



OFFICE OF THE CHAIRMAN

June 11, 1990

Dear Judge Nowlin:

Re: United States of America v. Richard Homer Taylor,  
(U.S.D.C. Case No. A89-CR002)

Fraud and insider abuse within the financial institution industry, such as the conduct engaged in by Richard Homer Taylor of National Bank of Texas ("National Bank"), is now widely recognized as having been a major contributing factor to the failure of financial institutions across the country. Such conduct has been accentuated by the perception that bank executives convicted of white collar crimes will receive much more lenient sentences than other criminals. As Chairman of the Federal Deposit Insurance Corporation, whose responsibility it is to protect and maintain the deposit insurance funds of all banks and thrifts, I am concerned that the sentence imposed upon Mr. Taylor reflect the seriousness of his crimes and serve to deter others from committing similar acts.

Richard Homer Taylor, former chief executive officer, president and director of National Bank abused his position of trust and defrauded the institution causing damages of over \$600,000. While I have considered the fact that Mr. Taylor has a family, I have also taken into consideration that virtually all of the costs of Mr. Taylor's criminal acts will be borne by the FDIC and ultimately the U.S. taxpayers.

The Court has before it the opportunity to send a message to the banking and thrift community and to others who would commit such egregious acts as did Mr. Taylor that the penalty for such conduct will reflect the seriousness of their crimes. We have submitted under separate cover a statement which sets forth the losses attributable to Mr. Taylor's crimes and also requests restitution in an appropriate amount. I respectfully urge you to enter a restitution order as part of Mr. Taylor's sentence and to impose a substantial term of imprisonment for Richard Homer Taylor.

Sincerely,

L. William Seidman  
Chairman

The Honorable James Nowlin  
United States District Judge  
United States Courthouse  
200 West Eighth Street  
Austin, Texas 78701