

Harry Hughes  
Governor

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PROCLAMATION OF MAY 14, 1985

WHEREAS, Public confidence in the security of deposits in privately-insured savings and loan associations has been severely undermined by the recent financial crisis in Ohio;

WHEREAS, The crisis in Ohio and the subsequent closing there of privately-insured savings and loan associations have led to heightened sensitivity in this State concerning the fiscal integrity and financial stability of privately-insured savings and loan associations;

WHEREAS, Severe management problems at Old Court Savings and Loan, Inc., a privately-insured savings and loan association, led to the replacement of Old Court's chief executive officer and the placement of Old Court under a Maryland Savings-Share Insurance Corporation management agreement;

WHEREAS, As a result of those events, Old Court began to experience extraordinary withdrawals by alarmed depositors, resulting in long congested lines affecting the orderly business operations of Old Court and threatening the public peace, all of which continued unabated until the involuntary imposition of a court-ordered conservatorship and the limitation on withdrawals in the amount of \$1,000 per account per 30-day period;

WHEREAS, Public confidence continued to erode and led to similar events at yet a second savings and loan association, Merritt Commercial Savings and Loan, Inc., another privately-insured association, which events also continued unabated until the voluntary acceptance of a court-ordered conservatorship and identical limitations on withdrawals;

WHEREAS, This erosion of public confidence has now spread throughout the State to other privately-insured savings and loan associations, resulting in threats to the stability of these institutions and of the Maryland Savings-Share Insurance Corporation;

WHEREAS, If these circumstances are allowed to continue unabated, there is an immediate danger that public safety will be imperiled;

WHEREAS, A state of public crisis and emergency, threatening the public safety, health, and welfare, exists within the State of Maryland;