

Exhibit 9**STATEMENT OF CHAIRMAN EDWIN J. GRAY****September 19, 1986****Page 1**

Several weeks before I testified, on October 17, 1985 before the Financial Institutions Subcommittee of the House Banking Committee, I received a telephone call from Board Member Mary Grigsby in my car, which was across the street from the Cannon House Office Building.

I had been meeting with various members of the Financial Institutions Subcommittee on the Hill. Mrs. Grigsby said she wanted to talk with me but not on the car phone.

I got out of the car and went inside the Cannon office building and called her from a coin telephone there.

What I remember her telling me on that call was that she had received a phone call from a lawyer in Washington who told her a major Southern California savings institution wanted to hire me to head the association and the institution was prepared to pay me a lot of money. She said she wanted me to know. I said to Mrs. Grigsby I wasn't looking for a job and that she ought to call (my chief of staff) Mrs. Shannon Fairbanks and relay whatever this was all about to her.

I later learned from Mrs. Fairbanks that the attorney to whom Mrs. Grigsby had spoken was Raymond Gustini who, I understood, was in some manner representing Lincoln Savings and Loan Association in California, the institution in question.

Subsequently I discussed the matter further with my General Counsel, Mr. Norman Raiden. We both agreed in our conversation that it appeared to us that Lincoln Savings was expressing interest in employing me because the management of the institution wanted to buy me out of, that is to say hire me away from, my job as the chief regulator of this and other FSLIC-insured savings institutions.

I was frankly very surprised that an institution, which had vigorously and continuously opposed key regulatory actions the Board had both proposed and adopted, would apparently be seeking to get me out of my job as a Member and Chairman of the Federal Home Loan Bank Board. While it may not have been illegal for Lincoln to make such efforts, as I perceived them, I believed at the time it was inappropriate to do so, under the circumstances.

Further, no management or agent of any FSLIC-insured institution had ever, to my knowledge, made such a contact or approach with anyone at the Bank Board to hire me.

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Because of my concern, and my understandable curiosity, as to why these approaches to hire me had been made by Lincoln or its agents, I asked Mrs. Fairbanks to meet with Mr. Charles Keating, Chief Executive Officer of Lincoln personally, in order to determine whether it was true that Lincoln wanted to hire me, and why. Mrs. Fairbanks did have a meeting with Mr. Keating.

When she returned from that meeting, I remember her confirming to me that, yes, Mr. Keating did want to hire me for some sort of public relations job at Lincoln. Mrs. Fairbanks, I recall, also told me that she informed Mr. Keating I would have no interest at all in working for Lincoln because, among other things, my philobophy and that of Mr. Keating couldn't be more different. Further, I recall her telling me she told Mr. Keating that I was not available for employment, in any event. I already had a job.



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