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Top Official Steps Down at Sallie Mae, While Its Leader Ponders Big Gift to Smithsonian

When Sallie Mae, the country's largest financier of student loans, purchased USA Group last June, officials at the two companies portrayed it as a merger of two equals rather than a takeover of the nation's largest guarantee agency by Sallie Mae.

To demonstrate this, Albert L. Lord, Sallie Mae's chief executive officer, cited his hiring of James C. Lintzenich, USA Group's chief executive, to be one of Sallie Mae's two presidents and the company's chief operating officer.

Critics of Sallie Mae, including many bankers, scoffed, saying that the loan giant has a history of buying up companies, giving the companies' leaders top executive positions, and then letting them go a year or so later with lucrative compensation packages.

They pointed to Lawrence W. O'Toole, who resigned from his position as an executive vice president at Sallie Mae with a cushy package in 2000, less than a year after Sallie Mae had purchased Nellie Mae, the nonprofit company he had previously run.

So these critics weren't surprised last month when Sallie Mae announced that Mr. Lintzenich was stepping down from his post. Mr. Lintzenich, who will continue to serve on Sallie Mae's board, has left his day job with 50,000 shares of the company's stock, which are worth about \$3.4-million, and 700,000 in stock options, which are worth about \$21-million.

Mr. Lintzenich was not available for comment. Mr. Lord would not talk about Mr. Lintzenich's compensation package. "Jim has accomplished a tremendous amount in bringing together our two companies," Mr. Lord said in a news release announcing Mr. Lintzenich's departure.

Sallie Mae's generosity may extend to the Smithsonian Institution, too.

According to a Smithsonian official who asked not to be identified, Mr. Lord has offered to donate as much as \$20-million to sponsor an exhibit on the history of higher education at the National Museum of American History. Talks between the two parties are continuing, the official said.

Molly Sullivan, a spokeswoman for Sallie Mae, which specializes in financing student loans, agreed that "no official commitment has been made at this time."

According to the Smithsonian official, Mr. Lord's interest in sponsoring the exhibit was first brought to the institution's attention by Catherine B. Reynolds, who recently gave the Smithsonian \$38-million to create an exhibit at the history museum celebrating American achievers. Ms. Reynolds is the former chairman of EduCap, a nonprofit provider of student loans that was sold last year to Wells Fargo.

The exhibit Mr. Lord is proposing would be about "the ways in which higher education has evolved and access has been broadened," the Smithsonian official said.