



## Lays bought annuities creditors can't touch

By Greg Farrell and Matt Krantz, USA TODAY

Cry for Argentina, but don't cry for Ken Lay. The former Enron CEO, whose wife said on the *Today* show that they face a "liquidity crisis," are guaranteed about \$400,000 a year in income starting in 2007.



Unlike the Lays' other assets, which are threatened by lawsuits, Texas state law puts annuities out of reach of creditors and plaintiffs' lawyers.

Two years ago, Ken and Linda Lay purchased annuities from Canadian life insurer Manulife. As of a month ago, according to a source familiar with the transactions, their combined accounts were worth \$4.7 million. The Lays' annuity plans, purchased through Houston financial planner Rocky Emery, guarantee a 6% annual return starting in 2007. MotherJones.com first reported the Lays' purchases.

While some people buy annuities to lock in a safe return on their investments, others are attracted by the fact that their assets will be shielded from unforeseen threats, says Byron Udell, CEO of AccuQuote.

Kimberly Kelly, Lay's spokeswoman, says that as of January 2001, more than 80% of Lay's net worth was in Enron stock, options, deferred income and 401(k) plan. "Since then, he has lost more than 80% of his net worth," she says.

**source:**

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