



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-65-90 (4-5-90)

FORMER CEO OF VERNON SAVINGS SENTENCED TO THIRTY YEARS IN PRISON

Judge Robert B. Maloney of the U. S. District Court of the Northern District of Texas in Dallas today sentenced Woody F. Lemons, former Chairman and Chief Executive Officer of Vernon Savings and Loan Association of Texas, to 30 years in jail in a case arising out of the S&L's failure in 1987. FDIC Chairman L. William Seidman had written a letter to the Court, urging that Lemons be given a substantial prison sentence.

"This is the longest prison sentence handed down in an S&L fraud case to date. It sends a signal that the judicial system intends to punish severely this type of crime," said Steven A. Seelig, Director of the FDIC's Division of Liquidation.

Lemons was convicted last December on all 13 counts contained in a grand jury indictment charging him with defrauding Vernon. As the S&L's senior officer, Lemons devised a scheme to obtain kickbacks from fees funded by Vernon in connection with a \$46 million loan used to finance the development and purchase of a major residential subdivision. Vernon lost over \$18 million on the transaction.

The FDIC, as manager of the FSLIC Resolution Fund, also is seeking restitution from Lemons. A hearing to determine the amount of restitution is scheduled for April 18.

#####