

Judge lifts oilman's \$149 million debt

Reportedly largest personal bankruptcy in history

By **PATRICIA MANSON**
Post Reporter

A bankruptcy judge Monday forgave a reported \$149 million in personal, unsecured debts run up by a little-known Houston oilman whose fortunes apparently went bust with the rest of the energy industry.

Drilling contractor Charles Marvin Hall "was the biggest casualty of the recent oil and gas depression," according to his attorney, John A. D'Onofrio.

He said his client's Chapter 7 liquidation case was the largest personal bankruptcy case ever, surpassing industrialist Cullen Davis' multimillion-dollar filing in Dallas.

According to records supplied by D'Onofrio, tens of millions of dollars of Hall's debts consisted of unsecured loans made through two banks whose financial problems made headlines and sent shock waves throughout the banking in-

dustry in the early 1980s.

Hall is now president of Gulf Energy Inc., a Houston company that was not involved in the oilman's personal bankruptcy case, D'Onofrio said.

Hall could not be reached for

comment at Gulf Energy, which has an unlisted telephone number.

Hall's bankruptcy case began last summer and ended Monday when U.S. Bankruptcy Judge Manuel Leal discharged \$149,053,989.80 in personal debts owed by the oilman, D'Onofrio said.

He said Leal found that an additional \$150,000 owed to Aaron Wynden Corp. was a corporate debt of Texas Oilfield Supply Co., a company that eventually filed its own bankruptcy petition. Hall was elected chairman of Texas Oilfield Supply in November 1981.

D'Onofrio said that only Allied

See Bankruptcy/page 6A



CHARLES MARVIN HALL:
1981 photograph

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Continued from page 1A

Bank of Texas objected to the discharge of Hall's debts, but dropped its objection after an investigation revealed no fraud on Hall's part. Allied Bank was owed \$11,300 in unsecured debts, according to bankruptcy records.

A bankruptcy judge is required to forgive a bankrupt's debts if no creditors object to the discharge.

Records supplied by D'Onofrio showed that Hall's debts included as much as \$33 million in loans received through Penn Square Bank of Oklahoma City or Continental Illinois Bank and Trust Company of Chicago.

Risky oil field loans led to the failure of Penn Square — a \$400-million asset, one-office bank lo-

cated in a shopping mall — in 1982.

Penn Square's collapse reverberated at larger institutions that had bought loans from Penn Square, including Continental, which had taken on more than \$1 billion in loans originated by the Oklahoma City bank. Stung by losses on the bad loans, Continental had to be bailed out by the government.

Spokesman Charles Kearney of the FBI's Houston office said Monday he could not comment on whether the agency, which recently announced a crackdown on suspected bank fraud, is investigating Hall or the loans he received.

Other unsecured creditors whose loans were discharged in Hall's bankruptcy case were Crock-er National Bank in San Francisco,

\$55 million; Nichimen America Inc., \$40 million, and Commercial Credit Business Loans Inc. in Dallas, \$10 million.

D'Onofrio said the loans Hall received went into various businesses in which he was involved.

Before Hall filed for personal bankruptcy in June 1986, he was in partnership or engaged in six businesses that are now in bankruptcy court or defunct, D'Onofrio said.

He said those companies were Texas Oilfield Supply, Capsimalis Hall Partnership and TUF Inc., all of Houston. Other businesses in which Hall was involved were R&C Enterprises and Denton Brothers Drilling, both of Casper, Wyo., and Chez Andre Inc., a French restaurant in Denver. D'Onofrio said.