interpretation of the bankruptcy law. Change in the federal law would be necessary to extend the protection to the presently unprotected plans. The court interpretation is based on the belief that a person should not be able to prevent creditors from reaching assets by establishing a retirement plan.

Please review proposed AS 09.38.017(c) of the bill to make sure it accomplishes what you want. The meaning of the corresponding section (sec. 33-1126 B.1.) in the Arizona bill was unclear, so I drafted what I thought it meant.

If I may be of further assistance, please advise.

Attachment

TLB:bb
WKB3:041

A M E N D M E N T

Offered in the SENATE

By Rodey

TO: SB 474

Page 1, following line 23:

Insert a new bill section to read:

"* Sec. 3. AS 09.38 is amended by adding a new section to read:

Sec. 09.38.017. EXEMPTION OF RETIREMENT PLAN INTERESTS AND PAYMENTS. (a) In addition to the exemption under AS 09.38.015(b), the following are exempt from a claim of an individual's creditor:

(1) the interest of the individual in a retirement plan;
and

(2) the money or other assets payable to the individual from a retirement plan.

(b) The exemptions provided by (a) of this section do not apply to a contribution made by an individual to a retirement plan within 120 days before the individual files for bankruptcy.

(c) The exemptions provided by (a) of this section do not prevent the payment of benefits under a retirement plan to an alternate payee under a qualified domestic relations order. In this subsection, "qualified domestic relations order" has the meaning given in 26 U.S.C. 414(p).

(d) In this section,

(1) "alternate payee" has the meaning given in 26 U.S.C. 414(p)(8);

(2) "individual" means an individual who is a participant in, a beneficiary of, or an alternate payee of a retirement plan;

(3) "retirement plan" means a retirement plan that is qualified under 26 U.S.C. 401(a), 26 U.S.C. 403(a), 26 U.S.C. 403(b), 26 U.S.C. 408, or 26 U.S.C. 409 (Internal Revenue Code)."

Renumber the following bill sections accordingly.

Page 2, line 18, after "section":

Insert "or in AS 09.38.017"

Page 3, following line 17:

Insert a new bill section to read:

"* Sec. 8. AS 09.38.030(e) is amended to read:

(e) The following property, unless exempt without limitation under AS 09.38.015 or 09.38.017, upon receipt by and while it is in the possession of the individual, shall be treated as earnings, income, cash, or other liquid assets under this section:

(1) benefits paid by reason of disability, illness, or unemployment;

(2) money or property received for alimony or separate maintenance;

(3) proceeds of insurance, a judgment, or a settlement, or other rights accruing as a result of bodily injury of the individual or of the wrongful death or bodily injury of another individual of whom the individual was or is a dependent;

(4) proceeds or benefits paid or payable on the death of an insured, if the individual was the spouse or a dependent of the insured; and

(5) amounts paid under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract, providing benefits by reason of age, illness, disability, or length of service."

Renumber the following bill section accordingly.

Page 3, following line 27:

Insert new bill sections to read:

"* Sec. 10. AS 09.38.055 is amended to read:

Sec. 09.38.055. BANKRUPTCY PROCEEDINGS. In a proceeding under 11 U.S.C. (Bankruptcy) [THE BANKRUPTCY ACT (11 U.S.C.)] only the exemptions under AS 09.38.010, 09.38.015(a), 09.38.017, 09.38.020, 09.38.025 and 09.38.030 apply.

* Sec. 11. AS 09.38.017, as enacted by sec. 3 of this Act, does not apply to the assets of a bankruptcy estate in a proceeding filed under 11 U.S.C. (Bankruptcy) before the effective date of this Act."

ARIZONA REVISED STATUTES

~~~~~  
ANNOTATED



1987

**Supplementary Pamphlet**  
*Covering Years 1975 to 1987*

*For Use In 1987-1988*

Replacing 1986 Pocket Part in back of volume

**Volume 11**  
**Titles 33 to 35**

Including Legislation Enacted Through The First  
Regular Session And The First Through Third  
Special Sessions Of The Thirty-Eighth  
Legislature (1987)

ST. PAUL, MINN.

WEST PUBLISHING CO.

11 Ariz. Rev. Stats.—1  
1987 Supp. Pamph.

**§ 33-1125**

## PROPERTY

6. One watch not in excess of a fair market value of one hundred dollars.
7. One typewriter, one bicycle, one sewing machine, a family bible, a lot in any burial ground, one shotgun or one rifle or one pistol, not in excess of an aggregate fair market value of five hundred dollars.
8. One motor vehicle not in excess of a fair market value of one thousand five hundred dollars. If the debtor is maimed or crippled, the fair market value of the motor vehicle shall not exceed four thousand dollars.
9. Professionally prescribed prostheses for the debtor or a dependent of the debtor, including a wheelchair.

Amended by Laws 1976, Ch. 170, § 22; Laws 1983, Ch. 237, § 10.

For effective date and application of Laws Law Review Commentaries  
1976, Ch. 170, see note following § 12-2401. Arizona's new exemption statute. 19 Ariz.Bar  
J. No. 3, p. 32 (1983).

**§ 33-1126. Money benefits or proceeds**

- A. The following property of a debtor shall be exempt from execution, attachment or sale on any process issued from any court:
  1. All money received by or payable to a surviving spouse or child upon the life of a deceased spouse, parent or legal guardian, not exceeding twenty thousand dollars.
  2. The earnings of the minor child of a debtor or the proceeds thereof by reason of any liability of such debtor not contracted for the special benefit of such minor child
  3. All money, proceeds or benefits of any kind to be paid in a lump sum or to be rendered on a periodic or installment basis to the insured or any beneficiary under any policy of health, accident or disability insurance or any similar plan or program of benefits in use by any employer, except for premiums payable on such policy or debt of the insured secured by a pledge, and except for collection of any debt or obligation for which the insured or beneficiary has been paid under the plan or policy and except for payment of amounts ordered for support of a person from proceeds and benefits furnished in lieu of earnings which would have been subject to such order and subject to any exemption applicable to earnings so replaced.
  4. All money arising from any claim for the destruction of, or damage to, exempt property and all proceeds or benefits of any kind arising from fire or other insurance upon any property exempt under this article.
  5. The cash surrender value of insurance policies where for a continued, unexpired period of one year such policies have been owned by a debtor and have named as beneficiary the debtor's surviving spouse, child, parent, brother, sister, or any dependent, to the extent of one thousand dollars for each surviving spouse, child, parent, brother, sister, or other dependent, not to exceed five thousand dollars in the aggregate. For this section a dependent is defined as one who is dependent upon the insured debtor for not less than one-half of his support.
  6. Any claim for damages recoverable by any person by reason of any levy upon or sale under execution of his exempt personal property or by reason of the wrongful taking or detention of such property by any person, and the judgment recovered for such damages.
  7. A total of one hundred fifty dollars held in a single account in any one financial institution as defined by § 6-101. The property declared exempt by this paragraph is not exempt from normal service charges assessed against the account by the financial institution at which the account is carried.
- B. Any money or other assets payable to a participant or beneficiary from, or any interest of any participant or beneficiary in, a retirement plan which is qualified under §§ 401(a), 403(a), 403(b), 408 or 409 of the United States Internal Revenue Code of 1986, as amended, shall be exempt from any and all claims of creditors of the beneficiary or participant. This section shall not apply:

**PROPERTY**

1. To an alternate § 414(p) of the United
  2. To amounts con  
bankruptcy; or
  3. To the assets of
- The interest of any a  
any creditor of the al
- C. Any person the  
this state and who doe  
may claim as a pers  
including security de  
residence, not exceedi  
rent.

Amended by Laws 1976,  
12, 1986; Laws 1987, Ch  
1 Section 33-1101 et se

For effective date ar  
1976, Ch. 170, see not

**Reviser's Notes.**

**1983 Note.** Pursuant to 41-1304.02, in paragraph substituted for "month's" a fest clerical error.

1987 Note. Pursu  
§ 41-1304.02, subsection  
relettered as subsection  
graph 8, subdivisions (a)  
bered as paragraphs 1, 2  
was relettered as subse

### Cross References

Garnishment, monies  
accounts, withholding fr  
§ 12-1578.

§ 33-1130. Tools ar  
profession

The following tools  
business or profession

1. The tools, equipment, and fixtures primarily used in, and the profession of the debtor, having a value of two thousand dollars or less, do not include a motor vehicle for household purposes.
  2. Farm machinery and equipment, not in excess of an amount specified by the debtor whose primary purpose is for farming.
  3. All arms, uniforms, and accessories.
- Added by Laws 1976, Chapter 10, Section 1.

For effective date a  
76, Ch. 170, see no  
Law Review Comment  
Arizona's new exemp  
J. No. 3, p. 32 (1983).

## PROPERTY

## PROPERTY

## § 33-1130

1. To an alternate payee under a qualified domestic relations order, as defined in § 414(p) of the United States Internal Revenue Code of 1986, as amended; or

2. To amounts contributed within one hundred twenty days before a debtor files for bankruptcy; or

3. To the assets of bankruptcy proceedings filed before July 1, 1987.

The interest of any and all alternate payees shall be exempt from any and all claims of any creditor of the alternate payee.

C. Any person the age of eighteen years or over, married or single, who resides within this state and who does not claim a homestead exemption under article 1 of this chapter<sup>1</sup> may claim as a personal property homestead exempt from all process prepaid rent, including security deposits as provided in § 33-1321, subsection A, for the claimant's residence, not exceeding the lesser of one thousand dollars or one and one-half months' rent.

Amended by Laws 1976, Ch. 170, § 23; Laws 1983, Ch. 237, § 11; Laws 1986, Ch. 4, § 28, eff. March 12, 1986; Laws 1987, Ch. 217, § 1.

<sup>1</sup> Section 33-1101 et seq.

For effective date and application of Laws 1976, Ch. 170, see note following § 12-2401.

### Reviser's Notes.

1983 Note. Pursuant to authority of section 41-1304.02, in paragraph 8, "months" was substituted for "month's" as a correction of a manifest clerical error.

1987 Note. Pursuant to authority of § 41-1304.02, subsection A, paragraph 8 was relettered as subsection B, subsection A, paragraph 8, subdivisions (a), (b) and (c) were renumbered as paragraphs 1, 2 and 3 and subsection B was relettered as subsection C.

### Cross References

Garnishment, monies in financial institution accounts, withholding from judgment debtor, see § 12-1578.

### Law Review Commentaries

Arizona's new exemption statute. 19 Ariz.Bar J. No. 3, p. 32 (1983).

Unconscionability as limitation on commercial sales arrangements. William E. Boyd, 18 Ariz. L.Rev. 48 (1976).

### Notes of Decisions

#### 1. In general

Proceeds from voluntary sale of real property declared as homestead were not exempt from garnishment even if vendor intended at time of sale to reinvest them in another homestead. *McLaws v. Kruger* (1981) 130 Ariz. 317, 636 P.2d 95.

## § 33-1130. Tools and equipment used in a commercial activity, trade, business or profession

The following tools and equipment of a debtor used in a commercial activity, trade, business or profession shall be exempt from process:

1. The tools, equipment, instruments and books of a debtor or the spouse of a debtor primarily used in, and necessary to carry on, the commercial activity, trade, business or profession of the debtor or the debtor's spouse, not in excess of an aggregate fair market value of two thousand five hundred dollars. For the purpose of this paragraph, "tools" do not include a motor vehicle primarily used by a debtor for personal, family or household purposes such as transportation to and from the debtor's place of employment.

2. Farm machinery, utensils, implements of husbandry, feed, seed, grain and animals not in excess of an aggregate value of two thousand five hundred dollars belonging to a debtor whose primary income is derived from farming.

3. All arms, uniforms and accoutrements required by law to be kept by a debtor. Added by Laws 1976, Ch. 170, § 24. Amended by Laws 1983, Ch. 237, § 12.

For effective date and application of Laws 1976, Ch. 170, see note following § 12-2401.

### Law Review Commentaries

Arizona's new exemption statute. 19 Ariz.Bar J. No. 3, p. 32 (1983).

Unconscionability as limitation on commercial sales arrangements. William E. Boyd, 18 Ariz. L.Rev. 48 (1976).

# Alaska State Legislature

Senate Advisory Council



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## MEMORANDUM

TO: Anchorage Delegation  
Alaska State Senate

FROM: Sheila F. Helgath, PhD *SFH*  
Senate Advisory Council

DATE: January 28, 1988

SUBJECT: Summary of the Role of Public Housing in Market Stabilization  
Anchorage, Alaska, Solutions and Proposals by Alaska State Building  
Authority

Senate President Faiks requested that the Senate Advisory Council summarize the Role of Public Housing in Market Stabilization Anchorage, Alaska, Solutions and Proposals which is the large red document you received recently from the Alaska State Building Authority. The attached memorandum is that summary. Please contact Senate Advisory Council if you have further questions regarding the summary.

JF:SFH:  
Attachment

# Alaska State Legislature

Senate Advisory Council



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## MEMORANDUM

TO: Senator Jan Faiks

FROM: Sheila F. Helgath, PhD *LZH*  
Alaska State Senate Advisory Council

DATE: January 27, 1988

SUBJECT: Summary of The Role of Public Housing in Market Stabilization  
Anchorage Alaska, Solutions and Proposals IR# 88-003219

You have requested that the report The Role of Public Housing in Market Stabilization, Anchorage Alaska, Solutions and Proposals be summarized and the major points be highlighted. The following is a description of the proposal with pertinent information regarding the housing market in Anchorage. The proposal contains numerous articles which illustrate the condition of Anchorage's housing market and should be considered a good reference. Additional information is presented regarding housing conditions statewide to conclude this memorandum.

### A) The Anchorage Housing Market

In October there were nearly 14,000 vacant housing units in Anchorage. Table 1. Vacancy Rates in the Anchorage Area July 1987 illustrates that the highest vacancies are in larger apartment units. Newspaper and magazine articles included in the appendix of the document indicate that older units and the lower cost units are a part of this phenomena. The vacancy rates are similar to vacancy rates in 1980 after the TransAlaska Pipeline construction boom. Because of the vacancies and subsequent rent values in the market place, low income housing that would normally be full is experiencing a decline in occupancy.

Table 1. Vacancy Rates in the Anchorage Area July 1987

|                          | <u>Vacancy Rate</u> | <u># Units Vacant</u> | <u>Total # Units</u> |
|--------------------------|---------------------|-----------------------|----------------------|
| Single family residences | 7.1%                | 2,806                 | 39,520               |
| 2-4 units per building   | 16.5%               | 3,550                 | 21,516               |
| 5 or more units          | 26.0%               | 3,707                 | 22,464               |
| Mobile homes             | 19.9%               | 1,552                 | 7,798                |

Source: 1987 Housing and Population Surveys Municipality of Anchorage

The situation in Anchorage has resulted in declining housing values since housing prices respond to supply and demand. When prices fall below 20% of purchase prices the rate of defaults and foreclosures increase dramatically. In other areas affected by declining oil revenues and in a highly fragmented market, housing values have fallen as much as 50% and 60%. Several solutions have been presented which could help mitigate the situation. Because the State of Alaska, through the Alaska Housing Finance Corporation, is the major actor it may be possible to hold properties back while natural growth occurs. Holding properties is expensive, one estimate presented was between \$18 and \$30 per day. If a natural growth rate of 2 percent occurs the vacancies would be eliminated in 10 years. Another suggestion is the demolition of substandard housing to decrease the glut of housing (Green, 1988). The proposal below reflects the latter suggestion.

B) The ASBA Proposal

The proposal is to demolish Willow Park, a Federally funded 150 unit low income housing project, and to relocate 80 of the 135 families, who are currently occupants, in single family residences purchased from institutional holders backlog of foreclosed properties. The Alaska State Building Authority (ASBA) is the current manager of Willow Park. Willow Park is a 35 year old set of 20, two story apartment buildings and two administrative buildings located at 9th and Willow Street in Anchorage. At present 80 percent of the 135 families who live in the project are Native Alaskans. It is proposed that HUD provide the funding for the 80 homes and that either the State of Alaska or the Municipality of Anchorage provide the funding for demolition.

The project can not proceed until HUD's regional office in Seattle gives approval for demolition. Approval will be based upon criteria in HUD's Handbook on Public Housing Demolition and Resolatory Procedures. Questions such as the condition of the housing stock, alternative low income housing, location, and socio-economic impact needs to be addressed. With public hearing processes and legal requirements for moving tenants it could take as long as two years to complete the transition.

The decision to request demolition of the project was based upon several factors: building code violations, cost of renovation exceeding the value of the properties, outdated architectural design for occupant needs, and an adequate supply of low income housing in the private market. The project was cited on June 11, 1987 for building code violations by the Municipality of Anchorage. Electric services, fire safety, venting, and vapor barriers are the code violation problems. In addition the physical layout of the apartments, with bedrooms upstairs make the project unavailable for elderly and handicapped people who use wheelchairs. Finally asbestos has been found in the project and needs to be removed.

The maximum amount allowed by HUD for renovation of Willow Park would be \$7,683,700 while the estimate for renovation is \$12,769,041. ASBA applied for money to do the renovation last year and was denied by HUD. HUD regulations stipulate that renovations should not cost more than 75% of the value of the project. Demolition costs are \$4,829,592 of which \$2,624,904 are for asbestos abatement which will occur because of health liabilities

whether the building is renovated, demolished or left as is. Currently the value of the land is \$1.72 million and the insurance coverage is \$11.7 million although the Municipality of Anchorage assess the buildings at \$0.

C) Issues and Analysis

The project land status is an issue. Originally the land was transferred by the Federal government to the City of Anchorage. A 1918 Federal executive order authorized sale of a portion of the land and the City obtained patent #873718 on July 1922 for a low income housing project. The patent stipulated that if the land was not used for that purpose, it would revert to the United States. The Municipality of Anchorage has a similar agreement with the Alaska State Building Authority. The City would probably place the property in the Heritage Land Bank which has indicated that the highest use for the area may be as a park.

Socio-economic concerns were minimally addressed in the proposal. The proposed hearings and more specific planning should present details pertaining to these issues. At present they can be summarized as a negative impact on local business servicing the area and loss of school children in the Denali School. These impacts may be offset in other areas by the new residents. However, the proposal indicated that the neighborhood is in transition from residential to commercial and that many of the services provided the residents of Willow Park have recently moved.

The final issues are whether or not HUD will approve the 80 homes being requested, allow the demolition, and who will pay for the demolition. There is an implication that employees from the jobs bill might be used for the demolition. HUD officials in Alaska seem to be positive about the proposal (but are not the ones who will make the final decision) because the proposal reflects national trends to place low income housing throughout the community instead of in large blocks where ghetto and slum conditions are more likely to be created (Craig and Kulick, pers. com. 1988). Because of the homeless initiative in Congress, HUD expects to have a larger allotment of units than in the past. A misleading statement in the document gives the impression that ASBA has not received monies for the last 9 years. ASBA has received federal monies but much of that has been in specific programs for the elderly and is distributed on a competitive basis to the larger communities in the state.

The proposal does not layout how the 80 families will be selected or how the 80 individual units will be selected. It is likely that there are HUD procedures in place but those questions should be asked. Nor does the document present any information on how the current residents feel about the proposal. No analysis is made as to the possible effect on overall housing market conditions that this proposal will have. The effect while being positive will probably be small since it involves only 135 units of the approximately 14,000 vacancies. If one type of unit were selected for all of the 80 HUD homes it would probably influence that portion of the market segment, for example, the 2-4 unit segments.

This proposal points out the need for a comprehensive statewide housing strategy and policy. Throughout the state housing is an issue, whereas the urban areas at present tend to have too much housing and falling values; the

Senator Falke  
January 27, 1988  
Page 4

rural areas of Alaska have too little. An analysis of BIA data last year by Rural Research Agency showed that conditions in rural Alaska had only slightly improved from the 1980 census when 80% of the houses were considered substandard. The 1985 BIA information showed that 9,135 of the houses with at least one Native occupant were substandard (needed repairs) and 4,710 homes needed to be replaced or built. In addition rural regions which had the lowest participation in state housing loan programs had the greatest housing needs (particularly along the Yukon) (Helgath, 1987).

To summarize the proposal has merit and should be given further scrutiny, though it alone will not solve Anchorage housing market situation.

#### BIBLIOGRAPHY AND PERSONEL COMMUNICATIONS

Craig, Colleen, HUD Housing Specialist. Telephone Interview regarding HUD demolition requirements January 26, 1988.

Green, G. Hayden. Jan. 11, 1988. "Try this for Real Estate." in Alaska Journal of Commerce. Vol. 12 No. 2.

Helgath, Sheila Fay, Legislative Analyst. Memorandum to Senator W. Hensley on Rural Housing Need and Revenue Bond Financing on February 2, 1987.

Kulick, Michael, HUD Housing Director. Telephone Interview regarding HUD demolition requirements January 26, 1988.

# **Alliance Bank**

February 19, 1988

Senator Arliss Sturgelewski  
Box V, Capitol  
Juneau  
Alaska 99811.

Dear Senator Sturgulewski,

Mr. Anthony J. Gumbiner of The Hallwood Group, has asked me to send you a copy of the Hallwood Alaskan Real Estate Stabilization Trust proposal which is enclosed.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'FHBurrow', with a large, stylized initial 'F' and 'B'.

FRED H. BURROW  
President

:khc1/30

**Alliance Bank**

A Financial Service of Alliance Bancorporation  
1500 W. Benson Boulevard • PO Box 99003  
Anchorage, Alaska 99509-9003 • (907) 258-7890  
Member FDIC

**PROPOSAL FOR THE ESTABLISHMENT OF THE HALLWOOD**  
**ALASKAN REAL ESTATE STABILIZATION TRUST**

A liquidating trust formed to liquidate on an orderly basis at stable appraised prices in the best interests of the Beneficiary Institutions, the supply of distressed real estate properties and loans currently overhanging the Alaskan market.

**Background**

As a result of the current severe recession in the Alaskan economy which followed a period of strong economic growth in the commercial and residential real estate market, Alaskan lending institutions and certain state and government agencies who have assumed the obligations of failed institutions, are today burdened with an unprecedented holding of "bad" real estate loans, some of which have been foreclosed and all of which are at least partially non-performing. Real estate values have been declining monthly. Although the decline in real estate values has been slow and the recession is seen to be bottoming out, the recovery is extremely fragile and prices could be precipitously collapsed if the overhanging real estate were offered back into the market at distressed prices for forced sale.

Alliance Bancorporation ("Alliance") was recently formed by the merger of Alaska Mutual Bank, United Bank Alaska and United Bank Alaska Southeastern, and was recently recapitalized by the Hallwood Group Incorporated ("Hallwood") and the FDIC. Alliance currently holds some \$300 million of bad real estate loans of which about \$80 million has already been foreclosed and the balance being in the form of classified and non and partly performing real estate loans. The FDIC, as Receiver of the failed First Interstate Bank of the North, holds about \$200 million of "bad" loans of which at least half are property related. Additionally, Fannie Mae, the Federal Home Loan Bank Board, Alaska Housing Finance, MGIC, New York Life and other Alaskan lending institutions all hold similar "bad" loan portfolios.

If any of the above institutions were to "dump" their real estate holdings into the local market they would collapse the fragile price structure and ensure the continuation of the current recession to the detriment of not only themselves, individually and as a group, but all Alaskan citizens and property owners.

The objective of "The Hallwood Alaskan Real Estate Stabilization Trust" is to prevent a further decline in real estate values by allowing the Trustee of the Trust to manage the liquidation of the trust assets so as to prevent an oversupply of property in the local marketplace such as would cause further declines in the price of residential or commercial properties.

### The Proposal

In order to maintain a stable market and to encourage a recovery, Hallwood proposes the establishment of "The Hallwood Alaskan Real Estate Stabilization Trust" (the "Trust") to be formed as a liquidating trust with the purpose of liquidating trust property by sale or other disposition as promptly as shall be economically feasible in the best interests of the Beneficiary Institutions and to distribute the distributable proceeds to the Facilitating Beneficiary Institutions solely and exclusively in accordance with the provisions of a Distribution Agreement.

The Board of Alliance Bank has already agreed to subscribe its distressed portfolio of real estate assets to the Trust and we intend to invite the FDIC and the other concerned institutions mentioned above to become subscribers to the Trust prior to its formation date of March 31, 1988. Following subscription of assets to the Trust, beneficiary institutions will own an undivided interest in the Trust.

We anticipate that the transferred assets will consist of single family homes, condominium projects, apartment buildings, a few office buildings and other commercial structures, shopping centers and parcels of raw and improved land. We also anticipate receiving non-performing or partly performing mortgage loans secured by real estate.

It is our intention that all transferred assets will be recorded in the Trust's books at fair market value as of March 31, 1988. The fair market value of real estate properties will be based upon current independent appraisals except for those assets where a sale was pending and subsequently closed. In those cases the proposed selling price will be considered as a more accurate indication of fair market value. Fair market value of real estate loans will be based upon current independent appraisals. All appraisals will be carried out in accordance

with accepted appraisal methods by a qualified independent appraiser who is a member of the American Institute of Real Estate Appraisers and who regularly performs appraisal services for major financial institutions. Credit will be given in the appraisal process for any income flowing from any transferred asset.

It is intended that Hallwood will act as the Trustee for the Trust which would be established for a ten-year period expiring in March 1998. If all of the Trust assets have not been sold off by this time, then the Trust will come to an end unless a new five-year liquidating trust is established by the Beneficiary Institutions.

It is intended that a Procedures Agreement would be drafted to establish a minimum sales price for each of the Transferred Assets. Minimum sales prices will be based upon appraised values. The Procedures Agreement will also establish restrictions on financing by the Trust although it is intended that the Trust will offer financing to purchasers to assist in the sell-out (see "Marketing"). The requirements of the Procedures Agreement will assure the Beneficiary Institutions that no asset will be sold for less than a certain fixed amount and that the deferred portion of any sales price will be properly secured and payable over a limited period of time. The Trustee's powers and duties would be governed by a Trust Agreement which will generally authorize the Trustee to preserve and manage but not to develop the Trust assets. Accordingly the Trustee has discretion, for the purpose of marketing, to obtain necessary appraisals, feasibility studies, engineering studies or marketing surveys. The Trust cannot undertake to develop unimproved properties to the extent of commencement of any sort of major construction.

Generally the Trustee will limit expenses to any necessary management costs such as taxes, insurance and maintenance and to its own office budget and outside professional fees. Additionally, the trust may expend sums necessary to preserve its properties or prevent the enforcement of liens superior to the Trust's mortgage loan assets.

As to borrowing funds, the Trust Agreement will provide that borrowings shall not exceed an aggregate of 10% of total Trust assets at appraised value and further that borrowings may only be made from the State of Alaska, secured on any future profit which may be realized from future sales of Trust Assets. Under such borrowings we would expect the State to roll over interest payments to the extent that such payments were not available out of Trust cash flow. It is not anticipated that the Trust will need to avail itself of this borrowing facility and it is anticipated that the cash flow from the prospective sale of Trust assets together with the \$15 million cash contribution which will be contributed by the State of Alaska (see "Assistance from the State of Alaska") will be sufficient to fund all ongoing operations of the Trust.

Under the terms of the Distribution Agreement, the Trustee will first satisfy itself that sufficient working capital is available to the Trustee to operate the Trust and will then distribute:

- a) To the Beneficiary Institutions such sum as represents a proportional return of appraised value and any profit achieved thereon unless some drawdown shall have been made by the Trustee under the standby credit facility from the State of Alaska more particularly mentioned hereafter.
- b) If such drawdown shall have been made then any such profit shall first be applied to repay with interest any advance made by the State.

The Trustee will be empowered to sell off blocks of property to other trusts or corporations dedicated to a long term holding period such as that currently proposed by the Commissioner for the Department of Commerce and Economic Development for the State of Alaska and Sealaska Corporation.

As to the tax consequences of the Trust to the Beneficiary Institutions, the Trust will be treated as a "Grantor Trust" for federal income tax purposes and as such, all tax trust consequences flow through the Trust to its beneficiaries in accordance with their respective interests. The Trust beneficiaries are fully insulated, on the other hand, from any liability which might arise out of the various Trust Assets.

To ensure that the Trust will distribute all distributable proceeds in a timely manner and in accordance with the proper percentages to the Beneficiary Institutions, the Trust Agreement will require that the Trust's financial statements will be examined by a firm of independent certified public accountants. Following each examination, the accountants will issue a letter to the Beneficiary Institutions stating whether all distributions have been made in accordance with the Trust Agreement and the Distribution.

The Trust Agreement will also require the Trustee to furnish the following reports to beneficiary banks:

- a) A monthly statement of cash receipts and cash disbursements with a detailed description of all sales or dispositions of Trust property and of any modifications, amendments or extensions of obligations owing the Trust.
- b) A quarterly unaudited balance sheet, income statement, statement of Trust principal, statement of changes in financial position and a schedule of all distributions made during such quarter.
- c) A semi-annual summary of the status of each Transferred Asset and a description of any negotiations then in progress concerning the sale or other disposition of such Transferred Asset.
- d) An annual audited balance sheet, income statement, statement of Trust principal, statement of changes in financial position and a schedule of all dispositions made during the year.
- e) In connection with the examination of the annual reports and financial statements, the independent certified public accountants must issue letters stating:
  - i. that the sales and distributions made during the preceeding year were in accordance with the terms of the Trust Agreement, Procedures Agreement and Distribution Agreement, and,

- ii. With respect to the internal financial controls and practices of the Trust, setting forth such recommendations as the independent certified public accountants may consider appropriate.

#### Assistance from the State of Alaska

In order to ensure that the Trust is funded with sufficient working capital, we shall request the State of Alaska, through one or more of its agencies, to subscribe the sum of \$15 million in cash to the Trust for which the State shall receive a beneficial interest in the Trust, in proportion to its subscription.

When it is anticipated that this \$15 million plus the proceeds of sale of Trust Assets will be sufficient to ensure the continuity of the Trust and the payment of all marketing and general and administrative costs and expenses of the Trustee, we shall request the State of Alaska to enter into a standby credit agreement with the Trust whereby the State will agree to advance to the Trust up to 10% of Trust Assets based on the appraised value as at March 31, 1988, secured by a first lien on any profit that may be realized by the Trustee from future sales of Trust Assets, such loan to bear interest at current market rates. The Trust shall have the power to roll over interest payments until sufficient cash flow becomes available from profits generated from Trust operations to make settlement. Repayment of interest and principal upon such loans drawn down during the life of the Trust shall have priority to any distributions of any profit which shall be made to Beneficiary Institutions.

#### Assistance from State Agencies

We shall also ask state agencies such as AHFC and AIDEA to assist by placing moratoriums on financing new supply of Real Estate. These restrictions can be waived if local government so requests.

## **Marketing**

Immediately following the establishment of the Trust, the Trustee shall prepare a five-year cash projection to determine how quickly the Beneficiary Institutions can reasonably expect the transferred assets to be sold and to what extent their interests could be converted into cash. At the outset the Trustee will review all of the non-performing real estate loans and real estate owned to identify essential problem areas. Problems involving construction, design, budgets, cash flow, management location, competition, marketing techniques and various other factors must be analyzed to determine the causes on non-performance or under-performance for each specific asset. Independent appraisals will have to be obtained to arrive at a minimum selling price for each real estate property and further, an initial status report must be prepared for the real estate unit for each asset containing the description of the asset, the loan history, net book value, current status, pending litigation.

For real estate owned, professional quality sales packages will need to be prepared for each real estate property. Each package will contain a full description of the property site and improvements, income and expense information, lease abstracts, information on available utilities, zoning, taxes, etc.

Regarding loan workouts, the Trustee will evaluate the financial condition of the debtor and the prospect for recovery and will evaluate existing collateral and the prospect for obtaining additional collateral in addition to various types of loan modification, intervention in management or leasing, increased monitoring and control of collateral and possible turnaround methods may also be considered.

Both real estate owned and real estate loans deemed appropriate for foreclosure, i.e., future real estate owned, will be marketed for sale although particular care will be taken with regard to the amount and pricing of real estate offered for sale in the local Alaskan marketplace. The major marketing effort will be made to foreign, i.e., non-American, prospective purchasers through Hallwood's international network around the world.

Hallwood is a public company listed on the New York and London Stock Exchange, specializing in the financial services industry and owned by approximately 35,000 shareholders and institutional investors. Prominent amongst these are the Fidelity Group of Boston, one of the largest fund managers in the United States with offices in London, Hong Kong, Singapore, and various other countries. Fidelity owns approximately 11.2% of Hallwood's equity. Another major shareholder is M&G, one of the largest fund managers in the United Kingdom, controlled by Kleinwort Benson, an international merchant bank with a major presence around the world. Hallwood has considerable expertise in the liquidation and management of distressed real estate. In 1979, Hallwood restructured First Pennsylvania Mortgage Trust, a New York Stock Exchange listed real estate investment trust, owning a major portfolio of distressed real estate and mortgage loans located throughout the United States.

In 1981 Hallwood restructured the Umet Trust, a New York Stock Exchange listed real estate investment trust formed by Union Bank of California, again holding a major portfolio of distressed real estate and real estate loans.

In 1983 Hallwood restructured the Institutional Investors Trust, yet another New York Stock Exchange listed real estate investment trust, this time formed by Donaldson, Lufkin, Jenrette, the New York investment bank, again holding a portfolio of poor quality distressed real estate. Finally, in 1984, Hallwood acquired the assets of The Twenty Seven Trust which was formed to liquidate the assets of the bankrupt Chase Manhattan Mortgage and Realty Trust for the beneficiaries of 26 creditor banks and the FDIC. This current proposal is based upon the arrangements entered into by the creditor banks and the FDIC for the liquidation of The Twenty Seven Trust's assets.

Over the years, Hallwood has liquidated the assets of all the above through its Cleveland-based Property Liquidation Division and has performed several similar functions in the United Kingdom where we have liquidated the assets of Bank and Commercial Holdings Limited acquired in 1978, West Kent Estates Limited acquired in 1980, Redfern and Rankpert Limited acquired in 1981 and the Globe Group of Companies acquired in 1985.

The total value of real estate properties and loans liquidated over the last five years is in excess of \$300 million.

Hallwood intends to offer the Alaskan real estate assets to investors in Japan, Hong Kong, Taiwan, Australia, New Zealand, Malaysia, Singapore, the Philippines, Korea, Canada, South America, Germany, Switzerland, Holland, the United Kingdom, France, Scandinavia and also in the U.S. Sales brochures will stress the current Alaskan economic climate and the cyclical nature of the economy and likelihood of early recovery. Foreign investors will be offered a speculative real estate investment on a highly leveraged, non-recourse basis. For the payment of a 20% deposit, buyers will be speculating on the dollar, the oil price and the Alaskan economic recovery with the benefit of an attractive loan package. In short, anywhere there is a local investment market and no exchange controls, Hallwood will find and motivate an experienced local agent to offer Alaskan real estate investment properties, both residential and commercial. Buyers will also be offered a management service where our local managers will, for a small fee, manage local investment properties on behalf of non-resident investors, seek new tenants and advise as to prospects for resale. We believe that marketing to foreign investors in this way will not pose a threat to the stability of the local market as an investor buying from Hallwood will be buying on a long term hold with a view to a large capital gain some years in the future.

Hallwood will also be organizing regular marketing trips to Alaska by foreign investors, many of whom may also be interested in other Alaskan commercial investment projects.

### Management

The Trustee will enter into agreement with Alliance whereby Alliance will provide the Trust with management services on a non-profit, recovery of costs only basis, utilizing the services of Gordon Willhite and his 50-strong workout staff. The Trust will be administered from offices in Anchorage, and the Trustee will employ and/or retain employees, real estate consultants, real estate brokers, real estate management and leasing agents, appraisers, architects, engineers, mortgage correspondents, mortgage servicing agents, escrow agents, attorneys, accountants and any other such persons as the Trustee may deem necessary to assist it in fulfilling the purpose of the Trust.

In order to facilitate the sale of trust Assets, the Trustee may grant a loan to purchasers to facilitate such sale as follows:

1. Subject receiving a cash deposit of 20% of the purchase price, the Trust may grant a non-recourse loan secured by a valid first mortgage lien on the asset sold for a term of not more than twenty years on an amortizing basis at a variable rate of interest floating not less than one point above Alliance Bank minimum lending rate as posted from time to time.
2. Should an asset be sold with less than 20% deposit, then the Trustee may sell the asset with a twenty year amortizing loan as described above but with recourse to the credit of the purchaser.
3. If the deposit of 25% or more is received, then the Trustee may lend up to twenty years on an interest only basis as described above.
4. Under no circumstances may the Trustee sell with less than a 5% deposit.

Upon the formation of the Trust each of the Beneficiary Institutions shall be entitled to nominate a committee member to the Trust Committee. The Trust Committee shall have the power to remove the Trustee and appoint a successor Trustee in the event of any breach of the Trust Agreement, Procedures Agreement or Distribution Agreement.

#### **Distribution to Beneficiary Institutions**

Subject to the unanimous vote of the Institutional Beneficiaries following the establishment of the Trust, the Trustee may arrange for the issuance and flotation of 7 year participating Loan Notes in a par amount equal to 80% of the appraised value of the Trust Assets. All or part of the Trust Assets may be sold in this way.

The Loan Notes will be non interest bearing but will be guaranteed as to principal in proportion to their beneficial interests by the beneficiaries of the Trust. We do not anticipate a joint and several guarantee.

Hallwood will arrange for the sale and distribution of the Loan Notes to investors who will be entitled to 100% of future distributions from the Trust thereafter, i.e., they will purchase at a 20% discount the future distributions from the Trust. Proceeds for the sale of the Loan Notes will be distributed to the Institutional Beneficiaries thereby providing a mechanism to "cash out" early at a discount.

**Fees to the Trustee**

Hallwood as Trustee will not receive any fee in respect of its services hereunder as it is acting to preserve its own financial interests as 85% shareholder of Alliance.

Hallwood will however expect to charge a normal commercial fee in respect of its best effort distribution of the Participating Loan Notes should this occur.

The Trustee will expect to be reimbursed for all its necessary expenses expended in connection with the Trust's business.

February 18, 1988

The Hallwood Group Inc.  
767 Third Avenue  
New York, NY 10017

Tel: (212) 319-2360

SECOND DRAFT

**MUNICIPALITY OF ANCHORAGE**

Submitted to the Assembly  
by Mayor Tom Fink, January 19, 1988

**MUNICIPALITY OF ANCHORAGE**  
**ECONOMIC RECOVERY PROGRAM**

- I. Anchorage's Current Economic Condition
- II. Objectives of the Economic Recovery Program
- III. Description of the Economic Recovery Program
- IV. Economic Recovery Program Elements
- V. Proposed Capital Projects

## I. ANCHORAGE'S CURRENT ECONOMIC CONDITION

Anchorage has been hit hard by the Alaska recession. The statistics are dramatic, but give only a glimpse of the suffering and despair felt by so many residents. Nearly 15,000 jobs (and the associated incomes) have been lost in Anchorage since January 1986. The rate of job loss is higher in Anchorage than in the state as a whole.

Population declines coupled with falling incomes have reduced the demand for goods, services and housing. These impacts continue to ripple throughout the economy resulting in personal and business financial distress. Personal bankruptcies are occurring at an average monthly rate which is 2.6 times that experienced in 1985; business bankruptcies are 75% above the average 1985 level.

The real estate market has been jolted. The total value of taxable property in the Municipality of Anchorage has declined by a third -- over \$5 billion dollars -- since January 1, 1986. Alaska Housing Finance Corporation, the largest mortgage lender in the state, has a delinquency rate in excess of 15%; and has foreclosed on nearly 3600 properties in 1987, compared with 630 in 1985. Survey data indicate that as many as 40% of local residential mortgage holders may now owe more on their properties than the value of these homes in the current market. These "under water" loans represent the loss (at least on paper) of the major savings of many families. If individuals need to sell now, the effect is devastating. Even for those who have no immediate requirement to sell, the loss in wealth has a dampening effect on family expenditures and financial confidence.

The story is repeated in the commercial real estate market. Vacancy rates are unusually high. The imbalance between existing supply (a fixed amount) and falling demand, has resulted in numerous foreclosures on commercial property. Businesses still viable today may be pulled under by the inability to indefinitely "feed" related investments in commercial real estate. Several financial institutions have closed their doors; others are taking substantial losses.

As the tax base and other sources of government revenue shrink, local government loses its ability to provide goods and services. The Municipality of Anchorage is currently facing cutbacks in excess of \$14 million. Projections of 1989 revenues indicate even more severe drops. These cuts translate into hundreds of jobs. Local government program reductions and employee layoffs exacerbate the economic decline, feeding the downward spiral.

The length of this recession is uncertain. Although employment is still falling, the rate of decline has lessened, at least temporarily. But, even when the nadir is reached, local economic problems are not over. The natural readjustment process is painful; projected future growth is slow.

## II. OBJECTIVES OF THE ECONOMIC RECOVERY PROGRAM

- A. Purpose: The purpose of the Municipality's program for economic recovery is to mitigate the problems caused by the current economic recession to decrease the depth and severity of this recession, and to contribute to the long-term stable recovery and growth of the Anchorage economy.
- B. Objectives:
- \* Create jobs for local residents; avoid further job losses.  
(Rationale: Jobs generate income which then cycles through the economy in a manner based on choices by individuals; increased incomes enable individuals to meet obligations and avoid financial ruin.)
  - \* Establish a floor under falling residential and commercial property values. (Rationale: Stabilization of property values is necessary to begin the correction of the imbalance between supply and demand and to reestablish confidence in the local economy.)
  - \* Provide interim relief for businesses.  
(Rationale: Target limited resources to maintain ventures which will not require continual, long term subsidies to survive. Provide for limited, well defined involvement of government in the private economy.)
  - \* Reduce costs or avoid cost increases to businesses and individuals.  
(Rationale: Alleviate business and personal financial distress by reducing costs of living and operations; for example, utility increases, increased cost of regulations, taxes.)

## III. DESCRIPTION OF THE ECONOMIC RECOVERY PROGRAM.

Anchorage's program for economic recovery is organized in two phases. Phase 1 includes the immediate requests for state action, concentrating on areas which can begin to impact the economy in the short run or those actions which can be pursued administratively. Phase 2 is directed to the longer term situation -- those projects and proposals with longer lead times or which require additional analysis and evaluation. In this second phase, more emphasis is placed on activities which provide for the economic growth which must underlie real and lasting recovery for Anchorage and all of Alaska.

Section IV outlines the primary elements of these two phases. Both phases contain recommendations for capital projects. The specific projects are based on a set of criteria described in Section V. That section also contains descriptions of the individual projects, which are divided into two stages on the basis of timing factors described.

#### IV. ECONOMIC RECOVERY PROGRAM ELEMENTS.

##### A. Phase 1 - Immediate State Action

- \* Supplementary Municipal Assistance of \$400 per capita (Anchorage share about \$90 million)
  - Purposes:
    - Keep taxes and utility rates down
    - Avoid further layoffs
    - Get small/local capital projects underway
  - Advantages:
    - Local option so can apply to local priorities
    - Short lead time (quick implementation)
- \* Early State Capital Appropriations for projects with immediate start-up and/or federal match projects.
  - Purposes:
    - Employment
    - Repair and rehabilitation (lower O&M costs)
    - Economic Development (infrastructure)
  - Advantages:
    - Impact employment in hard hit sector
    - Multiplier impacts help support sector
- \* Government investment in commercial real estate, with strong consideration given to Permanent Fund as investor.
  - Purposes:
    - Stabilize market - regain balance between supply and demand
    - Re-establish confidence in the economy
    - Speed readjustment
  - Advantages:
    - Potential for long run return on investments initially made in distressed markets
- \* Other short term requests
  - Real Estate Market stabilization
    - AHFC and AIDEA take administrative action to assist borrowers.

University of Alaska Anchorage purchase of foreclosed condominiums for student housing.

ASBA remove substandard housing from market, utilize foreclosed properties for housing.

Actions to discourage auctions and other forms of dumping of real estate.

- Employment

Bradley Lake - fast track APUC review exemption

Court Building financing - fast track project.

B. Phase 2 - Longer Term Economic Recovery Program

Phase 2 elements are being developed. Specific proposals have not been finalized. A series of proposals and actions are being evaluated--including the items listed below.

\* Local development opportunities

- Home Port, location of Navy installation in Southcentral Alaska
- 1994 Winter Olympics
- Ski Resorts
- Ship Creek Development
- Tourism Promotion

\* Stabilize taxes and utility rates

\* Extra Permanent Fund Dividend payments

\* Heritage Land Bank as a source of land for industrial development

\* Railbelt Energy Fund for railbelt energy projects

\* Legislation permitting use of tax incentives for business development

\* Streamlining of local permitting requirements

\* Local purchase/import substitution

## V. Proposed Capital Projects

The following list of projects has been developed and grouped based on criteria geared toward generating an immediate stimulus to the professional design/engineering and construction sectors of Anchorage's economy. Primary criteria favored projects which are ready to proceed, labor intensive, employ local workers and reduce Municipal operation and maintenance costs. Secondly, we considered projects which maximize use of local materials, have been endorsed through the public review process, have positive life safety and health impacts, and are a positive influence on future economic development.

- A. High Priority-1988 construction: High priority projects which can be constructed in 1988.
  - \* Group I - Projects that have been specifically endorsed by the Assembly as top priority.
  - \* Group II - Other high priority projects identified by the Administration which can be constructed in 1988.
- B. High Priority-1989 construction: High priority projects endorsed by the Assembly or identified by the Administration which, due to the constraints of design, right-of-way acquisition or permitting, cannot be bid for construction until 1989 or 1990.

Assembly project priorities will be candidates for funding from the \$400 per capita distribution. If funding is insufficient to cover all projects they will be considered for any early State capital appropriation (jobs bill) and lastly, the end of session State capital budget.

# ANCHORAGE CAPITAL PROJECTS

| Name of Project                                                            | 1988 (\$000) | Notes                                                                                                                 |
|----------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>HIGH PRIORITY - 1988 CONSTRUCTION<br/>GROUP I - ASSEMBLY PRIORITIES</b> |              |                                                                                                                       |
| Lake Otis Parkway, III<br>(Tudor to Dowling)                               | \$ 2,500.0   | Electrical undergrounding, sewer/water, bike path & landscaping                                                       |
| Klatt Road<br>(Timberline to Southport)                                    | \$ 3,400.0   | Paving, curb & gutter, sidewalks, bike path, lighting & landscaping                                                   |
| Spenard Road, II<br>(International to Turnagain)                           | \$11,400.0   | ROW acquisition \$4.2M<br>Roadway construction \$7.2M                                                                 |
| Hiland Road                                                                | \$ 500.0     | Road improvement and slope stabilization - needs design                                                               |
| Santa Maria Drive                                                          | \$ 850.0     | Upgrade gravel road - design is being negotiated                                                                      |
| Hiland Bridge Pedestrian Walkway                                           | \$ 450.0     | State DOT project. Widen pathway from 8' to 12' on future bridge. Under design for 1988 construction.                 |
| 36th Avenue<br>(Arctic to Spenard)                                         | \$ 4,800.0   | ROW acquisition funded; roadway and landscaping construction                                                          |
| East 6th Ave. (Muldoon-Cherry)                                             | \$ 2,000.0   | Road Construction - needs design                                                                                      |
| Lake Otis Parkway, IV<br>(66th to Abbott)                                  | \$15,800.0   | ROW acquisition \$2.1M; roadway and landscaping construction \$13.7M                                                  |
| Arctic Blvd.<br>(Raspberry to Dimond)                                      | \$ 3,500.0   | Utility relocations and construction \$3.5M                                                                           |
| Huffman Rd.<br>(New Seward to Bragaw)                                      | \$ 3,500.0   | Bid package ready by July, State DOT project                                                                          |
| Baranoff                                                                   | \$ 1,620.0   | Upgrade gravel road - design is being negotiated                                                                      |
| Klondike                                                                   | \$ 270.0     | Upgrade gravel road - design is being negotiated                                                                      |
| Eagle River Roads                                                          | \$ 900.0     | Strip paving. Design negotiation underway                                                                             |
| Lake Otis (O'Malley-Huffman) signalization at Huffman                      | \$ 3,100.0   | ROW acquisition \$.3M; design \$.4M; and construction \$2.4M. Potential private development under reimbursement plan. |
| ARDSA Rehab Projects                                                       | \$ 4,000.0   | Implementation of 5-yr. road improvement plan - needs design                                                          |

| <u>Name of Project</u>                                    | <u>1988 (\$000)</u> | <u>Notes</u>                                                                                                                                                                            |
|-----------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>GROUP I - ASSEMBLY PRIORITIES (continued)</u>          |                     |                                                                                                                                                                                         |
| Hillside Drainage Plan<br>Phase I Study                   | \$ 300.0            | Complete assessment of drainage problems<br>on Hillside identifying specific capital<br>projects                                                                                        |
| W. Northern Lights Blvd. I<br>(Forest Park to Wisconsin)  | (\$ 1,400.0)        | Landscaping complete; request transfer<br>of residual funds to Spenard Road II                                                                                                          |
| Subtotal                                                  | <u>\$57,490.0</u>   |                                                                                                                                                                                         |
| <u>GROUP II - OTHER PRIORITIES</u>                        |                     |                                                                                                                                                                                         |
| Windemere Phase I<br>Reconstruction                       | \$ 697.0            | Paving, curbs, drainage. Design<br>complete, construction contract awarded                                                                                                              |
| Central Business District<br>Rehabilitation               | \$ 600.0            | Sidewalk, curbs, drainage (design<br>complete)                                                                                                                                          |
| Downtown Sidewalk, Lighting<br>and Landscape Improvements | \$ 1,000.0          | Upgrade and improve curbs, sidewalk,<br>signals and lighting in areas of 5th and<br>6th between C and G. Design in<br>progress.                                                         |
| Post Road                                                 | \$ 448.0            | Paving overlay (design 95% complete)                                                                                                                                                    |
| Ocean Dock                                                | \$ 170.0            | Paving overlay (design 95% complete)                                                                                                                                                    |
| Lakeview Terrace                                          | \$ 1,720.0          | Subdivision reconstruction, roads and<br>drainage. Under design for summer<br>construction.                                                                                             |
| Emerald Hills                                             | \$ 1,357.0          | Subdivision reconstruction roads and<br>drainage. Under design for summer<br>construction.                                                                                              |
| Heather Meadows Phase III                                 | \$ 724.0            | Subdivision reconstruction roads and<br>drainage (design 50% complete)                                                                                                                  |
| Municipal Building Energy<br>Projects                     | \$ 180.0            | Conversion to gas heat, mechanical<br>modifications, setbacks on fans and<br>heating systems, lighting reductions.<br>Will save an estimate of \$140,000 in<br>future annual O&M costs. |
| Town Square Park                                          | \$ 400.0            | Construct Phase I including site<br>preparation and underground utility<br>work. Design under contract for 1988<br>construction                                                         |
| Maritime Receiving Area                                   | \$ 2,000.0          | Installation of a fish handling and<br>small freight dock at Ship Creek for<br>tenders and barge                                                                                        |

| <u>Name of Project</u>                                        | <u>1988 (\$000)</u> | <u>Notes</u>                                                                                                                                                                                                                       |
|---------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>GROUP II - OTHER PRIORITIES (Continued)</u>                |                     |                                                                                                                                                                                                                                    |
| ADEC Sewer and Water Match                                    | \$ 500.0            | Provide required local matching funds for the ADEC Construction Grant Program for improvement district, transmission mains, distribution centers, etc.                                                                             |
| Water/Wastewater Repair and Rehabilitation                    | \$ 1,200.0          | Replace antiquated woodstave water and sewer lines and outdated clay sewer pipe in downtown and Government Hill                                                                                                                    |
| Golden View Water Extension                                   | \$ 750.0            | Construct 24" oversized water line and pump station in the Golden View area - being designed                                                                                                                                       |
| Girdwood Wastewater Treatment Facility                        | \$ 2,700.0          | Upgrade of Girdwood treatment facility Phase I, outfall from treatment facility to creek \$1M - in design                                                                                                                          |
| Hiland Drive Project                                          | \$ 2,770.0          | Construct sewer pump station, force main and interceptor serving the Hiland Drive area (Eagle River ski resort, prison and residential). Design will be completed by summer construction.                                          |
| Port/Landfill Development Project                             | \$ 4,800.0          | Transportation of 1.1 million cubic yards of fill gravel from the landfill to the Port, accelerating development of both the landfill site and future economic benefit of the Port. Landfill design, transportation and placement. |
| Merrill Field Runway Construction Grant (matching grant)      | \$ 147.0            | FAA Federal grant to upgrade the Merrill Field north/south runway \$2.3M. Grant is being processed, design to be completed in May, construction August 1, completion mid-November.                                                 |
| Merrill Field Passenger Terminal                              | \$ 4,000.0          | Airport terminal facility servicing passenger and freight traffic through Merrill Field - design complete.                                                                                                                         |
| <u>Public Works - Deferred Municipal Building Maintenance</u> |                     |                                                                                                                                                                                                                                    |
| Historical Fine Arts Museum                                   | \$ 250.0            | Repair/replace damaged wall coverings in art galleries.                                                                                                                                                                            |
| Tudor Road Building                                           | \$ 150.0            | Heating system replacement (design complete)                                                                                                                                                                                       |
| Woodland Park School                                          | \$ 78.4             | Heating system repairs - 3-4 weeks designs                                                                                                                                                                                         |

| <u>Name of Project</u>                         | <u>1988 (\$000)</u> | <u>Notes</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>GROUP II - OTHER PRIORITIES (Continued)</u> |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Municipal Buildings Roof Repairs               | \$ 39.7             | Roof maintenance and repair on 9 buildings                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Paint Municipal Buildings                      | \$ 110.0            | Small painting projects on 14 building interiors and exteriors                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Fleet Service Building                         | \$ 125.0            | Fire sprinkler system - 4-5 weeks design required                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Transit Storage Building                       | \$ 57.5             | Repair doors and floor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Hill Building                                  | \$ 12.0             | Upgrade air conditioner in 5th floor computer room                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Gateway Park (International Airport Road)      | \$ 125.0            | Replace underground sprinkler system for landscaping - 2 weeks design required                                                                                                                                                                                                                                                                                                                                                                                                                         |
| West Chester Lagoon Park                       | \$ 35.0             | Replace underground sprinkler system for landscaping - 2 weeks design required                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Libraries and Maintenance Shop                 | \$ 37.0             | Construct and repair interior walls and carpet                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Asbestos Abatement                             | \$ 1,300.3          | <ul style="list-style-type: none"> <li>- Fire stations \$173,300 (design complete)</li> <li>- Old City Hall \$250,500 (designs - 3-4 weeks required)</li> <li>- Mulcahy locker room, Grandview Gardens Library, Mt. View Community Center, Goose Lake Center, Government Hill Community Center \$326,400 (design - 2-3 weeks required)</li> <li>- Public Health Facility \$363,600 (design 2-3 weeks required)</li> <li>- Other municipal buildings \$186,500 (design - 2-3 weeks required)</li> </ul> |

Parks and Recreation - Meet additional criteria of life/safety improvements

|                    |          |                                                   |
|--------------------|----------|---------------------------------------------------|
| DeLong Lake Park   | \$ 50.0  | Replace public use dock                           |
| Nunaka Valley Park | \$ 25.0  | Replace broken playground equipment               |
| Jewel Lake Park    | \$ 130.0 | Playground and equipment repair, dock replacement |
| Goose Lake Park    | \$ 80.0  | Parking lot redesign and traffic barriers         |
| Kincaid Park       | \$ 50.0  | Replace public use dock                           |
| Sand Lake Park     | \$ 50.0  | Replace public use dock                           |

| <u>Name of Project</u>                         | <u>1988 (\$000)</u> | <u>Notes</u>                                                              |
|------------------------------------------------|---------------------|---------------------------------------------------------------------------|
| <u>GROUP II - OTHER PRIORITIES (Continued)</u> |                     |                                                                           |
| University Lake                                | \$ 70.0             | Bike trail bridge replacement                                             |
| Valley Street                                  | \$ 85.0             | Lake shore steep bank improvements                                        |
| Taku Lake                                      | \$ 225.0            | Lake shore steep bank improvements and dock construction                  |
| Chester Creek Trail System                     | \$ 1,625.0          | Repair, rehabilitation, overlays and reduce hazards (design 35% complete) |
| Campbell Creek Trail System                    | \$ 875.0            | Repair, rehabilitation, overlays and reduce hazards (design 35% complete) |

Parks and Recreation Improvements

|                               |          |                                                            |
|-------------------------------|----------|------------------------------------------------------------|
| Willow Housing Park           | \$ 45.0  | Park repair and rehabilitation                             |
| Browns Pt. Park               | \$ 40.0  | Park repair and rehabilitation                             |
| Delaney Park                  | \$ 260.0 | Top soil and reseed                                        |
| Duldida Park                  | \$ 85.0  | Park repair and rehabilitation                             |
| Kanchee Park                  | \$ 85.0  | Park repair and rehabilitation                             |
| Fairview Park                 | \$ 10.0  | Barrier posts and rehabilitation                           |
| Ruth Arcand Park              | \$ 35.0  | Entry road improvements                                    |
| So. Russian Jack Springs Park | \$ 35.0  | Picnic area entrance rehabilitation                        |
| Davenport Fields              | \$ 80.0  | Parking improvements                                       |
| Lyn Ary Park                  | \$ 30.0  | Repair and rehabilitation                                  |
| Campbell Park                 | \$ 65.0  | Shoreline and park repair and rehabilitation               |
| "C" Street Community Garden   | \$ 20.0  | Soil and parking improvements                              |
| Cope Street Park              | \$ 35.0  | Repair and rehabilitation                                  |
| Wilson St. Park               | \$ 35.0  | Repair and rehabilitation                                  |
| Pena Field                    | \$ 45.0  | Parking and playfield improvements                         |
| Davis Park                    | \$ 220.0 | Basketball court construction and playfield rehabilitation |
| Pop Carr Park                 | \$ 180.0 | Tennis court, walkway and park rehabilitation              |

| <u>Name of Project</u>                                        | <u>1988 (\$000)</u>                 | <u>Notes</u>                                                                                           |
|---------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>GROUP II - OTHER PRIORITIES (Continued)</b>                |                                     |                                                                                                        |
| Storck Park                                                   | \$ 200.0                            | Playfield, playground and park improvements                                                            |
| Fence, Barricades and Backstop                                | \$ 100.0                            | Repair and/or replacement of existing park fencing, barricade and backstops                            |
| Sand and Soil Cleaning and Replacement                        | \$ 100.0                            | Replacement and improvements to swimming beaches and sand lots                                         |
| Parking Repair                                                | \$ 200.0                            | Upgrading of existing parking areas and drainage repairs                                               |
| Eagle Glenn Park                                              | \$ 5.0                              | New park improvements                                                                                  |
| Spirit Park S. Fork                                           | \$ 5.0                              | New park improvements                                                                                  |
| Town Square                                                   | \$ 15.0                             | Park improvements                                                                                      |
| Schroeder Park                                                | \$ 35.0                             | Planning and construction document preparation                                                         |
| Eagle River Tennis Court                                      | \$ 160.0                            | Construction                                                                                           |
| Chief Alex Park                                               | \$ 15.0                             | Park improvements                                                                                      |
| Mirror Lake                                                   | \$ 55.0                             | Drainage and parking improvements                                                                      |
| Girdwood                                                      | \$ 120.0                            | Pathway completion                                                                                     |
| Girdwood Water                                                | \$ 5,700.0                          | Rehabilitate Girdwood water systems donated to Municipality. O&M costs will be offset by user revenues |
| Performing Arts Center add backs which are revenue generating | \$ 400.0<br>300.0<br>500.0<br>300.0 | Large Rehearsal Hall<br>Small Rehearsal Hall<br>Orchestra Pit Lifts<br>Concession Equipment            |
| Subtotal                                                      | <u>\$41,262.9</u>                   |                                                                                                        |
| HIGH PRIORITY - 1988 CONSTRUCTION TOTAL                       | \$98,752.9                          |                                                                                                        |
| <b>HIGH PRIORITY-1989 CONSTRUCTION</b>                        |                                     |                                                                                                        |
| Edwards (DeBarr to Ptarmigan School)                          | \$ 500.0                            | Road Construction - needs design                                                                       |
| Sullins/Chugach Park Road                                     | \$ 390.0                            | Upgrade gravel road - design is being negotiated                                                       |

| <u>Name of Project</u>                             | <u>1988 (\$000)</u>       | <u>Notes</u>                                                                                   |
|----------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------|
| <b>HIGH PRIORITY-1989 CONSTRUCTION (continued)</b> |                           |                                                                                                |
| Spenard Road, III<br>(Turnagain to McRae)          | \$ 7,100.0                | Roadway and landscaping construction<br>\$7.1M                                                 |
| Dimond Blvd.<br>(New Seward to 88th)               | \$ 4,700.0                | Design \$.6M; ROW acquisition \$4.1M;<br>roadway and landscaping construction                  |
| West Northern Lights, II<br>(Wisconsin to Aero)    | \$ 5,600.0                | Design \$.5M; roadway and landscaping<br>construction \$5.1M                                   |
| Hillside Drainage Plan<br>Phase I Implementation   | \$ 5,000.0                | Implementation of drainage improve-<br>ments - needs design                                    |
| Birch Road, Huffman to<br>DeArmoun                 | \$ 1,700.0                | Upgrade to paving, curb and gutter,<br>sidewalk, bike trail and illumination -<br>needs design |
| Buffalo Street                                     | \$ 2,200.0                | Upgrade to paving, curb and gutter,<br>sidewalk, bike trail and illumination -<br>needs design |
| Elmore Street                                      | \$ 2,300.0                | Upgrade to paving, curb and gutter,<br>sidewalk, bike trail and illumination -<br>needs design |
| Bragaw Street                                      | \$ 2,500.0                | Upgrade to paving, curb and gutter,<br>sidewalk, bike trail and illumination -<br>needs design |
| Arctic (Raspberry to Dimond)                       | \$ 5,700.0                | Road construction                                                                              |
| Windemere Phase II                                 | \$ 700.0                  | Subdivision reconstruction roads and<br>drainage                                               |
| Town Square Phase II                               | \$ 500.0                  | Construct Phase II - final development                                                         |
| <b>HIGH PRIORITY-1989 CONSTRUCTION</b>             | <b><u>\$ 38,890.0</u></b> |                                                                                                |
| <b>TOTAL 1988/1989 CONSTRUCTION</b>                | <b><u>\$137,642.9</u></b> |                                                                                                |

# MEMORANDUM

## State of Alaska

TO: House of Representatives  
Senate

DATE: January 14, 1988

#15

FILE NO.:

THRU:

TELEPHONE NO.:

SUBJECT: Annual Report

FROM: Kristi Peel, Administrative Assistant  
Department of Commerce and  
Economic Development  
Division of Banking, Securities and  
Corporations

*in accordance  
with  
AS 06.05.05*

The Annual Report of the Division of Banking, Securities and Corporations for FY 1987 was submitted to Governor Steve Cowper, December 3, 1987. A copy for the opening of the Legislative Session is now submitted to:

Senator Jan Faiks, President of the Senate  
~~Nancy Quinto, Secretary of the Senate~~

Representative Ben Grussendorf, Speaker of the House  
Irene Cashen, Chief Clerk

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES & CORPORATIONS

STEVE COWPER, GOVERNOR

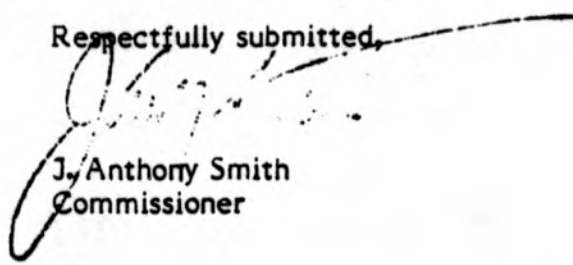
P.O. BOX D  
JUNEAU, ALASKA 99801-0800  
Banking & Securities (907) 465-2521  
Corporation Section (907) 465-2530  
ANCHORAGE  
Corporation Information (907) 563-2161

Honorable Steve Cowper  
Governor  
P.O. Box A  
Juneau, AK 99811

Dear Governor Cowper:

I have the honor of submitting to you the Annual Report of the Division of Banking, Securities and Corporations covering Fiscal Year 1987, pursuant to the requirements of AS 06.05.055, the Alaska Banking Code. Included in the report are schedules and abstracts dealing with the operation and condition of state-chartered banks and financial institutions.

Respectfully submitted,

  
J. Anthony Smith  
Commissioner

JAS/wfs7165W  
113087c

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS

Banking Section

Fiscal Year 1987

Administrative Personnel

Willis F. Kirkpatrick, Director  
Kris Kuaana, Administrative Assistant

Examination

Thomas Lusk, Chief Bank/Review Examiner  
Dan Pittman, Section Clerk

Examiners

Tony Rivera, Juneau  
Larry Houston, Anchorage  
Frank Puschak, Anchorage  
Judson Lanier, Anchorage

Anchorage Field Office

Linda Hamel, Clerk

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# FINANCIAL INSTITUTIONS (BANKING)

## Receipts and Disbursements

### RECEIPTS

|                    | <u>FY 86</u> | <u>FY 87</u> |
|--------------------|--------------|--------------|
| Program Receipts * | \$112,709    | \$110,546    |

### DISBURSEMENTS

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Salaries and Benefits     | \$390,036        | \$425,565        |
| Operational Expenses      | 51,509           | 85,981           |
| TOTAL                     | <u>\$441,545</u> | <u>\$511,546</u> |
| Net Income (deficiencies) | [\$328,836]      | [\$401,000]      |

\*Maximum that can be charged for an examination is \$7,500.

# DIVISION OF BANKING, SECURITIES AND CORPORATIONS

## Receipts and Disbursements

### RECEIPTS

|                  | <u>FY 86</u>       | <u>FY 87</u>       |
|------------------|--------------------|--------------------|
| Program Receipts | \$ 112,709         | \$ 110,546         |
| Other            | 2,933,305          | 3,009,857          |
| TOTAL            | <u>\$3,046,014</u> | <u>\$3,120,403</u> |

### DISBURSEMENTS

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| Salaries and Benefits     | \$1,137,981        | \$1,013,351        |
| Operational Expenses      | 146,238            | 253,883            |
| TOTAL                     | <u>\$1,284,219</u> | <u>\$1,267,234</u> |
| Net Income (deficiencies) | \$1,761,795        | \$1,853,169 *      |

\*The division has a net income (excluding tax collections) of \$956,561 with the income of all three sections, Banking, Securities, and Corporations.

### CONDITION OF FINANCIAL INSTITUTIONS

Alaska state chartered banks are continuing to experience increases in loan delinquencies. As of June 30, 1987, past due loans totalled \$452 million, double the past due amount of a year ago. Real estate acquired through foreclosure also experienced a major increase, moving from the \$56 million of last year to \$107 million June 30, 1987.

Core deposits of state chartered financial institutions have, in most part, maintained their position over the last year, posting only a 6.5% decrease. At \$1.214 billion on June 30, 1987, compared to \$1.299 billion on June 30, 1986. Total assets of state chartered banks also declined a small amount to equal \$2.254 billion this year from \$2.624 billion of June 30, 1986. State bank assets represent 44.6% of all commercial banking assets in this state.

As long as there is an increase in nonperforming loans, the viability of banks suffering major losses continues to be of concern. Two bank holding companies involving three state chartered banks are in the process of reorganization which will infuse \$65 million in new capital with the FDIC assistance of \$295 million. This type of a solution is favorable to the marketplace as it results in some consolidation without the impact of failure.

The report format follows the sequence of requirements outlined in section 06.05.055.

Annual Report of Department

I. The text of all rules of general application adopted or altered by the department since the last report.

- A. CSSB 8 - amended AS 44.81.270 by adding a new subsection (c) stating that state bank examiners shall perform an annual qualitative examination and evaluation of CFAB and assess the bank a fee established under AS 06.01.010(b) for actual expenses. The bill was signed by the Governor and made effective on June 8, 1987.
- B. CSSB 87 - amended AS 06.05.209(b) relating to credit card interest rates. A bank may impose a service charge at a monthly rate that results in an annual rate not in excess of 17% on the outstanding balance. The bill was signed by the Governor and made effective on May 30, 1987.
- C. CSHB 273 - amended AS 06.05.470(t) allowing depositors to have greater preference on liquidation of a bank - amended AS 06.30.065 allowing a name change of a state-chartered savings and loan to "savings bank" to reflect the increase in powers - repealed AS 06.05.470(e) 15-day notice on closing banks. The bill was signed by the Governor and made effective on May 5, 1987.

No regulations were promulgated during FY 87.

II. Recommendations for legislation.

SCS CSHB 263 am\$ incorporates a number of fee charges proposed by other departments. The proposed legislation will allow the banking section to adopt a fee schedule based upon asset size. This section has tried for the past seven years to raise the ceiling of \$7,500, the maximum that can be charged, for bank examinations.

III. A statement of the status of assets and liabilities of all banking organizations which are in possession of the department.

None.

IV. A summary of all changes occurring since its last report by reason of opening new state banks, mergers and conversions, increases and decreases in capital, and similar changes.

- A. 1. Home Savings and Loan closed its Dimond Branch at 100 E. Dimond Blvd., Anchorage, Alaska, on July 31, 1986.

2. Approval was granted for the relocation of Home Savings and Loan's Wasilla Branch to 1590 E. Financial Drive, Wasilla, Alaska. The Certificate of Authority was issued for August 1, 1986.
  3. On August 8, 1986, Peninsula Savings and Loan Association was issued a Cease and Desist Order #87-4 to close its association. The order was issued under the authority of AS 06.01.030. FSLIC was the receiver duly appointed by the FHLB in Resolution #86-809, dated August 8, 1986. Peninsula Savings and Loan Association had three offices; Soldotna, Homer and Kenai.
  4. Three premium finance companies doing business in Alaska did not renew their licenses for the calendar year 1987. The companies were Berjac of Washington-Lynnwood, Washington; Profesco-New York, New York; and Progressive Premium Budget-Sacramento, California. Eleven premium finance companies were licensed.
  5. On June 12, 1987, Frontier Savings and Loan Association was issued a Cease and Desist Order #87-3 to close its association. FSLIC was duly appointed as receiver by the FHLB. Frontier Savings and Loan had one office in Fairbanks.
- B.
1. First Interstate Bank closed their ATM (Automatic Teller Machine) at the ARCO Tower Branch, 711 G Street, Anchorage, Alaska on July 7, 1986. The ARCO Tower Branch remains open.
  2. Approval was granted for First Interstate Bank to establish its Jewel Lake Branch at 9170 Jewel Lake Road, Anchorage, Alaska. The Certificate of Authority was issued on July 10, 1986.
  3. First Interstate Bank closed its ATM at the Cottonwood Creek Mall, 1801 Parks Highway, Wasilla, Alaska, on July 14, 1986.
  4. On July 14, 1986, approval was granted and Certificate of Authority issued for First Interstate Bank to relocate its King Salmon Branch to the King Salmon Mall, Main St. and Lake Camp Road, King Salmon, Alaska.
  5. Alaska Mutual Bank's new Wasilla Branch was approved and Certificate of Authority was issued on July 14, 1986. It is located at Mile 41 Parks Highway, Wasilla, Alaska.
  6. Alaska Statebank closed their Bentley Mall Branch at 36 College Road, Fairbanks, Alaska on August 29, 1986.

7. On September 29, 1986 Alaska Continental Bank closed its Denali Towers Branch at 2550 Denali Towers, Anchorage, Alaska.
8. Alaska Pacific Bank's Old City Hall drive-up facility at 5th and E, Anchorage, Alaska was closed on October 31, 1986.
9. On March 31, 1987 First Interstate Bank was issued a Certificate of Authority to relocate its C Street Branch to 3000 C Street, Anchorage, Alaska.

V. A Statement of Conditions of each bank as of the date of the most recent report of conditions.

See Attachment A.

7165W102787b

DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
J. Anthony Smith, Commissioner  
William F. Kirkpatrick, Director of Banking

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND CAPITAL ACCOUNTS OF ALASKA STATE BANKS  
AS OF SEPTEMBER 30, 1967  
(Dollar amount in thousands)

|                                                                                      | Denali<br>State<br>Bank | United<br>Bank<br>Alaska<br>Southeastern | Alaska<br>Continental<br>Bank | B.N.<br>Behrens<br>Bank | Alaska<br>Statebank | First<br>Bank  | United<br>Bank<br>Alaska | First<br>Interstate<br>Bank of<br>Alaska | Alaska<br>Pacific<br>Bank | Alaska<br>Mutual<br>Bank | TOTAL<br>STATE<br>COMMERCIAL<br>BANKS | Mc. McKinley<br>Mutual<br>Savings<br>Bank | TOTAL<br>STATE<br>BANKS |
|--------------------------------------------------------------------------------------|-------------------------|------------------------------------------|-------------------------------|-------------------------|---------------------|----------------|--------------------------|------------------------------------------|---------------------------|--------------------------|---------------------------------------|-------------------------------------------|-------------------------|
| <b>ASSETS</b>                                                                        |                         |                                          |                               |                         |                     |                |                          |                                          |                           |                          |                                       |                                           |                         |
| Cash & Balances Due from<br>Depository Institutions                                  |                         |                                          |                               |                         |                     |                |                          |                                          |                           |                          |                                       |                                           |                         |
| Non-Interest Bearing.....                                                            | 2,056                   | 2,361                                    | 3,071                         | 4,005                   | 9,101               | 7,457          | 17,253                   | 19,216                                   | 19,581                    | 16,892                   | 101,793                               | 1,420                                     | 103,213                 |
| Interest Bearing.....                                                                | 1,875                   | 100                                      | 100                           | 100                     | 0                   | 44             | 1,600                    | 0                                        | 16                        | 3,020                    | 6,855                                 | 4,772                                     | 11,627                  |
| Securities.....                                                                      | 1,397                   | 10,196                                   | 2,493                         | 13,340                  | 15,584              | 90,033         | 74,638                   | 73,194                                   | 61,715                    | 30,552                   | 381,150                               | 37,106                                    | 418,256                 |
| Federal Funds Sold & Securities<br>Purchased to Resell.....                          | 3,890                   | 8,900                                    | 6,500                         | 9,025                   | 23,700              | 0              | 17,000                   | 23,000                                   | 0                         | 54,330                   | 146,345                               | 6,500                                     | 152,845                 |
| Loans & Leases, Net.....                                                             | 16,984                  | 26,897                                   | 30,025                        | 26,246                  | 73,968              | 51,171         | 163,137                  | 190,435                                  | 260,361                   | 381,813                  | 1,255,037                             | 28,068                                    | 1,283,105               |
| Assets Held in Trading Accounts.....                                                 | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| Premises & Fixed Assets.....                                                         | 461                     | 599                                      | 2,466                         | 1,556                   | 3,884               | 3,708          | 12,412                   | 23,953                                   | 5,322                     | 16,865                   | 71,226                                | 1,270                                     | 72,496                  |
| Other Real Estate Owned.....                                                         | 0                       | 1,578                                    | 3,403                         | 1,689                   | 2,803               | 919            | 19,869                   | 23,726                                   | 17,334                    | 48,132                   | 119,453                               | 815                                       | 120,268                 |
| Investments in Unconsolidated<br>Subsidiaries.....                                   | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| Customer's Liability on<br>Acceptances.....                                          | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| Intangible Assets.....                                                               | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 290                      | 0                                        | 0                         | 957                      | 1,247                                 | 0                                         | 1,247                   |
| Other Assets.....                                                                    | 191                     | 624                                      | 763                           | 1,635                   | 4,352               | 3,201          | 8,080                    | 6,131                                    | 8,792                     | 9,283                    | 43,052                                | 1,355                                     | 44,407                  |
| <b>TOTAL ASSETS.....</b>                                                             | <b>26,854</b>           | <b>51,255</b>                            | <b>57,621</b>                 | <b>67,604</b>           | <b>133,392</b>      | <b>164,533</b> | <b>314,279</b>           | <b>367,655</b>                           | <b>381,121</b>            | <b>561,844</b>           | <b>2,126,158</b>                      | <b>81,306</b>                             | <b>2,207,464</b>        |
| <b>LIABILITIES</b>                                                                   |                         |                                          |                               |                         |                     |                |                          |                                          |                           |                          |                                       |                                           |                         |
| Deposits of:                                                                         |                         |                                          |                               |                         |                     |                |                          |                                          |                           |                          |                                       |                                           |                         |
| Individuals-Partnerships-Corp.                                                       | 21,474                  | 36,686                                   | 38,829                        | 54,103                  | 109,299             | 94,308         | 108,776                  | 220,610                                  | 189,120                   | 265,124                  | 1,138,329                             | 69,473                                    | 1,207,802               |
| U.S. Government.....                                                                 | 164                     | 46                                       | 63                            | 64                      | 107                 | 342            | 680                      | 521                                      | 540                       | 326                      | 2,933                                 | 0                                         | 2,933                   |
| States and Political Subdiv...                                                       | 0                       | 2,797                                    | 679                           | 7,593                   | 4,376               | 50,878         | 22,544                   | 31,119                                   | 98,849                    | 8,994                    | 227,829                               | 1,000                                     | 228,829                 |
| Commercial Banks in the U.S...                                                       | 0                       | 1,681                                    | 5,070                         | 0                       | 0                   | 0              | 117,650                  | 41,228                                   | 22,824                    | 113,774                  | 302,227                               | 0                                         | 302,227                 |
| Other U.S. Depositories.....                                                         | 0                       | 6,723                                    | 9,964                         | 194                     | 0                   | 805            | 116,299                  | 62,941                                   | 3,547                     | 167,411                  | 367,884                               | 0                                         | 367,884                 |
| Certified & Official Checks...                                                       | 220                     | 255                                      | 552                           | 1,483                   | 1,681               | 1,164          | 2,330                    | 2,526                                    | 2,617                     | 1,701                    | 14,529                                | 0                                         | 14,529                  |
| All Other Deposits.....                                                              | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 5                         | 0                        | 5                                     | 1,893                                     | 1,898                   |
| <b>TOTAL DEPOSITS.....</b>                                                           | <b>21,858</b>           | <b>48,188</b>                            | <b>55,157</b>                 | <b>63,437</b>           | <b>115,543</b>      | <b>147,497</b> | <b>368,279</b>           | <b>358,945</b>                           | <b>317,502</b>            | <b>557,330</b>           | <b>2,053,736</b>                      | <b>72,366</b>                             | <b>2,126,102</b>        |
| a. Total DEMAND Deposits.....                                                        | 6,761                   | 5,892                                    | 10,866                        | 18,010                  | 33,065              | 21,651         | 34,541                   | 58,030                                   | 60,751                    | 30,103                   | 279,670                               | 1,893                                     | 281,563                 |
| b. Total TIME & SAVINGS Dep...                                                       | 15,097                  | 42,296                                   | 44,291                        | 45,427                  | 82,478              | 125,846        | 333,738                  | 300,915                                  | 256,751                   | 527,227                  | 1,774,066                             | 70,473                                    | 1,844,539               |
| Federal Funds Purchased<br>& Repurchased.....                                        | 0                       | 0                                        | 0                             | 0                       | 4,634               | 2,100          | 21,747                   | 300                                      | 27,757                    | 0                        | 56,538                                | 0                                         | 56,538                  |
| Demand Notes - U.S. Treasury....                                                     | 0                       | 0                                        | 0                             | 0                       | 650                 | 0              | 0                        | 0                                        | 0                         | 0                        | 650                                   | 0                                         | 650                     |
| Other Borrowed Money.....                                                            | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 67                       | 0                                        | 0                         | 97,532                   | 97,599                                | 0                                         | 97,599                  |
| Mortgage Indebtedness &<br>Obligations.....                                          | 141                     | 0                                        | 437                           | 0                       | 72                  | 0              | 8,672                    | 3,563                                    | 1,039                     | 6,917                    | 20,841                                | 279                                       | 21,120                  |
| Bank's Liability on<br>Acceptances.....                                              | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| Notes & Debentures.....                                                              | 0                       | 0                                        | 0                             | 0                       | 0                   | 2              | 0                        | 0                                        | 6,000                     | 1,301                    | 7,303                                 | 0                                         | 7,303                   |
| Other Liabilities.....                                                               | 127                     | 268                                      | 375                           | 264                     | 973                 | 1,988          | 1,927                    | 2,067                                    | 4,180                     | 8,293                    | 20,462                                | 489                                       | 20,951                  |
| <b>TOTAL LIABILITIES.....</b>                                                        | <b>22,126</b>           | <b>48,456</b>                            | <b>55,969</b>                 | <b>63,701</b>           | <b>121,872</b>      | <b>151,587</b> | <b>400,692</b>           | <b>364,875</b>                           | <b>356,478</b>            | <b>671,373</b>           | <b>2,257,129</b>                      | <b>73,134</b>                             | <b>2,330,263</b>        |
| Limited-Life Preferred Stock....                                                     | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| <b>EQUITY CAPITAL</b>                                                                |                         |                                          |                               |                         |                     |                |                          |                                          |                           |                          |                                       |                                           |                         |
| Perpetual Preferred Stock.....                                                       | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| Common Stock.....                                                                    | 3,333                   | 3,550                                    | 1,768                         | 527                     | 2,002               | 1,008          | 10,033                   | 4,688                                    | 2,604                     | 1,073                    | 30,586                                | 0                                         | 30,586                  |
| Surplus.....                                                                         | 1,666                   | 2,168                                    | 2,705                         | 1,806                   | 5,778               | 2,866          | -96,446                  | 16,423                                   | 4,567                     | 15,313                   | -43,154                               | 2,686                                     | -40,468                 |
| Undivided Profit & Capital<br>Reserves.....                                          | -271                    | -2,919                                   | -2,821                        | 1,570                   | 3,740               | 9,072          | 0                        | -18,331                                  | 17,472                    | -125,915                 | -118,403                              | 5,486                                     | -112,917                |
| Cumulative Foreign Currency<br>Transaction Adjustments.....                          | 0                       | 0                                        | 0                             | 0                       | 0                   | 0              | 0                        | 0                                        | 0                         | 0                        | 0                                     | 0                                         | 0                       |
| <b>TOTAL EQUITY CAPITAL.....</b>                                                     | <b>4,728</b>            | <b>2,799</b>                             | <b>1,652</b>                  | <b>3,903</b>            | <b>11,520</b>       | <b>12,946</b>  | <b>-86,413</b>           | <b>2,780</b>                             | <b>24,643</b>             | <b>-109,529</b>          | <b>-130,971</b>                       | <b>8,172</b>                              | <b>-122,799</b>         |
| <b>TOTAL LIABILITIES, LTD-LIFE PRE-<br/>  ferred Stock &amp; EQUITY CAPITAL.....</b> | <b>26,854</b>           | <b>51,255</b>                            | <b>57,621</b>                 | <b>67,604</b>           | <b>133,392</b>      | <b>164,533</b> | <b>314,279</b>           | <b>367,655</b>                           | <b>381,121</b>            | <b>561,844</b>           | <b>2,126,158</b>                      | <b>81,306</b>                             | <b>2,207,464</b>        |

Compiled quarterly by the Division of Banking, Securities and Corporations, State Office Building, P.O. Box D, Juneau, Alaska 99811.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
J. Anthony Smith, Commissioner  
William F. Kirpatrick, Director of Banking

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND CAPITAL ACCOUNTS OF ALASKA NATIONAL BANKS  
AS OF SEPTEMBER 30, 1967  
(Dollar amount in thousands)

|                                                                                      | Rainier<br>Bank<br>Alaska,<br>N.A. | First<br>National<br>Bank of<br>Fairbanks | Alaska<br>National<br>Bank of<br>the North* | First<br>National<br>Bank of<br>Anchorage | National<br>Bank of<br>Alaska | TOTAL<br>NATIONAL<br>COMMERCIAL<br>BANKS | Federal<br>Bank of<br>Alaska,<br>S.B. | TOTAL<br>NATIONAL<br>BANKS |
|--------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------|------------------------------------------|---------------------------------------|----------------------------|
| <b>ASSETS</b>                                                                        |                                    |                                           |                                             |                                           |                               |                                          |                                       |                            |
| Cash & Balances Due from<br>Depository Institutions                                  |                                    |                                           |                                             |                                           |                               |                                          |                                       |                            |
| Non-Interest Bearing.....                                                            | 13,146                             | 14,206                                    | 24,750                                      | 55,201                                    | 88,088                        | 195,391                                  | 3,101                                 | 198,492                    |
| Interest Bearing.....                                                                | 801                                | 24                                        | 0                                           | 76                                        | 39,000                        | 39,901                                   | 2,847                                 | 42,748                     |
| Securities.....                                                                      | 2,403                              | 50,092                                    | 44,884                                      | 337,034                                   | 325,485                       | 759,898                                  | 91,440                                | 851,338                    |
| Federal Funds Sold & Securities<br>Purchased to Resell.....                          | 0                                  | 0                                         | 13,800                                      | 90,000                                    | 28,000                        | 131,800                                  | 0                                     | 131,800                    |
| Loans & Leases, Net.....                                                             | 112,942                            | 134,728                                   | 100,642                                     | 280,619                                   | 700,646                       | 1,329,577                                | 245,282                               | 1,574,859                  |
| Assets Held in Trading Accounts.....                                                 | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| Premises & Fixed Assets.....                                                         | 4,309                              | 3,593                                     | 5,144                                       | 30,152                                    | 41,789                        | 84,987                                   | 8,336                                 | 93,323                     |
| Other Real Estate Owned.....                                                         | 4,571                              | 6,699                                     | 9,036                                       | 4,436                                     | 2,639                         | 27,381                                   | 17,540                                | 44,921                     |
| Investments in Unconsolidated<br>Subsidiaries.....                                   | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 1,692                                 | 1,692                      |
| Customer's Liability on<br>Acceptances.....                                          | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| Intangible Assets.....                                                               | 3,005                              | 0                                         | 0                                           | 0                                         | 0                             | 3,005                                    | 192                                   | 3,197                      |
| Other Assets.....                                                                    | 2,452                              | 4,915                                     | 4,907                                       | 12,630                                    | 19,032                        | 43,936                                   | 12,932                                | 56,868                     |
| <b>TOTAL ASSETS.....</b>                                                             | <b>143,629</b>                     | <b>214,257</b>                            | <b>203,163</b>                              | <b>810,148</b>                            | <b>1,244,679</b>              | <b>2,615,876</b>                         | <b>383,362</b>                        | <b>2,999,238</b>           |
| <b>LIABILITIES</b>                                                                   |                                    |                                           |                                             |                                           |                               |                                          |                                       |                            |
| Deposits of:                                                                         |                                    |                                           |                                             |                                           |                               |                                          |                                       |                            |
| Individuals-Partnerships-Corp.                                                       | 102,065                            | 115,119                                   | 93,237                                      | 481,877                                   | 807,156                       | 1,599,454                                | 171,240                               | 1,770,694                  |
| U.S. Government.....                                                                 | 389                                | 29                                        | 256                                         | 5,834                                     | 3,617                         | 10,125                                   | 0                                     | 10,125                     |
| States and Political Subdiv...                                                       | 7,317                              | 40,868                                    | 99,602                                      | 37,709                                    | 111,308                       | 296,804                                  | 28,800                                | 325,604                    |
| Commercial Banks in the U.S.                                                         | 15,506                             | 10,079                                    | 21                                          | 0                                         | 109                           | 25,715                                   | 1,985                                 | 27,700                     |
| Other U.S. Depositories.....                                                         | 600                                | 1,610                                     | 0                                           | 0                                         | 0                             | 2,210                                    | 10,011                                | 12,221                     |
| Certified & Official Checks...                                                       | 944                                | 1,366                                     | 2,148                                       | 10,754                                    | 10,969                        | 26,181                                   | 0                                     | 26,181                     |
| All Other Deposits.....                                                              | 0                                  | 0                                         | 4,992                                       | 7                                         | 494                           | 5,493                                    | 0                                     | 5,493                      |
| <b>TOTAL DEPOSITS.....</b>                                                           | <b>126,821</b>                     | <b>169,071</b>                            | <b>200,256</b>                              | <b>536,181</b>                            | <b>933,653</b>                | <b>1,965,982</b>                         | <b>212,036</b>                        | <b>2,178,018</b>           |
| a. Total DEMAND Deposits.....                                                        | 42,805                             | 43,884                                    | 52,699                                      | 206,049                                   | 273,963                       | 619,400                                  | 36,210                                | 655,610                    |
| b. Total TIME & SAVINGS Dep...                                                       | 84,016                             | 125,187                                   | 147,557                                     | 330,132                                   | 659,690                       | 1,346,582                                | 175,826                               | 1,522,408                  |
| Federal Funds Purchased<br>& Repurchased.....                                        | 3,500                              | 22,396                                    | 5,277                                       | 120,023                                   | 133,731                       | 284,927                                  | 0                                     | 284,927                    |
| Demand Notes - U.S. Treasury....                                                     | 0                                  | 0                                         | 0                                           | 10,003                                    | 6,684                         | 16,687                                   | 0                                     | 16,687                     |
| Other Borrowed Money.....                                                            | 0                                  | 0                                         | 0                                           | 0                                         | 275                           | 275                                      | 153,204                               | 153,479                    |
| Mortgage Indebtedness &<br>Obligations.....                                          | 547                                | 0                                         | 0                                           | 0                                         | 0                             | 547                                      | 0                                     | 547                        |
| Bank's Liability on<br>Acceptances.....                                              | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| Notes & Debentures.....                                                              | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| Other Liabilities.....                                                               | 509                                | 1,669                                     | 3,484                                       | 4,984                                     | 17,167                        | 27,813                                   | 7,491                                 | 35,304                     |
| <b>TOTAL LIABILITIES.....</b>                                                        | <b>131,377</b>                     | <b>193,136</b>                            | <b>209,017</b>                              | <b>671,191</b>                            | <b>1,091,510</b>              | <b>2,296,231</b>                         | <b>372,731</b>                        | <b>2,668,962</b>           |
| Limited-Life Preferred Stock....                                                     | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| <b>EQUITY CAPITAL</b>                                                                |                                    |                                           |                                             |                                           |                               |                                          |                                       |                            |
| Perpetual Preferred Stock.....                                                       | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| Common Stock.....                                                                    | 200                                | 1,000                                     | 2,492                                       | 10,000                                    | 60,000                        | 73,692                                   | 0                                     | 73,692                     |
| Surplus.....                                                                         | 12,749                             | 5,000                                     | 10,790                                      | 20,000                                    | 46,000                        | 94,539                                   | 0                                     | 94,539                     |
| Undivided Profit & Capital<br>Reserves.....                                          | -697                               | 15,121                                    | -19,136                                     | 108,957                                   | 47,169                        | 151,414                                  | 10,631                                | 162,045                    |
| Cumulative Foreign Currency<br>Transaction Adjustments.....                          | 0                                  | 0                                         | 0                                           | 0                                         | 0                             | 0                                        | 0                                     | 0                          |
| <b>TOTAL EQUITY CAPITAL.....</b>                                                     | <b>12,252</b>                      | <b>21,121</b>                             | <b>-5,854</b>                               | <b>138,957</b>                            | <b>153,169</b>                | <b>319,645</b>                           | <b>10,631</b>                         | <b>330,276</b>             |
| <b>TOTAL LIABILITIES, LTD-LIFE PRE-<br/>  ferred Stock &amp; EQUITY CAPITAL.....</b> | <b>143,629</b>                     | <b>214,257</b>                            | <b>203,163</b>                              | <b>810,148</b>                            | <b>1,244,679</b>              | <b>2,615,876</b>                         | <b>383,362</b>                        | <b>2,999,238</b>           |

Compiled quarterly by the Division of Banking, Securities and Corporations, State Office Building, P.O. Box D, Juneau, Alaska 99811.  
\* Alaska National Bank of the North closed 10/22/87. Figures courtesy of FDIC

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF BANKING, SECURITIES AND CORPORATIONS  
J. Anthony Smith, Commissioner  
Willis F. Kirkpatrick, Director of Banking

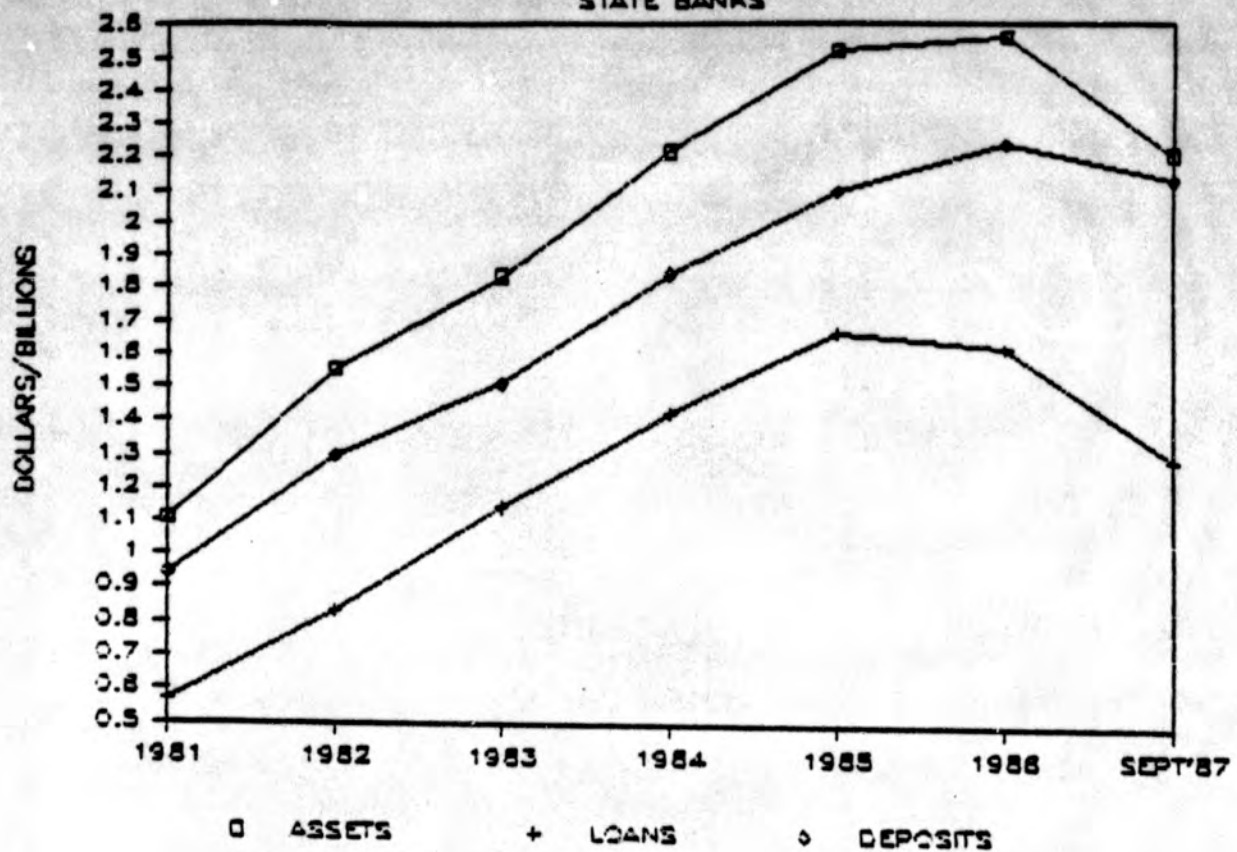
COMPARATIVE STATEMENT OF CONDITION OF BANKS IN ALASKA AS OF SEPTEMBER 30, 1987  
(Comparison 9/30/86 to 9/30/87)  
(Dollar amount in thousands)

| ASSETS                                                                   | STATE BANKS      |               | NATIONAL BANKS   |                | 9-30-86<br>TOTAL<br>ALL BANKS | 9-30-87<br>TOTAL<br>ALL BANKS | DOLLAR<br>INCREASE<br>(DECREASE) | PERCENTAGE<br>INCREASE<br>(DECREASE) |
|--------------------------------------------------------------------------|------------------|---------------|------------------|----------------|-------------------------------|-------------------------------|----------------------------------|--------------------------------------|
|                                                                          | COMMERCIAL       | SAVINGS       | COMMERCIAL       | SAVINGS        |                               |                               |                                  |                                      |
| Cash & Balances Due from<br>Depository Institutions                      |                  |               |                  |                |                               |                               |                                  |                                      |
| Non-Interest Bearing.....                                                | 101,793          | 1,420         | 195,391          | 3,101          | 364,464                       | 301,705                       | -62,759                          | -17.22%                              |
| Interest Bearing.....                                                    | 6,855            | 4,772         | 39,901           | 2,847          | 71,283                        | 54,375                        | -16,908                          | -23.72%                              |
| Securities.....                                                          | 381,150          | 37,106        | 759,898          | 91,440         | 1,053,122                     | 1,269,594                     | 216,472                          | 20.56%                               |
| Federal Funds Sold & Securities<br>Purchased to Resell.....              | 146,345          | 6,500         | 131,800          | 0              | 276,766                       | 284,645                       | 7,879                            | 2.85%                                |
| Loans & Leases, Net.....                                                 | 1,255,037        | 28,068        | 1,329,577        | 245,282        | 3,468,436                     | 2,857,964                     | -610,472                         | -17.60%                              |
| Assets in Trading Accounts.....                                          | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| Premises & Fixed Assets.....                                             | 71,226           | 1,270         | 84,987           | 8,336          | 168,605                       | 165,819                       | -2,786                           | -1.65%                               |
| Other Real Estate Owned.....                                             | 119,453          | 815           | 27,381           | 17,540         | 98,314                        | 165,189                       | 66,875                           | 68.02%                               |
| Investments in Unconsolidated<br>Subsidiaries.....                       | 0                | 0             | 0                | 1,692          | 2,085                         | 1,692                         | -393                             | -18.85%                              |
| Customer's Liability on<br>Acceptances.....                              | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| Intangible Assets.....                                                   | 1,247            | 0             | 3,005            | 192            | 4,530                         | 4,444                         | -86                              | -1.90%                               |
| Other Assets.....                                                        | 43,052           | 1,355         | 43,936           | 12,932         | 108,428                       | 101,275                       | -7,153                           | -6.60%                               |
| <b>TOTAL ASSETS.....</b>                                                 | <b>2,126,158</b> | <b>81,306</b> | <b>2,615,876</b> | <b>383,362</b> | <b>5,617,033</b>              | <b>5,206,702</b>              | <b>-410,331</b>                  | <b>-7.31%</b>                        |
| <b>LIABILITIES</b>                                                       |                  |               |                  |                |                               |                               |                                  |                                      |
| Deposits of:                                                             |                  |               |                  |                |                               |                               |                                  |                                      |
| Indiv.-Partnerships-Corp..                                               | 1,138,329        | 69,473        | 1,599,454        | 171,240        | 3,110,300                     | 2,978,496                     | -131,804                         | -4.24%                               |
| U.S. Government.....                                                     | 2,933            | 0             | 10,125           | 0              | 24,330                        | 13,058                        | -11,272                          | -46.33%                              |
| States & Political Subdiv..                                              | 227,829          | 1,000         | 296,804          | 28,800         | 774,753                       | 554,433                       | -220,320                         | -28.44%                              |
| Commercial Banks in the U.S.                                             | 302,227          | 0             | 25,715           | 1,985          | 221,469                       | 329,927                       | 108,458                          | 48.97%                               |
| Other U.S. Depositories.....                                             | 367,884          | 0             | 2,210            | 10,011         | 225,014                       | 380,105                       | 155,091                          | 68.93%                               |
| Certified & Official Checks.                                             | 14,529           | 0             | 26,181           | 0              | 50,647                        | 40,710                        | -9,937                           | -19.62%                              |
| All Other Deposits.....                                                  | 5                | 1,893         | 5,493            | 0              | 3,592                         | 7,391                         | 3,799                            | 105.76%                              |
| <b>Total DEPOSITS.....</b>                                               | <b>2,053,736</b> | <b>72,366</b> | <b>1,965,982</b> | <b>212,036</b> | <b>4,410,105</b>              | <b>4,304,120</b>              | <b>-105,985</b>                  | <b>-2.40%</b>                        |
| a. Total DEMAND Deposits.....                                            | 279,670          | 1,893         | 619,400          | 36,210         | 1,004,812                     | 937,173                       | -67,639                          | -6.73%                               |
| b. Total TIME & SAVINGS Dep.                                             | 1,774,066        | 70,473        | 1,346,582        | 175,826        | 3,405,293                     | 3,366,947                     | -38,346                          | -1.13%                               |
| Federal Funds Purchased &<br>Repurchased.....                            | 56,538           | 0             | 284,927          | 0              | 348,899                       | 341,465                       | -7,434                           | -2.13%                               |
| Demand Notes-U.S. Treasury....                                           | 650              | 0             | 16,687           | 0              | 16,613                        | 17,337                        | 724                              | 4.36%                                |
| Other Borrowed Money.....                                                | 97,599           | 0             | 275              | 153,204        | 249,568                       | 251,078                       | 1,510                            | 0.61%                                |
| Mortgage Indebtedness &<br>Obligations.....                              | 20,841           | 279           | 547              | 0              | 21,256                        | 21,667                        | 411                              | 1.93%                                |
| Bank's Liability on<br>Acceptances.....                                  | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| Notes & Debentures.....                                                  | 7,303            | 0             | 0                | 0              | 1,395                         | 7,303                         | 5,908                            | 423.51%                              |
| Other Liabilities.....                                                   | 20,462           | 489           | 27,813           | 7,491          | 64,543                        | 56,255                        | -8,288                           | -12.84%                              |
| <b>TOTAL LIABILITIES.....</b>                                            | <b>2,257,129</b> | <b>73,134</b> | <b>2,296,231</b> | <b>372,731</b> | <b>5,112,379</b>              | <b>4,999,225</b>              | <b>-113,154</b>                  | <b>-2.21%</b>                        |
| Ltd.-Life Preferred Stock.....                                           | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| <b>EQUITY CAPITAL</b>                                                    |                  |               |                  |                |                               |                               |                                  |                                      |
| Perpetual Preferred Stock.....                                           | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| Common Stock.....                                                        | 30,586           | 0             | 73,692           | 0              | 105,707                       | 104,278                       | -1,429                           | -1.35%                               |
| Surplus.....                                                             | -43,154          | 2,686         | 94,539           | 0              | 143,845                       | 54,071                        | -89,774                          | -62.41%                              |
| Undivided Profit & Capital<br>Reserves.....                              | -118,403         | 5,486         | 151,414          | 10,631         | 255,102                       | 49,128                        | -205,974                         | -80.74%                              |
| Cumulative Foreign Currency<br>Transaction Adjustments.....              | 0                | 0             | 0                | 0              | 0                             | 0                             | 0                                | 0.00%                                |
| <b>TOTAL EQUITY CAPITAL.....</b>                                         | <b>-130,971</b>  | <b>8,172</b>  | <b>319,645</b>   | <b>10,631</b>  | <b>504,654</b>                | <b>207,477</b>                | <b>-297,177</b>                  | <b>-58.89%</b>                       |
| <b>TOTAL LIABILITIES, LTD.-LIFE<br/>PREF. STOCK &amp; EQUITY CAPITAL</b> | <b>2,126,158</b> | <b>81,306</b> | <b>2,615,876</b> | <b>383,362</b> | <b>5,617,033</b>              | <b>5,206,702</b>              | <b>-410,331</b>                  | <b>-7.31%</b>                        |

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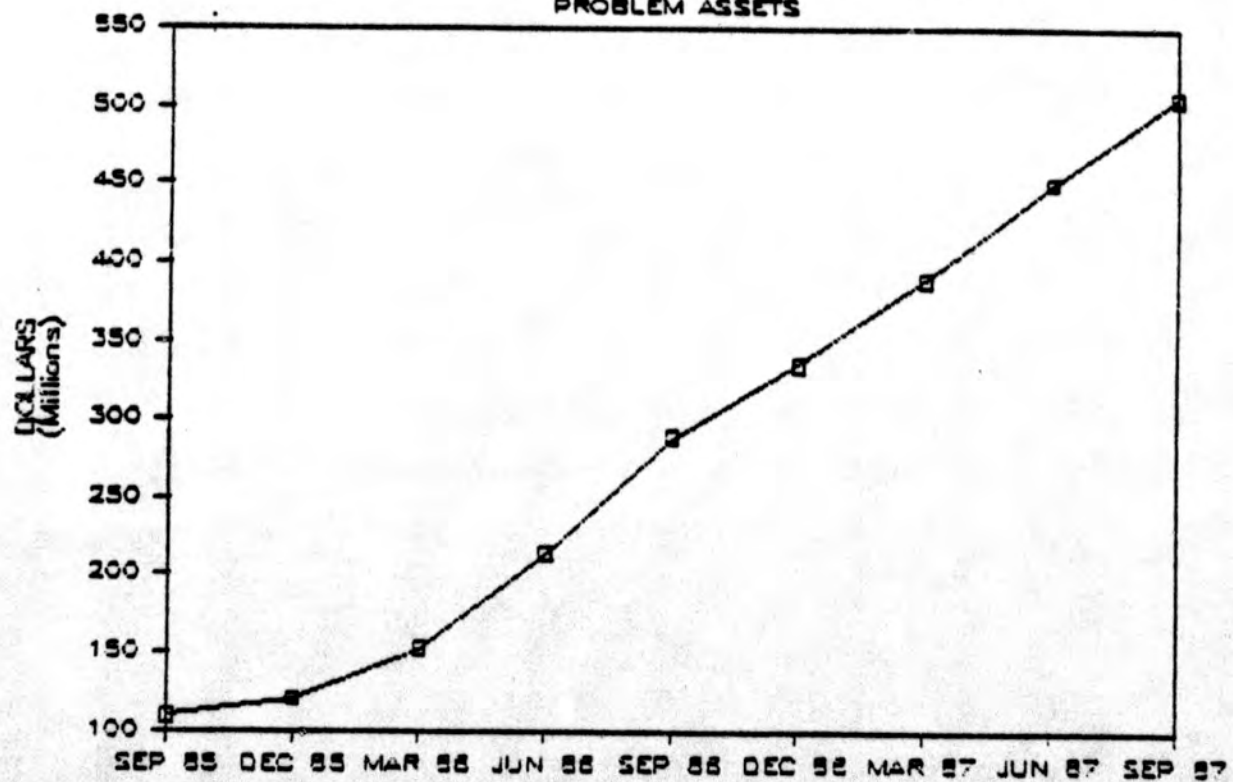
# ASSETS—LOANS—DEPOSITS

STATE BANKS



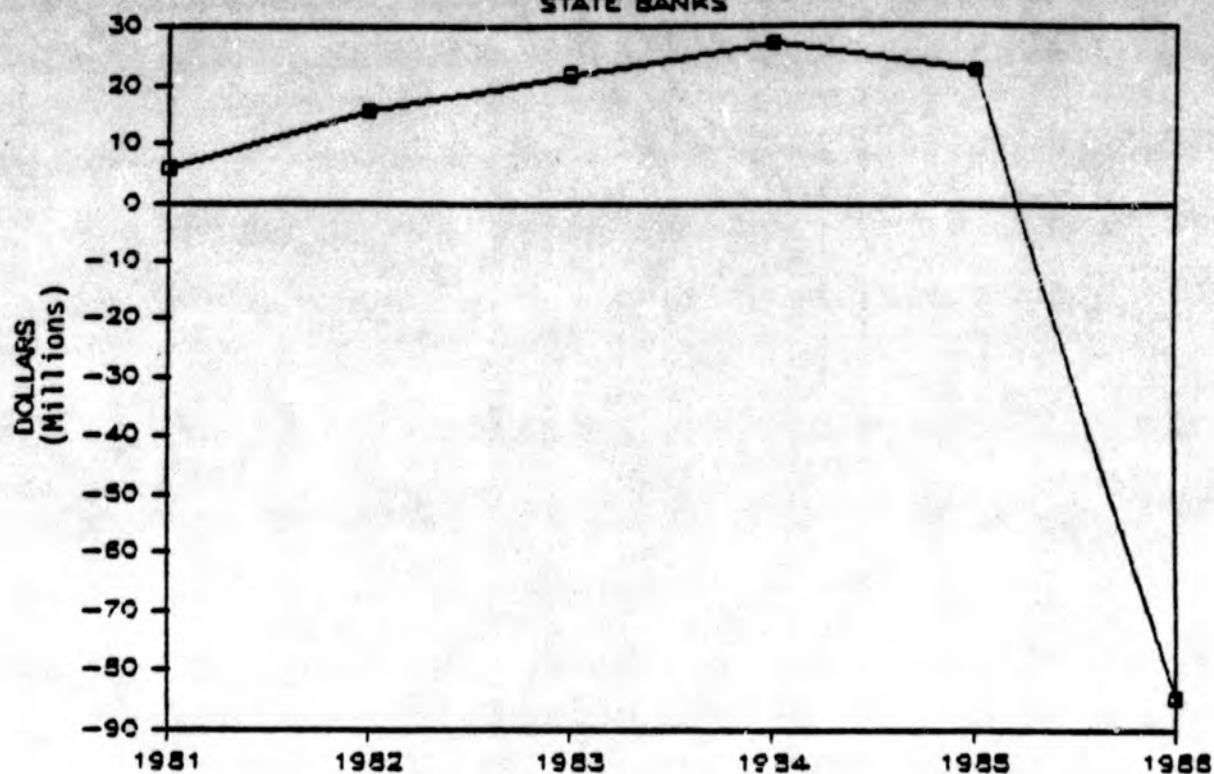
# FINANCIAL INSTITUTIONS

PROBLEM ASSETS



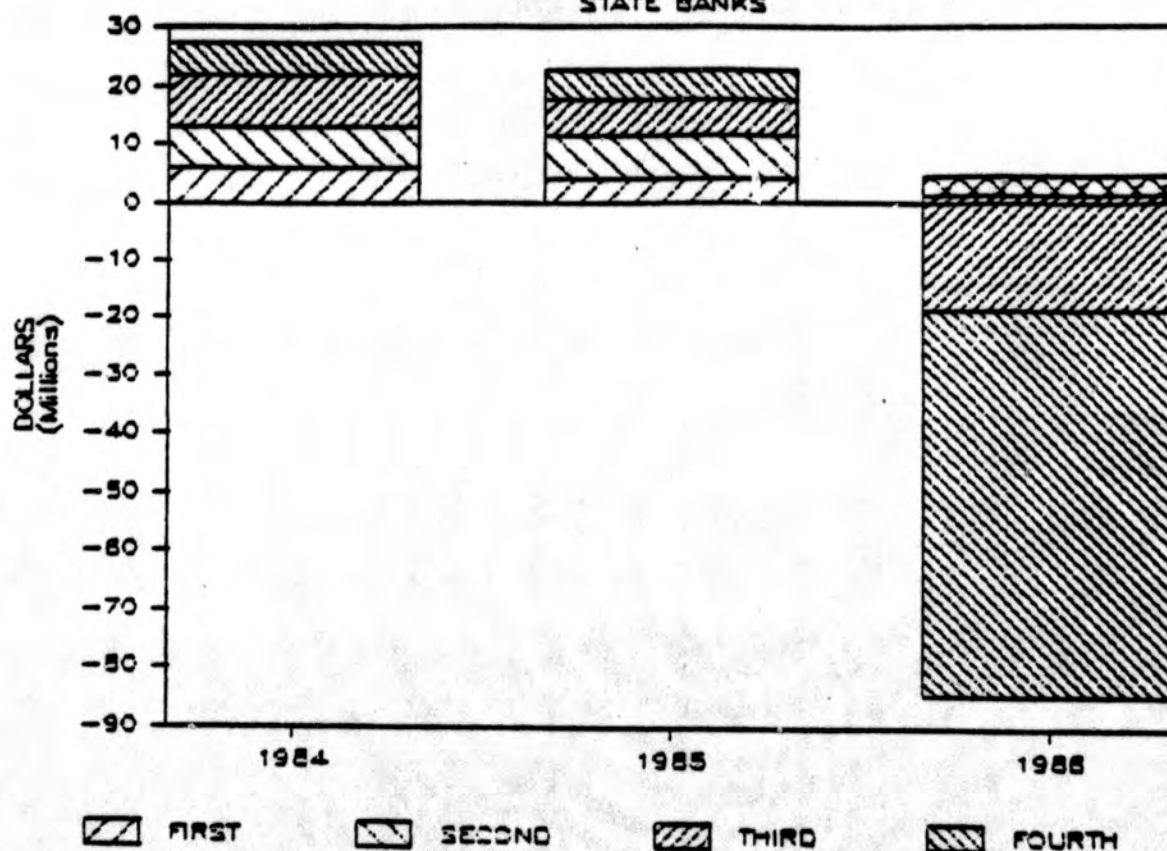
# YEAR END EARNINGS

STATE BANKS



# QUARTERLY EARNINGS

STATE BANKS



## STATE BANKS

### ALASKA CONTINENTAL BANK

#### Anchorage

Main Office  
(1016 W. Northern Lights Blvd.)  
Anchorage, Alaska 99503  
Telephone: (907) 561-5250

Lake Otis Branch and Real Estate Department  
2213 E. Tudor Road  
Anchorage, Alaska 99507  
Telephone: (907) 562-0880

Huffman Branch  
1301 Huffman Road  
Anchorage, Alaska 99511  
Telephone: (907) 345-1161

### ALASKA MUTUAL BANK

#### Anchorage

Main Office  
Minnesota-Benson Branch  
(1500 W. Benson Blvd.)  
P.O. Box 99003  
Anchorage, Alaska 99509-9003  
Telephone: (907) 258-7890

Fifth Avenue Plaza Branch  
(601 West 5th Avenue)  
P.O. Box 99003  
Anchorage, Alaska 99509-9003  
Telephone: (907) 274-3561

DeBarr Branch  
4020 DeBarr Avenue  
Anchorage, Alaska 99510  
Telephone: (907) 333-3011

O'Malley Branch  
1040 O'Malley Road  
Anchorage, Alaska 99515  
Telephone: (907) 349-5800

#### Eagle River

Eagle River Branch  
(Eagle Financial Center)  
P.O. Box 1068  
Eagle River, Alaska 99577  
Telephone: (907) 694-9571

#### Wasilla

Wasilla Branch  
1800 E. Parks Highway  
P.O. Box 874329  
Wasilla, Alaska 99687  
Telephone: (907) 376-3050

### ALASKA PACIFIC BANK

#### Anchorage

Main Office  
(101 West Benson Blvd.)  
P.O. Box 420  
Anchorage, Alaska 99510  
Telephone: (907) 562-6100

Old City Hall Branch  
(524 West 4th Avenue)  
P.O. Box 420  
Anchorage, Alaska 99510  
Telephone: (907) 562-6100

Southside Financial Center  
(9041 Old Seward Highway)  
P.O. Box 420  
Anchorage, Alaska 99510  
Telephone: (907) 562-6100

### ALASKA STATEBANK

#### Anchorage

Main Office  
(442 West 5th Avenue)  
P.O. Box 100240  
Anchorage, Alaska 99510  
Telephone: (907) 277-5661

Mountain View Branch  
4010 Mountain View Drive  
Drawer 8970  
Anchorage, Alaska 99508  
Telephone: (907) 277-5661

Northern Lights Branch  
310 E. Northern Lights Blvd.  
Anchorage, Alaska 99503  
Telephone: (907) 277-5661

Tudor Road Branch  
2545 East Tudor Road  
Anchorage, Alaska 99509  
Telephone: (907) 277-5661

#### Fairbanks

Fairbanks Main Branch  
(5th Avenue on the Mall)  
P.O. Box 769  
Fairbanks, Alaska 99707  
Telephone: (907) 452-1221

Airport Way Branch  
1989 Airport Way  
Fairbanks, Alaska 99701  
Telephone: (907) 452-8321

#### Kenai

Kenai Branch  
(Kenai Spur Road)  
Drawer 910  
Kenai, Alaska 99611  
Telephone: (907) 283-7542

### ALASKA STATEBANK continued

#### Unalaska

Unalaska Branch  
(Unisez Mall)  
P.O. Box 77  
Unalaska, Alaska 99685  
Telephone: (907) 581-1300

### THE B.M. BEHREND'S BANKS

#### Juneau

Main Office  
(234 Seward Street)  
P.O. Box 34479  
Juneau, Alaska 99803-4479  
Telephone: (907) 586-6800

Mendenhall Branch  
(8000 Glacier Highway)  
P.O. Box 34479  
Juneau, Alaska 99803-4479  
Telephone: (907) 789-0101

#### Hoonah

Hoonah Branch  
(Main Street)  
P.O. Box 198  
Hoonah, Alaska 99829  
Telephone: (907) 945-3297

#### Klawock

Klawock Branch  
(Klawock Heenya Mall)  
P.O. Box 49  
Klawock, Alaska 99925  
Telephone: (907) 755-2956

#### Yakutat

Yakutat Branch  
(Main Street)  
P.O. Box 334  
Yakutat, Alaska 99689  
Telephone: (907) 784-3204

### DENALI STATE BANK

#### Fairbanks

Main Office  
119 North Cushman  
P.O. Box 74568  
Fairbanks, Alaska 99707  
Telephone: (907) 456-1400

## STATE BANKS

### FIRST BANK

#### Craig

Prince of Wales Branch  
(3rd & Main Street)  
P.O. Box 74  
Craig, Alaska 99921  
Telephone: (907) 828-3254

#### Ketchikan

Main Office  
(331 Dock Street)  
P.O. Box 7920  
Ketchikan, Alaska 99901  
Telephone: (907) 225-6101

Totem Branch  
(2530 Tongass Avenue)  
P.O. Box 5100  
Ketchikan, Alaska 99901  
Telephone: (907) 225-6101

Narrows Branch  
(800 Stedman Street)  
P.O. Box 7920  
Ketchikan, Alaska 99901  
Telephone: (907) 225-6101

#### Petersburg

Petersburg Branch  
(110 Harbor Way)  
P.O. Box 1109  
Petersburg, Alaska 99833  
Telephone: (907) 772-4277

#### Sitka

Sitka Branch  
(202 Lake Street)  
P.O. Box 1829  
Sitka, Alaska 99835  
Telephone: (907) 747-6636

### FIRST INTERSTATE BANK OF ALASKA

#### Anchorage

Main Office  
(716 West 4th Avenue)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Boniface Mall Branch  
(5530 E. Northern Lights Blvd.)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

C Street Branch  
(3000 "C" Street)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

### FIRST INTERSTATE BANK OF ALASKA continued

Dimond Branch  
(800 East Dimond Blvd.)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Drive-In Branch  
(8th Avenue at H Street)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Eide Street Branch  
(Benson at Eide Street)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Jewel Lake Branch  
9170 Jewel Lake Road  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

O'Malley Branch  
(10900 O'Malley Centre Drive)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Tudor Branch  
(4500 Diplomacy Drive)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

Turnagain Branch  
(2810 Minnesota Drive)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 276-7200

#### Eagle River

Eagle River Branch  
(Mile 14, Old Glenn Highway)  
P.O. Box 107012  
Anchorage, Alaska 99510-7012  
Telephone: (907) 694-2021

#### Fairbanks

Fairbanks Branch  
520 Fifth Avenue  
Fairbanks, Alaska 99701  
Telephone: (907) 456-6127

#### Homer

Homer Branch  
4014 Lake Street  
Homer, Alaska 99603  
Telephone: (907) 235-8146

#### Kenai

Kenai Branch  
130 Willow Street, Unit #1  
Kenai, Alaska 99611  
Telephone: (907) 283-5798

### FIRST INTERSTATE BANK OF ALASKA continued

#### King Salmon

King Salmon Branch  
King Salmon Mall  
Main Street & Lake Camp Rd  
King Salmon, Alaska 99613  
Telephone: (907) 246-3306

#### Palmer

Palmer Branch  
705 South Bailey  
Palmer, Alaska 99645  
Telephone: (907) 745-2161

#### Soldotna

Soldotna Branch  
44501 Sterling Highway  
Soldotna, Alaska 99669  
Telephone: (907) 262-4468

#### Wasilla

Wasilla Branch  
P.O. Box 871725  
Wasilla, Alaska 99687  
Telephone: (907) 376-5338

### MT. MCKINLEY MUTUAL SAVINGS BANK

#### Fairbanks

(530 Fourth Avenue)  
P.O. Box 73880  
Fairbanks, Alaska 99707  
Telephone: (907) 452-1751

### UNITED BANK ALASKA

#### Anchorage

Main Office  
(440 East 36th Avenue)  
Pouch 7-059  
Anchorage, Alaska 99510  
Telephone: (907) 276-1911

Downtown Branch  
(645 G Street)  
Pouch 7-059  
Anchorage, Alaska 99510  
Telephone: (907) 276-1911

United Bank Alaska Mortgage  
Company, Inc.  
Commercial Banking Center  
Branch  
440 East 36th Ave., 4th Floor.  
Anchorage, Alaska 99503  
Telephone: (907) 276-1911

## STATE BANKS

### UNITED BANK ALASKA continued

#### Bethel

Yukon-Kuskokwim-Delta  
Branch  
P.O. Box 884  
Bethel, Alaska 99559  
Telephone: (907) 543-3875

#### Fairbanks

Interior Region Branch  
714 4th Avenue  
P.O. Box 73958  
Fairbanks, Alaska 99707  
Telephone: (907) 452-1428

#### Nome

Nome Branch  
Northwest Regional Office  
P.O. Box 1690  
Nome, Alaska 99762  
Telephone: (907) 443-5426

#### Wasilla

Wasilla Branch  
(Lakeview Professional Bldg.)  
P.O. Box 872809  
Wasilla, Alaska 99687  
Telephone: (907) 376-4147

#### Dillingham

Dillingham Branch  
(Main Street across N & N)  
P.O. Box 570  
Dillingham, Alaska 99576  
Telephone: (907) 842-2221

### UNITED BANK ALASKA SOUTHEASTERN

#### Juneau

Main Office  
(9112 Mendenhall Mall Road)  
P.O. Box 2016  
Juneau, Alaska 99803  
Telephone: (907) 789-2299

#### Ketchikan

Ketchikan Branch  
(2040 Sea Level Drive)  
P.O. Box 7840  
Ketchikan, Alaska 99901  
Telephone: (907) 225-9844

**STATE SAVINGS AND LOANS ASSOCIATIONS**

**FRONTIER SAVINGS AND LOAN**

**Fairbanks**

Main Office  
(301 Cushman)  
P.O. Box 74320  
Fairbanks, Alaska 99707  
Telephone: (907) 456-2222

**HOME SAVINGS AND LOAN**

**Anchorage**

Main Office  
(1001 East Benson Blvd.)  
P.O. Box 7008  
Anchorage, Alaska 99510  
Telephone: (907) 276-1451

**Wasilla**

Wasilla Branch  
P.O. Box 874510  
Wasilla, Alaska 99687  
Telephone: (907) 376-1520  
or 1521

**SMALL LOAN COMPANIES**

**NORWEST FINANCIAL, INC.**

**Anchorage**

Northway Business Park  
713 Northway Drive  
Anchorage, Alaska 99508  
Telephone: (907) 272-6584

(300 W. 36th Avenue)  
Plaza Mall  
P.O. Box 9-2144  
Anchorage, Alaska 99509  
Telephone: (907) 561-1337

**Fairbanks**

(536 Fourth Avenue)  
Parrish Building  
PO Box 4169  
Fairbanks, Alaska 99701  
Telephone: (907) 456-7781

#### PREMIUM FINANCE COMPANIES

**AFCO**  
3500 188th Street S.W.  
Suite 201  
Lynnwood, Washington 98037  
Telephone: (206) 788-7099

**AI CREDIT CORPORATION**  
3699 Wilshire Boulevard  
Los Angeles, California 90010  
Telephone: (213) 480-3669

**BERJAC OF OREGON**  
2620 River Road No. 201  
PO Box 726  
Eugene, Oregon 97440  
Telephone: (503) 688-1322

**BERJAC OF PORTLAND**  
207 S.E. Oak, Suite 200  
P.O. Box 129  
Hillsboro, Oregon 97123  
Telephone: (503) 640-4122

**BORG-WARNER INSURANCE  
FINANCE CORPORATION**  
720 Olive Way, Suite 705  
Seattle, Washington 98101  
Telephone: (206) 624-8182

**INAC CORPORATION OF CALIF.**  
3333 Wilshire Blvd.  
P.O. Box 76979  
Los Angeles, California 90076-0979  
Telephone: (213) 739-4743

**MONY CREDIT CORPORATION**  
1740 Broadway  
New York, New York 10019  
Telephone: (212) 708-2691

**LAKE UNION PREMIUM FINANCE  
COMPANY**  
P.O. Box 31043  
Wallingford Station  
Seattle, Washington 98103  
Telephone: (206) 682-3366

**NORTHERN INVESTORS CO.**  
113 Battery Street  
Seattle, Washington 98121  
Telephone: (206) 682-6171

**PREFCO, INC.**  
Main Office  
301 Seward Street  
Juneau, Alaska 99801  
Telephone: (907) 586-2414

Branch Office  
Nugget Mall  
8745 Glacier Highway, Suite 382  
Juneau, Alaska 99801  
Telephone: (907) 789-2446

**TIFCO PREMIUMS, INC.**  
2490 Columbia Center  
701 Fifth Avenue  
Seattle, Washington 98104-7090  
Telephone: (206) 343-2003

## STATE CREDIT UNIONS IN ALASKA

### FRONTIER ALASKA STATE CREDIT UNION

#### Anchorage

Main Office  
3500 Elde Street  
Anchorage, Alaska 99503  
Telephone: (907) 563-3786  
Gen. Manager: Ms. Leslie Ellis

Dimond Branch  
300 E. Dimond Blvd.  
Anchorage, Alaska 99515  
Telephone: (907) 344-5144

University of Alaska  
Campus Branch  
3200 Providence Drive  
Anchorage, Alaska 99508  
Telephone: (907) 561-3151

#### Eagle River

Eagle River Branch  
16515 Centerfield Drive  
Eagle River, Alaska 99577  
Telephone: (907) 694-5444

#### Soldotna

Soldotna Branch  
131-A Warehouse Street  
Soldotna, Alaska 99669  
Telephone: (907) 262-7600

### NORTH COUNTRY CREDIT UNION

#### Fairbanks

Main Office  
901 First Avenue  
Fairbanks, Alaska 99701  
Telephone: (907) 456-2613  
Manager: Jim Haselberger

North Pole Branch  
249 N. Santa Claus Lane  
North Pole, Alaska 99705  
Telephone: (907) 488-7300

✓ COPY OF AIDRA TO ANN RINGSTAD

(S) JCR 2/24/88

1. STARTS - SB 471 -

JOHANSON  
KALY

DORS BILL TRANSFER LIABILITY FROM BANK TO AIDRA?

(a) AIDRA PARTICIPATION PROVIDES ADDITIONAL LIQUIDITY.

(b) DORS CAUSE SHARING OF RISK.

2. WALTON INQUIRY

CASH DRAIN ON REAL ESTATE REPOSSED

\* FDIC COLLECTION PROCEDURES ON  
ASSUMED PORTFOLIO FOR AIDRA  
SUBSIDIZED LOANS.

SB 471 -

(H) JCR 2/25/88

WALTON - ASSURED NO DUMPING

- SUPPORTS -

HB 402 RAISES LN LIMITS { SUPPORTS LIMIT INCREASE, } CHGS RATES { CHGS DUE DATE } 70

- CRA HOUSING ASST DIV LNS DON'T ALLOW  
WORKOUTS.

OPINION  
HOLLING  
HOLLING

FIRST FID  
1300K

- FAULTY APPRAISALS BECAUSE TAX INCREASES LESSEN  
INVESTMENT GAIN.

- SUPPORTS ASHA STOCK INCREASE.



Senate Community and  
Regional Affairs Committee

Senator Arliss Sturgulewski, Chairman

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BRIDGE BANK -

FRANK MCQUARY

346-1050

Anchorage.

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CAN YOU CALL  
HIM TODAY OR  
TOMORROW - HE  
NEEDS TO DISCUSS  
SOME THINGS WITH YOU -  
WOULDN'T SAY WHAT.

gt

- MASSIVE SUBSTANT HOUSING IN ALACH.
- OPPOSES PULLING SUPPLY OFF MARKET.
- SUPPORTS NATURAL SHAKE-DOWN
- OPPOSES AEDC ACCEPTING FDIC APPRAISALS
- FINANCIAL TROUBLE & 2 BILLION POTENTIAL 2.5
- \* - SUPPORTS REDUCED INTEREST RATES FOR STATE  
LOANS INCLUDING HAD - WORKBOOTS
- COMPLAINTS DISCOUNTS DUMPING
- WANTS STATE TO PROVIDE OPPORTUNITIES -  
TAX CREDITS, WORK CREDITS, AVAILABILITY,  
JOB CREATION, HOMEPORTING, SKI RESORT, OLYMPICS
- BELIEVES NORTH SLOPE DEVELOPMENT WILL CONTINUE  
WHATEVER ROYALTY, TAX POLICIES ARE IN  
PLACE.
- DOESN'T SUPPORT AEDC CONCEPT UNLESS MATCHES  
INDUSTRY CRITERIA. SHOULD REQUIRE REQUISITE  
INTERESTS. DOESN'T SUPPORT SUBSIDIZED INTEREST.

2 MEETINGS NEXT WK.

FDIC, HALLWOOD, COX (RAISED BILL)

1. FDIC + COX

2. DECISIONS

RETURN HALLWOOD

# Anchorage Daily News

VOL. XLIII, NO. 51 60 PAGES

ANCHORAGE, ALASKA, SATURDAY, FEBRUARY 20, 1988

PRICE 25 CENTS

## Real estate bailout? No way, witnesses say

By JOHN LINDBACK  
Daily News reporter

JUNEAU — Prospects for a big state bailout of Alaska's depressed real estate market looked dim this week as legislators heard strong criticism of the idea from a trio of state officials and a major real estate broker.

State government created the oversupply of housing and commercial space with subsidized loans, according to state economist Gregg Erickson, Alaska Permanent Fund Director

Dave Rose, Commissioner of Revenue Hugh Malone and Connie Yoshimura of Fortune Properties in Anchorage. Government should avoid more tinkering with supply and demand, the witnesses said.

Legislators especially should resist grand proposals to buy foreclosed property and keep it off the market, they said. Such schemes would be too risky and too expensive, costing hundreds of millions of dollars. They could backfire, just like state loan subsidies backfired. Or they might give some

property owners an unfair advantage over others, the witnesses said.

"We spent ourselves into this problem. Now the situation seems to be: Can we spend ourselves out of it?" Malone said. In theory it would be best, he said, to let natural market forces take over.

"Proposals to assist only a segment of the market, say the

See Back Page, REAL ESTATE

## REAL ESTATE BAILOUT: Witnesses tell legislative panel that it is a bad idea

Continued from Page A-1

commercial real estate market, are hard to take seriously when so many others also have been hurt. Indemnifying all Alaskans hurt by the real estate collapse would simply cost more than the state could afford," said Erickson, senior economist for the governor's Office of Management and Budget.

He reminded legislators that some Alaskans are winning because of the current economic slump. The legislature, in a good-hearted attempt to help property owners, could hurt renters who have benefitted from the real estate collapse.

About 31,000 Anchorage households pay rent, he said.

"Assuming 2.4 persons per household, and if the average rental cost two years was \$200

per month per person, the roughly 40 percent drop in rents has added an average \$960 to the annual spendable incomes of these 75,000 people," Erickson said. "This 'renter's dividend' has thus increased Anchorage's spendable income by about \$72 million, and it has had about the same economic impact as would result from hiring 1,400 new state employees in Anchorage."

Malone, Erickson and the others testified before a House subcommittee examining Alaska's sick real estate market and ailing banks.

Some Alaskans, including Anchorage Mayor Tom Fink, want legislators to use state money to reverse the estimated \$8 billion drop in real estate values during the past two years. Fink suggested that the Alaska Permanent Fund buy foreclosed property

and keep it off the market until conditions improve. Others want more small-scale help. Some witnesses suggested that legislators in some way help the little guy, particularly condominium owners, cope with declining property value.

But the big bailouts drew the strongest criticism from the witnesses. Rose, the permanent fund's executive director, suggested instead that the banks and the Federal Deposit Insurance Corporation form their own corporation to manage foreclosed property and schedule it for sale. That way the private sector, not the state, would be attempting to influence real estate values by regulating supply.

The state, at the most, should help the banks form their own corporation by giv-

ing it some operating funds, Rose said.

Yoshimura, a commercial real estate investor, showed little sympathy for Alaskans who lose in the commercial real estate game. People who invest in commercial property gamble with market conditions, she said. They knew the risks when they bought the property, she said. Many bought commercial property to get a tax write-off.

"I don't think the state has a social or political obligation to help someone who lost on a roll of the dice," she said.

She warned legislators to avoid state purchase of \$330 million in loans held by the Federal Deposit Insurance Corporation. The FDIC acquired the loans when First Interstate Bank and Alaska Bank of the North both failed.

Other banks in Alaska

were given the opportunity to acquire the loans and they rejected them, she said. They are, indeed, the "dogs of the market" and may not be saleable, she said.

House members seemed receptive to the critics.

"There is an expectation on the part of the public at large that the legislature do something," said Rep. Pat Pourchot, D-Anchorage and vice-chairman of the House Finance Committee. The legislature ought to concentrate more on small-scale ideas, such as demolition of more than 100 units of substandard housing at Anchorage's Willow Park, he said.

Some legislators even seemed concerned about small-scale state participation. They grilled representatives of the Anchorage Economic Development Corporation, which wants

state help to purchase the \$330 million in loans now held by the FDIC. The group wants the legislature to give it \$250,000 to evaluate the FDIC portfolio. Then, if it purchases the portfolio, it wants the state to back its financing with a guarantee.

H.A. "Red" Boucher, D-Anchorage, asked Dave Cuddy, a former legislator who is now a banker, if the legislature ought to buy into the Anchorage Economic Development Corporation plan. His answers didn't produce much confidence.

"You were a legislator. Would you vote to do this?" Boucher asked.

"I won't answer. I really won't answer," Cuddy said.

"Do you think it's good bank business to do that?" Boucher asked.

"I really prefer not to answer," Cuddy said.



# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811

(907) 465-4766

COMMITTEES:  
FINANCE  
RESOURCES  
BUDGET AND AUDIT

## MEMORANDUM

February 11, 1988

To: Senator Jones and Senator Sturgulewski, Co-Chairpersons  
Senate Joint Committee on Economic Recovery

From: Senator Jim Duncan

Subject: Resource Development Legislation

Thank you for requesting a list of the resource development legislation I am interested in seeing enacted this session. I have introduced three such bills, they are:

SB 168 Authorizing Municipal Port Authorities

SB 344 Use and Registration of Subcontractors

SB 367 Municipal Tax Exemption, State Resources

Please let me or Dale Staley of my staff know if I can provide you with any information on this legislation or assist in your efforts to stimulate economic recovery throughout the state.

## Senator John Binkley

---

Senate Finance Committee

P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



### MEMORANDUM

February 12, 1988

Finance Committee  
Co-Chairman

TO: Senator Arliss Sturgulewski  
FROM: Senator John Binkley   
RE: Senate Joint Committee on Economic Recovery

---

Thank you for the opportunity to suggest legislation to the committee which would assist in economic recovery throughout Alaska. There is only one bill I would like to offer for consideration - SB 244.

This bill will change the way the prevailing wage is determined in the State for construction jobs to be more reflective of the area in which the job will be located. It should reduce the cost of construction contracts and more importantly boost the employment rate for the residents of the area in which the job will be located. This is crucial for those areas of the State where jobs are few and far between.

I would greatly appreciate your consideration of SB 244. If you need any further information, please do not hesitate to call.

jka

Patrick M. Rodey  
Senator

# Alaska State Legislature



Senate

1024 W. 6th Avenue, Suite 308  
Anchorage, Alaska 99501  
(907) 276-6731

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3717

TO : Senator Arliss Sturgulewski

FROM: Senator Patrick M. Rodey

DATE: February 29, 1988

RE: Limitation on use of new exemption in bankruptcy proceedings

Attached is a copy of the drafted amendment I mentioned which would exempt interests and payments under certain retirement plans from seizure by creditors.

I would appreciate you reviewing this proposal and would welcome your suggestions and input.

Attachment

# STATE OF ALASKA THE LEGISLATURE

## LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465-3800

### MEMORANDUM

February 29, 1988

SUBJECT:       Limitation on use of new exemption  
                  in bankruptcy proceedings

TO:             Senator Pat Rodey

FROM:           Theresa L. Bannister *TB*  
                  Legislative Counsel

This memo accompanies the amendment for SB 474 that you requested to exempt interests and payments under certain retirement plans from seizure by creditors. Please be aware, however, that with regard to bankruptcy proceedings the bill will not protect those plans where the individual establishes the individual's plan or where the individual can invade the corpus of the trust before retirement, disability or death. Legislation will not prevent this result because it is based on court interpretation of the bankruptcy law. Change in the federal law would be necessary to extend the protection to the presently unprotected plans. The court interpretation is based on the belief that a person should not be able to prevent creditors from reaching assets by establishing a retirement plan.

Please review proposed AS 09.38.017(c) of the bill to make sure it accomplishes what you want. The meaning of the corresponding section (sec. 33-1126 B.1.) in the Arizona bill was unclear, so I drafted what I thought it meant.

If I may be of further assistance, please advise.

Attachment

TLB:bb  
WKB3:041

A M E N D M E N T

Offered in the SENATE

By Rodey

TO: SB 474

Page 1, following line 23:

Insert a new bill section to read:

"\* Sec. 3. AS 09.38 is amended by adding a new section to read:

Sec. 09.38.017. EXEMPTION OF RETIREMENT PLAN INTERESTS AND PAYMENTS. (a) In addition to the exemption under AS 09.38.015(b), the following are exempt from a claim of an individual's creditor:

(1) the interest of the individual in a retirement plan;  
and

(2) the money or other assets payable to the individual from a retirement plan.

(b) The exemptions provided by (a) of this section do not apply to a contribution made by an individual to a retirement plan within 120 days before the individual files for bankruptcy.

(c) The exemptions provided by (a) of this section do not prevent the payment of benefits under a retirement plan to an alternate payee under a qualified domestic relations order. In this subsection, "qualified domestic relations order" has the meaning given in 26 U.S.C. 414(p).

(d) In this section,

(1) "alternate payee" has the meaning given in 26 U.S.C. 414(p)(8);

(2) "individual" means an individual who is a participant in, a beneficiary of, or an alternate payee of a retirement plan;

(3) "retirement plan" means a retirement plan that is qualified under 26 U.S.C. 401(a), 26 U.S.C. 403(a), 26 U.S.C. 403(b), 26 U.S.C. 408, or 26 U.S.C. 409 (Internal Revenue Code)."

Renumber the following bill sections accordingly.

Page 2, line 18, after "section":

Insert "or in AS 09.38.017"

Page 3, following line 17:

Insert a new bill section to read:

"\* Sec. 8. AS 09.38.030(e) is amended to read:

(e) The following property, unless exempt without limitation under AS 09.38.015 or 09.38.017, upon receipt by and while it is in the possession of the individual, shall be treated as earnings, income, cash, or other liquid assets under this section:

(1) benefits paid by reason of disability, illness, or unemployment;

(2) money or property received for alimony or separate maintenance;

(3) proceeds of insurance, a judgment, or a settlement, or other rights accruing as a result of bodily injury of the individual or of the wrongful death or bodily injury of another individual of whom the individual was or is a dependent;

(4) proceeds or benefits paid or payable on the death of an insured, if the individual was the spouse or a dependent of the insured; and

(5) amounts paid under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract, providing benefits by reason of age, illness, disability, or length of service."

Renumber the following bill section accordingly.

Page 3, following line 27:

Insert new bill sections to read:

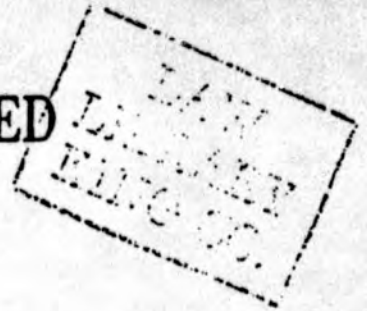
"\* Sec. 10. AS 09.38.055 is amended to read:

Sec. 09.38.055. BANKRUPTCY PROCEEDINGS. In a proceeding under 11 U.S.C. (Bankruptcy) [THE BANKRUPTCY ACT (11 U.S.C.)] only the exemptions under AS 09.38.010, 09.38.015(a), 09.38.017, 09.38.020, 09.38.025 and 09.38.030 apply.

\* Sec. 11. AS 09.38.017, as enacted by sec. 3 of this Act, does not apply to the assets of a bankruptcy estate in a proceeding filed under 11 U.S.C. (Bankruptcy) before the effective date of this Act."

# ARIZONA REVISED STATUTES

~~~~~  
ANNOTATED



1987

Supplementary Pamphlet
Covering Years 1975 to 1987

For Use In 1987-1988

Replacing 1986 Pocket Part in back of volume

Volume 11
Titles 33 to 35

Including Legislation Enacted Through The First
Regular Session And The First Through Third
Special Sessions Of The Thirty-Eighth
Legislature (1987)

ST. PAUL, MINN.

WEST PUBLISHING CO.

PROPERTY

PROPERTY

§ 33-1130

1. To an alternate payee under a qualified domestic relations order, as defined in § 414(p) of the United States Internal Revenue Code of 1986, as amended; or

2. To amounts contributed within one hundred twenty days before a debtor files for bankruptcy; or

3. To the assets of bankruptcy proceedings filed before July 1, 1987.

The interest of any and all alternate payees shall be exempt from any and all claims of any creditor of the alternate payee.

C. Any person the age of eighteen years or over, married or single, who resides within this state and who does not claim a homestead exemption under article 1 of this chapter¹ may claim as a personal property homestead exempt from all process prepaid rent, including security deposits as provided in § 33-1321, subsection A, for the claimant's residence, not exceeding the lesser of one thousand dollars or one and one-half months' rent.

Amended by Laws 1976, Ch. 170, § 23; Laws 1983, Ch. 237, § 11; Laws 1986, Ch. 4, § 28, eff. March 12, 1986; Laws 1987, Ch. 217, § 1.

¹ Section 33-1101 et seq.

For effective date and application of Laws 1976, Ch. 170, see note following § 12-2401.

Reviser's Notes.

1983 Note. Pursuant to authority of section 41-1304.02, in paragraph 8, "months" was substituted for "month's" as a correction of a manifest clerical error.

1987 Note. Pursuant to authority of § 41-1304.02, subsection A, paragraph 8 was relettered as subsection B, subsection A, paragraph 8, subdivisions (a), (b) and (c) were renumbered as paragraphs 1, 2 and 3 and subsection B was relettered as subsection C.

Cross References

Garnishment, monies in financial institution accounts, withholding from judgment debtor, see § 12-1578.

Law Review Commentaries

Arizona's new exemption statute. 19 Ariz. Bar J. No. 3, p. 32 (1983).

Unconscionability as limitation on commercial sales arrangements. William E. Boyd, 18 Ariz. L. Rev. 48 (1976).

Notes of Decisions

1. In general

Proceeds from voluntary sale of real property declared as homestead were not exempt from garnishment even if vendor intended at time of sale to reinvest them in another homestead. *McLaws v. Kruger* (1981) 130 Ariz. 317, 636 P.2d 95.

§ 33-1130. Tools and equipment used in a commercial activity, trade, business or profession

The following tools and equipment of a debtor used in a commercial activity, trade, business or profession shall be exempt from process:

1. The tools, equipment, instruments and books of a debtor or the spouse of a debtor primarily used in, and necessary to carry on, the commercial activity, trade, business or profession of the debtor or the debtor's spouse, not in excess of an aggregate fair market value of two thousand five hundred dollars. For the purpose of this paragraph, "tools" do not include a motor vehicle primarily used by a debtor for personal, family or household purposes such as transportation to and from the debtor's place of employment.

2. Farm machinery, utensils, implements of husbandry, feed, seed, grain and animals not in excess of an aggregate value of two thousand five hundred dollars belonging to a debtor whose primary income is derived from farming.

3. All arms, uniforms and accoutrements required by law to be kept by a debtor.

Added by Laws 1976, Ch. 170, § 24. Amended by Laws 1983, Ch. 237, § 12.

For effective date and application of Laws 1976, Ch. 170, see note following § 12-2401.

Law Review Commentaries

Arizona's new exemption statute. 19 Ariz. Bar J. No. 3, p. 32 (1983).

Unconscionability as limitation on commercial sales arrangements. William E. Boyd, 18 Ariz. L. Rev. 48 (1976).

Alaska State Senate

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Senate Finance Committee
State Affairs Committee
Vice-Chair, Rules Committee
Chair, Administrative Regulation Review

William L. Hensley

MEMORANDUM

To: Senator Sturgulewski
Senator Jones

From: Senator Hensley *WHL*

Date: February 7, 1988

Re: Legislation that would help economic recovery.

I would like to submit SB 244 specifically for your consideration.

Generally, I think any improvement on the way prevailing wages are determined would have immediate benefits. Because of an artificially high wage scale fewer people are put to work when we try to stimulate the economy with state spending such as the jobs bill. Thus we restrict the number of people we can help with our limited resources. Maybe we should totally exempt municipalities and school districts from Davis-Bacon wage determinations.



Times photo by Douglas

Jack Cole, Matanuska-Susitna Borough public works director, stands on the Point MacKenzie road not far from Co

Roadway reaches Point MacKenzi

Cole's gamble pays off for Mat-Su borough in savings, jobs

By Dirk Miller
Times Valley Bureau

POINT MACKENZIE — The road crosses swampland, tundra, bog and bush. Its gravel surface skirts lakes, ponds and bracken. It strikes through valleys and ridges until finally, eight miles later, it crests a rise near the bluff and ends overlooking Knik Arm and, across the water, Anchorage.

Jack Cole knows every dip, bump and grade along the way. He has watched it progress from a corridor of downed trees this fall to a full-fledged roadway.

Two months ago, Cole, the public works director for the Matanuska-Susitna Borough, told the Mat-Su assembly he could build the road cheaper and quicker than private contractors. He staked his job on it, and the assembly took him at his word.

Disappointed bidders and other members of the public said a government project could only mean cost overruns and a high pricetag.

More potshots were lobbed when a fired employee criticized the practice of using logs in the roadbed when crossing a huge swamp.

But Cole has survived all that. His final answer to critics has been to bring the road in ahead of schedule and under budget.

He estimates that the finished road will cost under \$700,000.

The newest portion of Point MacKenzie Port Road connects the Mat-Su Borough to tide water

