

\$1,040,000 SAID TO UNCOLLECTED

7/2/69
Bond Forfeitures Piled
Up, Says Attorney

Uncollected bond forfeitures in Criminal District Court amounted to \$1,040,000 at the end of 1968 and the district attorney's office made no attempt to collect them until early in 1969, Ralph L. Kaskell, an attorney for Maryland National Insurance Co. claimed Tuesday.

The forfeiture judgments are against Maryland National which has filed a suit in federal district court seeking to enjoin the DA's office from seizing a \$70,000 deposit it has on hand with the state insurance commissioner.

Kaskell contended in a hearing before federal district Judge Lansing L. Mitchell that court records show that the forfeitures date back to 1966. The DA's office is now claiming that the insurance company owes \$629,000 in forfeitures dating back several years.

Judge Mitchell continued the hearing in order to allow the DA's office time to take depositions which they will use to bolster their motion for dismissal of Maryland National's suit.

AUG. 22 DEADLINE

The attorneys were given until Aug. 22 to file briefs and Judge Mitchell continued in effect a temporary restraining order he issued last week blocking the seizure of the insurance company's deposit.

The judge said that after all depositions and briefs are in he will decide if another hearing is to be held.

Assistant District Attorney Numa V. Bertel Jr., argued that the insurance company's suit should be dismissed be-

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FORFEITURES

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cause the federal court lacks jurisdiction and because Maryland National failed to state a claim upon which relief can be granted.

Bertel claimed that the company could begin its case with an appeal to the insurance commissioner and then take it through the state courts.

The insurance company is claiming that the bonds were executed under powers of attorney which were stolen from Century Underwriters, Inc., a firm acting as an independent contractor under an agreement with Maryland National.

DELAY IS CITED

Bertel argued that in each instance of a forfeiture service was made upon the surety notifying it of the forfeiture.

But Kaskell contended that Maryland National knew nothing about the forfeitures because service was made on local agents and not on the home office.

Judge Mitchell said that he did not want to delay a decision in the case but will need time to study the lengthy depositions placed in the record by the attorneys.

At this point Kaskell cited the delay by the DA's office since 1966 and added "if the district attorney delayed that long

collecting forfeitures, a matter of another month or two is insignificant."

He said that all but two of the 657 outstanding judgments against the company were the result of stolen powers of attorney and if the company wanted the cases reviewed in the state court it would have to file 657 separate suits.

DOUBTS POWER

He also claimed that because the money derived from bond forfeitures is used to pay expenses of the courts and the DA's office this fact might "subconsciously" have an effect on the judgment of the courts. He also questioned whether or not the criminal district court has the power of injunction.

The matter of the forfeitures came to light when Charles Ray Ward, chief assistant DA under DA Jim Garrison, resigned and announced that he would run against Garrison.

At the time he said that he had been improperly accused in connection with the forfeitures.

William Hardy Davis, now of Atlanta, Ga., and former president of Century Underwriters of Indiana, Inc., claimed in an affidavit that he sent \$15,000 to New Orleans during 1968, in the belief that money would be used to bribe Ward to ease up on collections.