

March 1, 2009

60 Minutes

I always thought journalism was the unbiased presentation of the facts that allowed the reader/viewer to draw their own conclusions.

I had the opportunity to see the 60 Minutes segment on Golden West Financial last Sunday. I was sadly disappointed at the sensational, one-sided journalism that was displayed. As a long tenured, former employee of World Savings I thought if anyone could do justice to this story it would be 60 Minutes. Clearly I was wrong.

There were so many misleading and poorly represented pieces of the story; I'm not sure where to start. Allow me to cover just a few.

- Paul Bishop was anything but a typical employee and to display him as such was misleading. There was a very weak attempt to convey that his employment history was somewhat rocky but that was far overshadowed by presenting him as the voice of reason.
- While Mr. Bishop indicated that the problems were rampant both he and you failed to provide any specifics.
- Showing the elderly minority supposedly duped by the big bad bank was sensationalism at its best. Why is it that I had numerous calls after the broadcast asking me what she did with all the money she obtained from each refinance? People unfamiliar with the business were smart enough to ask the right questions but I guess you missed that one.
- Early on in the story you mention that World held all their loans in portfolio. Clearly the behavior that you and Mr. Bishop imply was rampant within the company would not have enabled it to survive 30+ years, much of the time making essentially the same kind of loan with the same focus on quality. In addition, World successfully survived several market cycles and was considered "America's Most Admired" financial institution, multiple years by Fortune Magazine.
- Saving the best for last you chose to allow Mr. Bishop to finish your story by implying that all the Golden West management lost their jobs as a result of their behavior. That couldn't be further from the truth.

I was a Golden West employee for 25 years (and am still employed by the current successor corporation). During those years with World, I experienced a company that steadfastly stuck to its principals. One that had a very simple business model that put the customer first and kept costs under control. The company went out of its way to build customer protections into its products and was able to offer the customers some of the best deposit rates in the industry. I personally witnessed Herb Sandler, when questioned about dealing with federal regulators, say "we will over disclose". I doubt any other Bank Chairman ever made a similar statement.

You are right to question what caused the current financial crisis, but your story line should have included the effects on a small segment of the industry (adjustable rate lending) that was controlled by a few conservative lenders (Golden West) when the bigger, less customer-focused banks entered the market.

There were thousands of honest, dedicated Golden West employees that delivered customer-centric products and services to hundreds of thousands of satisfied customers for more than 30 years. I will not let you denigrate their reputations with a poorly researched exposé. If I were to take your approach, I would condemn all 60 Minutes reporting based on this segment.

Ron Tremblay