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## **FEDS WANT EX-BANKER BARRED SEVERANCE REPAID, BUT FORMER THRIFT CHIEF IN TROUBLE FOR CHANGING RULES**

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Federal regulators are seeking to bar Anchorage businessman Robert Gillam from working in the banking industry, saying the ex-chairman of defunct Home Savings Bank bailed out of his then-ailing thrift with \$177,480 in illegal severance pay. The administrative action by the Office of Thrift Supervision comes four years after regulators closed the failed Anchorage savings and loan and four years after Gillam gave back the money. Gillam is fighting the federal action, he said. But even if the feds win the case, Gillam said, he won't be barred from his current career as a portfolio manager for an Anchorage money management company.

In the mid-1980s, Gillam was Home Savings' main shareholder, chairman and chief executive. His bank was one of 14 Alaska financial institutions that failed between 1986 and 1990. Home Savings, like many of the others, failed in part when Alaska's early 1980s building boom went bust and its real estate loans crashed.

Regulators charge that in the spring of 1988, Gillam helped engineer a revision in the bank's personnel policies. That policy alteration allowed him and two other bank officials to collect lucrative severance payments.

But the change was improper because financially strapped Home Savings was under an agreement not to change its personnel policies or grant severance payments without regulators' approval, Thrift Supervision said.

In June 1988, Gillam left Home and collected a \$177,480 severance check. He wasn't the only one who jumped out with a golden parachute. Bank president Joseph C. Miller collected \$88,000 and administrative assistant Debra Pietrok got \$16,500.

Home Savings sued all three to recover the cash. Gillam lost that suit and in 1990 repaid the money, court records show. "My lawyer told me that I was entitled to a severance check and under the federal rules that were of course changing every 10 minutes, it apparently turned out that I was not," Gillam said.

Mark Topel, Gillam's lawyer, said the Office of Thrift Supervision didn't even know

that Gillam had returned the money. Topel said he's started negotiations to try to get the regulators to drop the matter.

Agency spokesman Tom Mason said the agency's complaint still stands even though regulators didn't know about the repayment when they filed the administrative action against Gillam in June.

If the regulators win their case, Gillam would be barred from working at a bank or being a director at one, said spokesman Mason.

These days Gillam is a portfolio manager at McKinley Capital Management Inc. The Anchorage-based company oversees about \$150 million in investments belonging to about 750 clients, most of them wealthy individuals, Gillam said.

"**Bob Gillam** isn't particularly concerned about banking; he's not involved in banking," said Topel, the lawyer. "But he's very concerned about any allegation that impugns his reputation, as well he should be."

The Home Savings severance deal cost ex-bank president Miller more than just money and his reputation. He was convicted on criminal charges that he fraudulently altered the bank policy manual. Court records show Miller is serving a 30-month prison sentence in California.

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