

Bank officials plead no contest to charges

High-risk customers forced to buy costly life insurance policies

AUSTIN (AP) — Officials of ClayDesta National Bank of Midland pleaded no contest Thursday to a misdemeanor charge of criminally violating the state insurance code in a scheme in which customers seeking car loans were forced to buy costly life insurance, Travis County prosecutors said.

The bank, owned by defeated Republican gubernatorial nominee Clayton Williams, was ordered by Travis County Court at Law Judge David Puryear to pay \$1.13 million in restitution, plus a \$500 fine and court costs.

The sentence followed terms of an agreement the bank negotiated over several months with Travis County officials.

ClayDesta pleaded no contest to a misdemeanor charge of contracting with car loan broker Lloyd Williams Jr. of Houston, who prosecutors said "unlawfully solicited, marketed and required credit life

and disability insurance in hundreds of transactions" and was not licensed to act as an insurance agent.

Under the scheme, high-risk customers were required to purchase expensive credit life insurance policies, underwritten by Service Life & Casualty Insurance Co. of Austin, as a condition of obtaining car loans from ClayDesta, said Travis County Attorney Ken Oden, who prosecuted the case.

Such insurance would pay off the loans if the buyer could not pay because of illness or death. State law allows a banker to require such insurance, but it bars a lender from dictating where the insurance must be purchased.

The bank received 50 to 85 percent of the \$900,000 in premium payments, Oden said.

Some 986 people, mostly in metropolitan Dallas and Houston, received the insurance during the

approximately four months the program was in operation from October 1989 until it was ordered stopped in February 1990, Oden said. But he said the bank had planned to "massively expand" the loan program statewide.

"The purpose of it was to make a lot of money, and it was making a lot of money," Oden said.

Oden said Lloyd Williams, who is not related to Clayton Williams, was the first and largest insurance broker involved in the bank's credit life insurance program and wrote about two-thirds of the policies involved.

Two other brokers already have been convicted in connection with the case, Oden said. In addition, several consumers have filed a lawsuit against Service Life and Casualty and Lloyd Williams. Other entities, including the State Board of Insurance, still are investigating, Oden said.

In Advance

Friends of Medical Sciences Library will hold book sale today in MSC

The Friends of the Medical Sciences Library of Texas A&M will host a book sale from 8 a.m. to 2 p.m. today in the MSC.

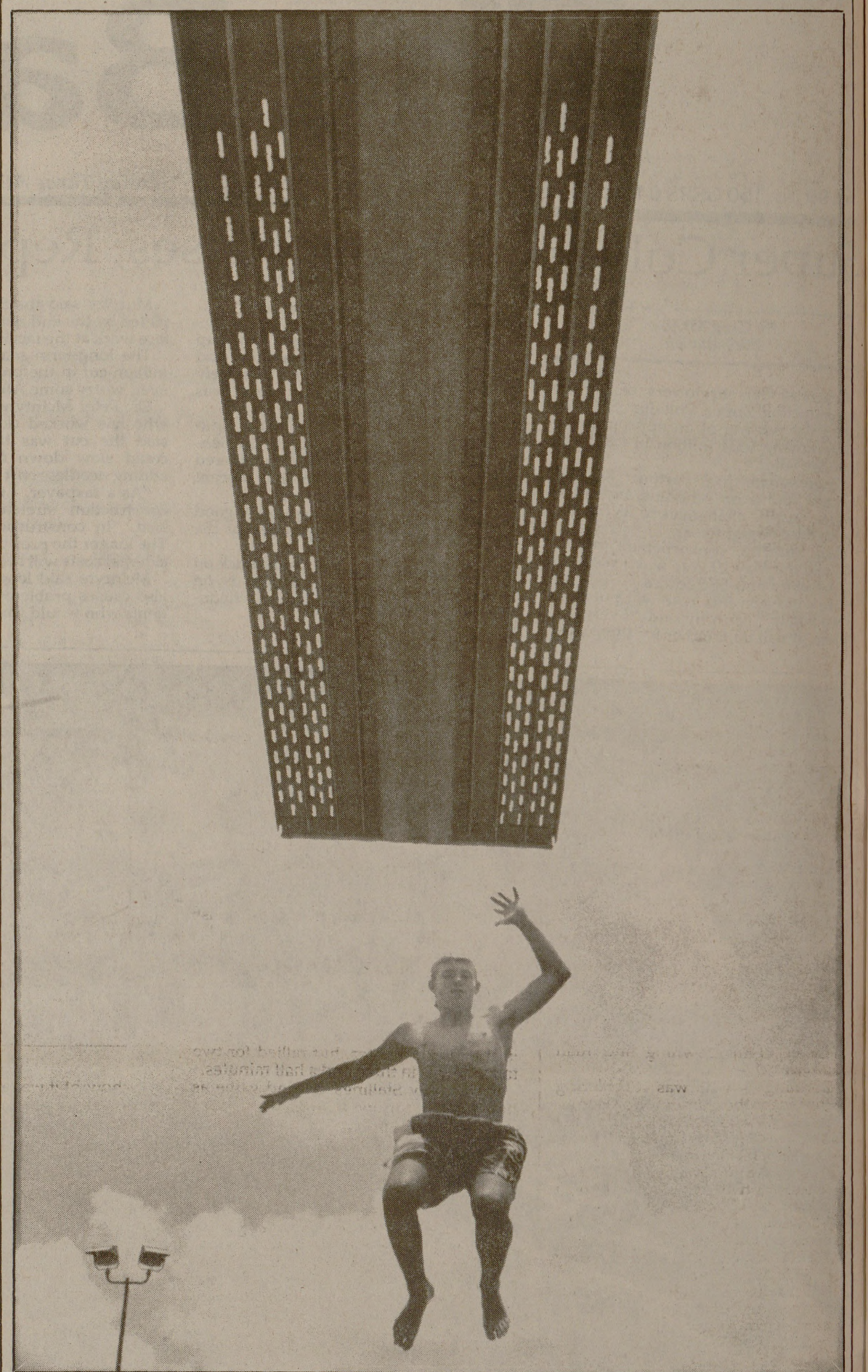
The used books will cover a variety of subjects related to biomedical or health sciences. For more information, call Cheryl Hanks at 845-7438.

Center offers free course to improve Spanish business language skills

The Center for International Business Studies in cooperation with Texas A&M's Classical and Modern Language Department is now offering an intensive eight-week language program entitled "Commercial and Cultural Spanish."

knowledge of Spanish and who want to improve their Spanish business language skills.

Classes will begin Monday and run through Aug. 2, with sessions scheduled from noon to 1:30 p.m. Monday through Thursday. Registration forms are available in 505 Blocker or by calling Antonio Caraballo at 693-8335.



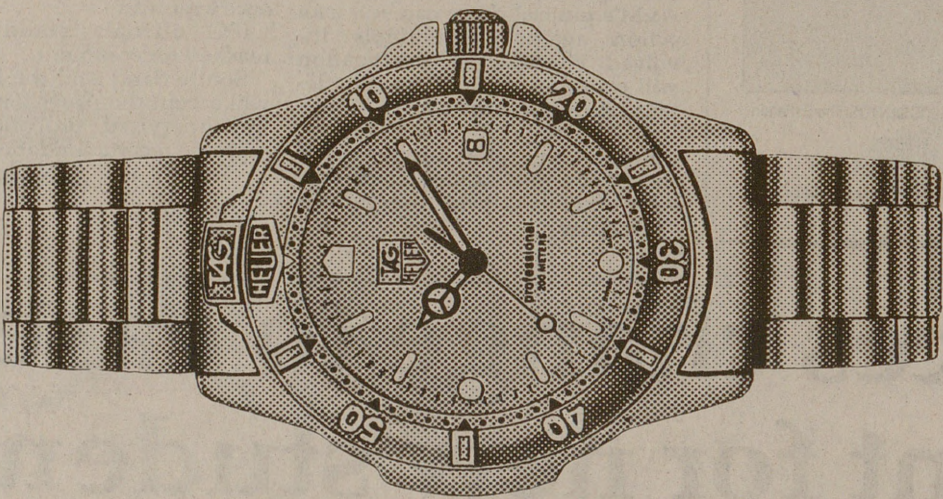
Take a dive

Scott Harrell, a high school student from Jayton, drops into Cain pool early Wednesday afternoon. Harrell and some of his friends are members of the 4-H

Club rifle team. A&M is hosting the 4-H Club convention in Rudder Auditorium and the second floor of the MSC. Jayton is halfway between Abilene and Lubbock.

SCOTT D. WEAVER/The Battalion

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Airport loses chance for jet plant

FORT WORTH (AP) — Alliance Airport did not make the short list of four cities being considered as the site of a proposed \$750 million manufacturing facility for McDonnell Douglas Corp.'s next-generation passenger jet.

The cities still in the running for Douglas Aircraft Co. are Kansas

City, Mo., Salt Lake City, Shreveport, La. and Tulsa, Okla.

Douglas Aircraft, based in Long Beach, Calif., is seeking a final assembly site for a new, wide-body commercial airplane called the MD-12X.

Officials for Douglas Aircraft,

the commercial aircraft division of St. Louis-based McDonnell Douglas, have said the plant eventually would employ 5,000 people.

The proposed three-engine jet is designed to travel 8,000 miles and carry 375 passengers in a single flight.

The Texas A&M University College of Liberal Arts Presents the **Humana Hospital - Brazos Valley**

TEXAS Music Festival
Chamber Music Concerts
Monday Evening - June 10
7:30 p.m. - Rudder Theatre



PRO ARLE *Quartet*
and Lawrence Wiecler, viola

"As always, played splendidly"
-The New York Times

First string quartet to establish residency at an American university.

Performing works by Bloch, Sibelius, and Dvorak.

Special parking for concerts is available in Houston Street, Lot 48

Tickets available at the MSC Box Office and Foley's.

Series Tickets (6 Concerts)

Adults - \$30.00
Students and Senior
Citizens (60 and over) - \$20.00

Individual Tickets

Adults - \$8.00
Students and Senior
Citizens (60 and over) - \$5.00

School district to challenge funding law

SAN ANTONIO (AP) — Alamo Heights School District is joining 40 wealthy districts in challenging the constitutionality of the state's new education funding reform law.

"I think it's ludicrous that an exemplary school district like Alamo Heights is forced to cut its budget and face a potential tax hike of as much as 30 percent," said Alamo Heights Superintendent Charles Slater.

The district was stung for \$3 million under the new law. It now has a budget of \$15 million and has enacted about \$1 million in budget cuts. Among those cuts are layoffs of 14 teachers and other instructional personnel and 13 maintenance workers.

Wealthy districts from around the state filed the lawsuit May 20.

Alamo Heights trustees voted late Tuesday to enter the suit.