

BUSINESS FOCUS

Briefs

Allstate Corp. settles lawsuit over racial discrimination

SAN ANTONIO (AP) — Allstate Corp. said Friday it has settled a class-action lawsuit over allegations it charged blacks and Hispanics higher rates for auto and homeowner insurance by basing prices on information from credit reports.

Customers who were overcharged will be able to seek payment. Allstate agreed to disclose and change some of its pricing formulas and tell minority customers how to improve their credit ratings.

A spokesman for Allstate, the second-largest U.S. personal-lines insurer, said the company didn't discriminate based on race.

The company can't yet estimate the cost of the settlement, but it won't be significant, said spokesman Michael Trevino.

A federal district court judge in San Antonio gave his preliminary approval to the deal on Friday.

The case was filed in 2001 on behalf of six customers who said their civil rights were violated because Allstate charged them higher premiums by using information from their credit reports.

Lawyers for the plaintiffs said there had never been a verdict or settlement that forced an insurer to change the way it uses credit reports in setting policy prices.

The settlement calls for Allstate to change its insurance-scoring algorithm and give customers a chance to have their policy priced using the new formula. The company will also offer a system for customers to appeal for rate reductions if they experience extraordinary events that hurt their credit history.

Allstate will begin sending out notices of the settlement to customers next month, Trevino said.

The plaintiffs sought to represent all blacks and Hispanics nationwide who bought policies from Allstate-affiliated companies.

Purcell joins foundation

The Winston-Salem Foundation has named Lisa P. Purcell as executive vice president. The newly created position will oversee internal operations of the Foundation. Purcell joins the Foundation with a long history of successful leadership and the development of highly effective teams.

Purcell is the former vice president of consumer marketing of Sara Lee Underwear and Sleepwear. She has lived in Winston-Salem community since 1993, when she joined the Sara Lee Corporation, and has held numerous senior management positions. Previously, she held various managing roles with Pepsico. She received her M.B.A. from the University of North Texas and a B.A. from the University of Georgia.

"The creation of the executive vice president position is an important step in our current seven-year strategic plan," noted Scott Wierman, Foundation president. "The Foundation's plan steers us in the direction of continued community leadership and asset growth. In order to accomplish these things, we realized that we needed someone managing the internal day-to-day operations so that I can focus on the Foundation's engagement in the larger community."

While Purcell will focus her expertise on the internal operations of the Foundation, Wierman will focus his attention on the Foundation's external relationships. His time will be spent moving forward the Foundation's strategic plan in community leadership, asset development, and board development.

Food Lion Charitable Foundation awards grant

The Food Lion Charitable Foundation, Inc. has awarded the Daniel Stowe Botanical Garden in Belmont a \$3,250 grant for the "Incorporating Disability Support" Program.

To be more inclusive to our disabled, DSBG will create a culture of inclusion for children, members and visitors with disabilities. With this grant award DSBG to be able to meet a growing demand for improved services and accommodations, including providing handicap access to the front doors of the DSBG Visitor Pavilion.

"DSBG is very appreciative of this grant," said DSBG Director of Development, Penelope A. Wilson. "These funds will definitely aid in renovating our Visitor Pavilion doors and for providing educational programs for our staff in relation to providing better services to the disabled."

Salem gets \$1,000 RJR grant

Salem Academy and College has received a \$1,000 Community Involvement Plan grant from R.J. Reynolds Foundation for wireless access for the Salem Academy library or recreation room.

The plan provides financial support for selected projects in organizations where RJR employees volunteer or serve in other ways. Charles A. Blixt, executive vice president and general counsel for RJR recommended the grant. Blixt has served on the Salem Academy and College Board of Trustees since 2001 and spent four years on the Board of Visitors.

Under the R.J. Reynolds Foundation plan, non-profit organizations can receive up to \$250 per year from one employee's recommendation, and up to \$1,000 annually on behalf of all employee requests.

The R.J. Reynolds yearly Community Involvement Plan grants averages over \$100,000 annually on behalf of its employees in North Carolina's Piedmont-Triad Region.

Bass helps League with business vision

SPECIAL TO THE CHRONICLE

Philanthropist Marshall Bass, a member the newly-formed Winston-Salem Urban League Business Council, is assisting in organizing the council's first meeting.

The Business Council will partner with the Winston-Salem Urban League in carrying out its mission "to empower communities and change lives." The council will provide technical support, expertise and input in developing a workforce that is ready for today's employment environment.

Bass and Keith Grandberry, Urban League President/CEO, will lead the council's first business community luncheon meeting June 16 at 1 p.m. at the Urban League, which is on the corner of Trade and Fifth streets. Issues pertinent to today's business community will be discussed at the meeting.



Former business executive Marshall Bass.

The Urban League already runs a popular employment training process, which ensures that trainees are prepared for emerging trends that require new skills sets and different levels of expertise and experience. The League plans to expand these services by implementing strategies to significantly strengthen both the numbers and the capabilities of the Triad workforce.

The Urban League has trained and accessed more than 1,500 job seekers since January. Each of these job-ready applicants has completed the League's new certification process, which includes an assessment of the skills and experience of each individual.

Having worked as an elected executive officer of a Fortune 500 company and as a consultant for various other corporations, Bass knows that a community grows if the workforce is diverse, motivated and trained.

For more information about the event, call Lois Turner at (336) 725-5614.

BESIDE HIMSELF



Black Enterprise founder Earl Graves Sr., stands beside a wax likeness of himself that was unveiled recently at the National Great Blacks in Wax Museum in New York. Graves joins other black legends such as the Rev. Dr. Martin Luther King Jr., the Hon. Thurgood Marshall and civil rights legend Rosa Parks in the museum.



Minorities pay higher mortgages

THE ASSOCIATED PRESS

CHARLOTTE — Black and Hispanic home buyers are more likely to pay high mortgage rates than white borrowers with similar credit ratings and income levels, an advocacy group found.

The Center for Responsible Lending said either loan sellers are charging higher rates to the minority customers or those borrowers are being steered to loan sellers that specialize in higher rates.

Using an industry database, the Durham-based nonprofit center compared credit scores, down payments and other financial information on about 177,000 loans made in 2004 by "subprime" lenders — companies that charge higher interest rates than banks. The lenders provided the borrowers' income and race.

The study, released last week, found that blacks were 29 percent more likely to pay a high interest rate on a fixed-rate home purchase loan. A Hispanic borrower also was more likely to pay a high rate, it found.

"African Americans and Latinos are paying a premium for home loans because of the color of their skin," said Hilary Shelton, director of the NAACP's Washington bureau.

The Federal Reserve Board said last fall it had identified about 200 lenders whose records showed possible discrimination. Regulators said they would look more closely at those lenders.

The center's data did not include all the factors used by lenders, such as a borrower's total debts, making the study's conclusions incomplete, said Doug Duncan of the Mortgage Bankers Association. He also questioned the ability of any national study to prove discrimination, which would require an analysis of specific lenders.

The Charlotte Observer reported in August that blacks who borrowed from 25 of the nation's largest lenders were four times more likely than whites to pay high rates. Even blacks with incomes above \$100,000 a year were charged high rates more often than whites with incomes below \$40,000, the newspaper found.



Purcell

Photo courtesy of Black Enterprise

RBC Centura recently honored Melanie Messick, a teacher at Meadowlark Elementary School in Winston-Salem, with a \$500 award as part of its third annual Tribute to Teachers program. The program works in partnership with the Atlantic Coast Conference (ACC) to recognize 25 elementary and middle school teachers who demonstrate exceptional community leadership throughout the Southeast.

Bank honors local teacher for service

SPECIAL TO THE CHRONICLE

RBC Centura is excited to award Melanie with \$500 of 'Classroom Cash' as part of the Tribute to Teachers contest," said Charles Frederick, RBC Centura regional president. "Her outstanding leadership and passion for teaching provide inspiration to all students and teachers. RBC Centura shares Melanie's commitment to education, and we are pleased to invest in the future of our children."

Messick was selected from more than 1,600 nominees throughout the Southeast. As an art teacher, she teaches more than 650 students from kindergarten to fifth grade to love and appreciate the arts. She also serves on the Winston-Salem/Forsyth County School System Advisory Committee and volunteers at Forsyth Medical Center.

In total, RBC Centura has donated \$12,500 this year to be used toward the purchase of classroom learning tools through this program. To view a complete list of the 25 honored teachers, please visit the bank's Web site at www.rbcventura.com.

In addition to Tribute to Teachers, RBC Centura partners with Communities in Schools (CIS) to actively sponsor important academic programs. RBC Centura challenges communities to support CIS by making individual donations to help keep kids in school through the RBC Centura Invest in Success campaign.



Melanie Messick, from left, with Valerie Parker, a RBC Centura Support Specialist of Personal & Business Banking.