



NEWS RELEASE

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COOPERS & LYBRAND TO PAY FDIC \$20 MILLION ON SILVERADO CLAIMS

The Federal Deposit Insurance Corporation announced today that it will receive \$20 million from the Coopers & Lybrand accounting firm under an agreement to settle potential claims in connection with auditing services provided to the failed Silverado Banking, Savings and Loan Association.

An FDIC investigation of Silverado and of professional services provided to the Denver savings association indicated that the agency could have malpractice claims against Coopers & Lybrand based on audits and other accounting services performed in 1986 and 1987. In the settlement announced today, Coopers & Lybrand denied any wrongdoing but agreed to pay the FDIC \$20 million during an 18-month period. In return, the FDIC has agreed not to sue Coopers & Lybrand over the work performed for Silverado. The settlement agreement was approved today by U.S. District Court Chief Judge Sherman G. Finesilver in Denver.

The settlement follows months of negotiations and has been entered into prior to the filing of a lawsuit against Coopers & Lybrand. FDIC officials said this is largest settlement obtained by the agency from an accounting firm without a lawsuit being filed.

Silverado, which failed in 1988, had been insured by the former Federal Savings and Loan Insurance Corporation (FSLIC). The FDIC became receiver for Silverado when Congress in 1989 gave the agency the responsibility for settling the affairs of the FSLIC.

The agreement announced today follows a related \$49.5 million settlement of the FDIC's lawsuit against Silverado's officers, directors and

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primary law firm. In that settlement, which was filed in June with the same Denver court, the FDIC will receive \$26.5 million from the defendants and \$23 million from an indemnification fund established by Silverado to pay legal costs and claims against the institution's executives.

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