

Stoddard defense: Feds violated their 'deal'

By Tim Richard
Staff writer

A key question in banker Stanford C. Stoddard's trial is whether federal regulators violated a "deal" — his resignation as board chairman of Michigan National Corp. — in return for an end to their potentially embarrassing investigation.

"At no time was any deal ever made," said P. Stacey Powers, an attorney for the Comptroller of the Currency, the federal agency that regulates nationally chartered banks.

Stoddard's defense attorneys, however, insist there was a deal and spent several hours last week in a federal courtroom in Ann Arbor trying to prove it.

Why such an effort? "So it doesn't show he admitted wrongdoing by resigning," answered Richard M. Roberts, the Washington lawyer handling Stoddard's case. At one point Roberts, in an interview, said the deal may be "not legally binding."

"But we don't concede it's not legally binding," added his associate, Sandy Comenetz. "It's not clear whether it's legally binding."

IN TESTIMONY Friday, Stoddard's son and daughter-in-law told of a tense meeting in the elder Stoddard's Yarmouth Avenue home in Birmingham the evening after a July 18, 1984, meeting of the bank holding company's board of directors.

"The board was very scared," said Stanford D. Stoddard, the son who is now a student in the University of Virginia's graduate school of business administration.

"It was the unanimous viewpoint of the board that to satisfy the regulatory agencies, he should resign . . . The resignation would be temporary. He would not lose any salary and benefits."

He said seven directors who attended the meeting were concerned about being hit by heavy fines themselves and "adverse publicity for them, adverse publicity for the bank, adverse publicity for the Mormon Church, adverse publicity for the corporation."

THE MEETING occurred after Karen Wilson, a deputy regional director of the Comptroller's Chicago office, met with the board and reportedly said the investigation would be dropped if Stoddard would step out of the bank chairmanship.

Government attorney Powers said

In an interview that "our office never entered into deals that I'm aware of" and that Wilson might have lacked authority to make such a deal.

The government seeks to fine Stoddard \$500,000 and bar him from banking for life for misallocating \$150,000 in bank funds on his own homes, family weddings and Mormon church projects.

Stoddard, 55, whose father pined together the third largest banking company in Michigan after the Great Depression, had been chair-

man of Michigan National from 1972 until the 1984 resignation. His bold defense — in an unprecedented public hearing he requested — is aimed at showing the government is out to get him with trivia.

TINA STODDARD, the banker's daughter-in-law, told much the same story. Directors told Stoddard "he had to resign, at least temporarily. If he didn't there would be further investigation."

"He, the bank and the Mormon church would be put in the paper,"

Mrs. Stoddard said. "The board members were very scared. (They said) later he could be brought back into the bank."

She quoted two directors as saying "two weeks and he would be back."

Much of her testimony also involved a San Francisco dinner the evening before her Dec. 3, 1981, marriage to Stanford D. Stoddard.

The defense says it was business-related. On the witness stand, the young Stoddards pored over guest lists and said many were "business associates" of the bank chairman.

THE GOVERNMENT contends Michigan National Corp. records show it was a business dinner for the board of a subsidiary called Western Leasing and Capital Corp.

Government attorney Powers contended:

• Only three Western Leasing directors attended, but the guest list numbered 51.

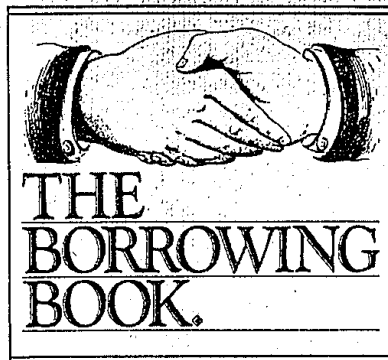
• Stoddard paid only \$412 of the nearly \$1,400 bill, charging off \$962 as a business expense to the bank.

• Stoddard wrote letters of invitation on his personal stationery billing the gathering as a "small family dinner party."

Other questions involved a Dec. 16, 1981, reception in Bloomfield Hills Country Club attended by some 200 people.

"Many were business associates of my father," the younger Stoddard said.

The trial has been going on for more than a month before Thomas Jones, an administrative law judge from Grand Rapids.



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Seminars to focus on elderly needs

Senior Awareness Week, a series of free seminars focusing on the needs of the elderly, starts this afternoon at Oakland Community College's Auburn Hills Campus, 2900 Featherstone Road.

At 1 p.m. today Carol Landry, director of geriatric counseling at Catholic Social Services of Oakland County, will talk about alleviating depression through appropriate grieving.

All sessions are in 120 of the G Building.

Programs are sponsored by Catholic Social Services, United Way of Pontiac-North Oakland and the college. Other programs this week are:

• 1-2 p.m. Tuesday — "As Parents Grow Older," Carol Landry.

• 7-9:30 p.m. Tuesday — "Senior Awareness Week Forum," featuring counselors and health specialists.

• 1-2 p.m. Wednesday — "The Physical Aspects of Aging," Carol Landry.

• 1-2 p.m. Thursday — "Retirement: A New Beginning," Carol Landry and Walter Murphy, retired Ford executive and author of "Caring and Sharing," a directory of resources for retirees in Oakland County.

OCC alumni set bazaar

The second annual OCC Alumni Association bazaar is scheduled for Friday and Saturday, Oct. 17-18, in the Oakland Community College Administrative Center, 2480 Opdyke, Bloomfield Hills.

Proceeds will go to the alumni association, according to bazaar chairman Dawn Bickelstaff. Hours will be 10 a.m. to 5 p.m. Friday and 9:30 a.m. to 5 p.m. Saturday.

