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Murdered Rancher Manipulated Millions

The names of three prominent New Orleans sports figures appear in a bizarre multimillion-dollar insurance entanglement that came to light after the murder of a prominent Oklahoma rancher.

The murder victim, E. C. Mullendore III, was a brother-in-law of John Mecom Jr., owner of the New Orleans Saints. He was found murdered 14 months ago in the den of his expensive ranch home. He had been beaten about the head—probably with a branding iron—and shot once, squarely between the eyes.

The Wall Street Journal reports that the murder investigation revealed that less than a year before he died, Mullendore took out a \$15 million insurance policy on his life from two Atlanta men he met through Mecom. The same two men also wrote \$500,000 policies on the lives of Steve Stonebreaker and Doug Atkins while they were members of the Saints' team.

ASIDE FROM THE fact they were insured by the same insurance agency, Stonebreaker and Atkins' names are not connected in any way with Mullendore. The only mention of them in

the lengthy Journal series is in connection with the insurance policies.

There is no indication that either of the former Saints ever had any dealings with Mullendore—or even knew him.

Mullendore's murderer remains free. A number of persons have been questioned since he was killed on the night of Sept. 26, 1970, but there have been no arrests.

While the 32-year-old rancher's death remains a mystery, there has come to light in recent days a fantastic story of how he lived. It is a tragic story.

IT IS A STORY of one who grew up amidst enormous wealth on the Mullendore family's 60,000-acre Cross Bell Ranch—the largest family-owned spread in Oklahoma.

It is a story of how he left college at the age of 20 to take over management of the massive operation that stretched across the Oklahoma border into Kansas, and contained 90 oil wells, thousands of head of prize cattle and one of the few remaining herds of buffalo. The job fell on young Mullendore when his 60-year-old father, Gene Mullendore, began going blind.

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It is the story of his apparent inability to cope with the vast responsibilities of running the large spread; of his high financing deals that backfired; of his eventual association with an unlikely group of characters that included a number of ex-convicts and money men of all types—some of them said to have ties with the Mafia.

It is the story of the \$15 million life insurance policy—a policy that still has not been paid off. A federal court trial is to be held soon in Tulsa to determine if the more than 100 insurance companies which have an interest in the policy must pay off an \$18 million claim (including interest) filed by Mullendore's attractive widow, Linda.

THE FASCINATING story came to light last week in two articles by Johnathan Kwitny, a staff reporter for The Journal. Kwitny's stories are expected frequently here with the permission of The Wall Street Journal.

THE FIRST of the Journal series began:

"If Zane Grey, Edna Ferber, Ellery Queen and Sylvia Porter had pooled their talents to write a novel, they might, if they had really dredged their imagination, have come up with the strange story of E. C. Mullendore III."

The Journal later says, "The 32-year-old rancher's death was a jolt to the Atlanta home office of United Family Life Insurance Co. — and to more than 100 other insurance companies. Less than a year earlier, United Family had written a \$15 million insurance policy on E. C.'s life and split the risk with the other companies. (Actually, there were three \$5 million policies because United Family's computer was only programmed to handle seven digits.)"

The Journal says the \$18 million claim by Mrs. Mullendore is believed to be the largest single claim in life insurance history and that two "small armies" of attorneys have lined up on each side. "They have collected thou-

sands of pages of depositions which are on file at federal district court in Tulsa. These help to unfold the story of E. C. But as more information piles up, it only deepens the mystery of the last desperate week of E.C.'s life.

"THE YOUNG rancher was up against the wall with very few options left. In the 12 years he had been operating the ranch after his father, Gene Mullendore, a tough, crusty cattle baron of the old school, had started to go blind, E. C. had run through \$10 million of borrowed money. A credit association that held an overdue mortgage of nearly \$4 million had given him a deadline of Oct. 1, only a week away, to pay the debt or start selling his land.

"More than half the ranch's

15,000 heavily mortgaged cattle had been quietly — and illegally — sold off during the year, apparently without the lender's knowledge, to meet ranch expenses. E. C. hadn't filed a federal income tax return for two years. And the grace period for the renewal of his huge insurance policy, which he was using as a tool



E. C. MULLENDORE III

to get new loans, was only days away from running out unless he could dig up the annual premium of \$253,000.

"E.C.'s personal life was rapidly unravelling, too. At the start of his final week alive, Linda, his wife of 11 years, left him, taking the

couple's four children, three of the couple's five female servants, most of her expensive wardrobe, a Cadillac Ed-lorador and a Mercury station wagon. The two other servants quit, apparently in fear, after they found a gun hidden under the cushions of the living room sofa where Mullendore eventually died.

"THE TELEPHONE company cut off all lines to the ranch in a bill dispute, leaving the compound of houses incommunicado and about seven miles from outside help. Seemingly apprehensive about something, E. C. bought two new handguns for two ex-convicts who remained living at the ranch with him, although the place already had a sizeable arsenal of firearms. . .

"All the while, the insurance depositions reveal, E. C. was undertaking a series of incredible financial maneuvers in the battle to save the ranch. After exhausting his credit at banks, he turned to money men of all types, including some said to have Mafia connections. The depositions are spiced with probably the oddest assortment of people ever to figure in an insurance case. Just a few of them:

"—Damon (Chub) Anderson, a handsome 30-year-old who is built like Mr. America and whose conviction for cattle rustling later was expunged. He was E. C.'s manservant and 'bodyguard' and says he discovered his boss' body a few seconds after the murder.

"—Kent Green, a burly, bull-necked, cigar-chomping graduate of three penitenti-

ries, who was living at the ranch with his girl friend, Jennie, for two weeks preceding E. C.'s death. The couple both packed .38 caliber pistols, although Jennie now says she has lost hers. Kent, who claimed to be a financial expert, was arranging for E. C. to meet a Kansas City politician who he said was a conduit for loans from a questionable source.

"—Jim Jackson, a 300-pound itinerant loan broker, who carried a big cardboard bucket of Kentucky fried chicken with him to ward off hunger pangs throughout the

day. The fat man, who spent a lot of time in the St. Louis area, liked to keep a low profile and thus avoided well-known hotels; messages to him were addressed by a code name: Geronimo.

—George Aycock, another loan broker. Earlier he had attempted to get a loan for two men with securities stolen from John F. Kennedy International Airport in New York. His testimony, as a witness for the government, helped convict the two men. Linda Mullendore, in a deposition, says he once threatened to kill E. C. Aycock denies it.

—John E. Mecom Jr., a big Houston oil man and owner of the New Orleans Saints professional football team. He married E. C.'s only sister, Katsy, a two-time beauty contest finalist, in 1962. He introduced E. C. to the Atlanta insurance agency, Cohen, Kerwin, White & Associates, that sold him the \$15 million policy.

—Leon Cohen, a convicted rapist and swindler, and Leroy Kerwin, a convicted swindler, who ran the insurance agency. Three months after E. C.'s murder, Kerwin also passed out of the picture, the victim of a hired gunman who shot him twice in the head and left him in a shallow grave on the outskirts of Toronto.

—Morris Jaffe, a prominent San Antonio businessman and friend and admirer of ex-President Johnson. He had taken over Billie Sol Estes' agricultural empire after Estes went to prison. Jaffe got a percentage of the premium income of many of the policies sold by the Cohen-Kerwin agency, including the one on Mullendore.

The Journal said that while greed or revenge could have been the motive for Mullendore's death, "the killing also might have resulted from a sudden, senseless altercation. E. C. had a sharp tongue and plenty of physical courage. Standing well under six feet and at about 160 pounds, he was no John Wayne, but he never let that keep him out of a brawl."

For the most part, Mullendore's financial difficulties appear to be of his own making. The Journal reported:

"When E. C. took over management of the ranch from his father and when Linda took over much of the book-keeping from Kathleen Mullendore, E. C.'s mother, the

ranch carried a debt of less than \$1 million. In 1963, they increased the existing mortgage to \$2.2 million, and in 1967 they paid that mortgage off with proceeds from a new \$4 million mortgage to Northwestern Mutual Life Insurance Co. To obtain the Northwestern Mutual mortgage, Mullendore paid \$80,000 to a Tennessee loan broker."

IN 1968, the Journal reported, Mullendore obtained a \$1.4 million loan by giving a second mortgage on his land and a lien on the ranch's cattle. This loan later was increased to \$3.8 million.

"There followed," the Jour-

nal reported "what could be called E. C.'s bank-loan period. Depositions taken in preparation for the insurance suit indicate that over three of four months Mullendore borrowed a total of \$86,000 from seven banks in three states. But this was nothing compared to his needs.

"Hard pressed as he was, E. C. was about to ascend to the pinnacle of his bizarre financial dealings—the purchase of his huge insurance policy.

"LEON COHEN, the Atlanta insurance agent, says he was awakened at 6 one morning to hear a voice on the

telephone say, 'Hi, this is E. C.' To which he replied 'E. C. who?'

"John's brother - in - law. Well, when are you coming to see me?"

"The John was John W. Mecom Jr. Mecom met Cohen through Morris Jaffe. Mecom says he and his father, the nationally known independent oil operator, were in Atlanta listening to Jaffe try to sell them stock in something called Satellite Three-in-One Corp., a fast-food franchiser that later flopped with \$100,000 of Mecom money in it. As a by-product of this deal, Jaffe introduced them to the insur-

ance agent.

"MECOM SAID in a deposition later that when he listened to Cohen, "it was the first time . . . that I ever halfway understood what life insur-

ance was all about."

"Cohen clearly was persuasive. On the strength of the explanation, Mecom says,

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Cohen received the following insurance business: \$10 million of insurance on Mecom Jr., \$2 million on Mrs. Mecom Jr., \$5 million on Mecom Sr., \$2 million on Mrs. Mecom Sr., \$1.5 million on the family doctor and his wife, \$500,000 on the New Orleans Saints general manager and an undisclosed amount on his wife, and \$500,000 each on two football players, Steve Stonebreaker and Doug Atkins."

The Journal reported that United Family Life Insurance Co. of Atlanta which issued the \$15 million policy to Mullendore retained only \$40,000 of the coverage itself and dealt the rest off to other companies, some of which assumed as much as \$500,000.

"ONE DEFENSE being put up by the insurance companies against paying the Mullendore claim," the Journal reported, "is that in a large sense, Cohen and Kerwin weren't selling insurance at all;

they were selling collateral for loans. Mecom says he went to Cohen because Cohen promised large scale refinancing for the Saints. Mullendore went to Cohen to obtain refinancing for his ranch.

"At this point, early in 1970, E. C. was in an exceedingly precarious position. The due dates of two \$4 million loans were fast approaching, very little money was coming in, and he was having difficulty meeting the payroll of his ranch.

"Most of his wife's expensive jewelry was put in hock. Mullendore maids recall the jewels being spread across a dining room table when the family was trying to decide which should be used to secure one of E. C.'s last loans, for \$200,000 from the National American Bank in New Orleans on Jan. 13, 1970. 'Everything else was covered with mortgages,' Mrs. Mullendore explained later in her deposition.

"MULLENDORE, mean-

while, was seeking the same kind of debt consolidation loan you hear about on radio every day: Put all your bills into one tidy package and have a little left over for those needed home repairs. Only in his case the package came to \$12 million."

The super loan never came through, the Journal reported, and smaller loans he did obtain did not solve his problems. It was then, the newspaper said, that the long list of professional money seekers came into the picture.

The confessed cattle rustler, Anderson, was the last person to see Mullendore alive and the first to reach him after he was shot to death.

ACCORDING to the Journal, Mullendore had attended stock car races at Caney,



MRS. LINDA MULLENDORE

Kan., on the night of his death, returning to the ranch at about 10:30 p.m. The newspaper reported:

"After a while, Anderson says, he joined E. C. and they watched television for about 15 minutes. E. C. went to the kitchen to warm up a bowl of leftover stew, and returned.

Anderson says he went upstairs to draw a bath, leaving E. C. in a chair in the den.

"Anderson says he had drawn the bath but still had his clothes on, as well as a .25 caliber pistol that E. C. had purchased for him the week before, when he heard a shot on the first floor. He says he raced downstairs and saw E. C. on the floor in front of the couch, his legs stretched out, his head down. Then, he says, he felt a gun in his own back and whirled around as a shot went off.

"HE SAYS THE shot hit him in the right arm near the shoulder. He says he saw two strange men of medium build fleeing up the stairway from the den and out the glass doors at the front of the house. He says he fired his gun repeatedly at the fleeting figures but missed them because he had to fire with his left hand. After chasing the men into the parking lot behind the house, he says, he returned to the house.

"Returning to the den, Anderson says, he raised E.C.'s



JOHN W. MECOM JR.

head. It was beaten bloody, with a bullet hole in his forehead. E.C. was making a 'gurgling sound' but said nothing, Anderson says. Then, Anderson says, he ran to fetch the ranch foreman. The foreman drove to the nearest telephone seven miles away and called police.

"At a hospital in Bartlesville, where his arm was bandaged, Anderson told a

highway patrolman about 'the gang, the Mafia . . . he kept referring to the Mafia,' the patrolman testified in a deposition. 'He said Mr. Mullendore had dealings . . . Some of the people he was dealing with were Mafia.'

"THE PATROLMAN also testified that when Mullendore was wheeled dead into the hospital his pockets contained \$999 and a 'commitment paper' for a loan of \$12 million from Kent Green. Green says he agreed to write the commitment so Mullendore could show it to his creditors, and that Mullendore knew it was fake.

"Six days after the murder, Linda Mullendore also told sheriff's deputies that her husband frequently talked about the Mafia. Later she recanted this and a good deal of other testimony."

There has never been an arrest in the Mullendore murder, although several persons were questioned shortly after the young rancher was killed. The Journal reported that Gene Mullendore says he has a theory about the murder and will discuss it after the insurance case is settled. The newspaper reported on some of the key figures in the strange case:

"TODAY, Linda Mullendore lives with her mother in Tulsa; she refuses interviews and her address and telephone number are carefully guarded secrets. She won't let her children visit their Mullendore grandparents. She's not exactly penniless even though United Family Life refused to pay off on E.C.'s policy. Two much older policies have already paid off; Fidelity & Guarantee Life Insurance Co. of Baltimore paid about \$600,000, and State Farm Life Insurance Co. of Bloomington, Ill., paid cash 'in six figures' but it won't disclose the amount.

"Gene and Kathleen still reside on the ranch, their house guarded by a fierce German shepherd dog. The ranch has been put in the hands of a court-appointed receiver, but 63-year-old Gene is still hopeful of paying off its debts . . ."

The newspaper reports further that:

"Chub Anderson reportedly has held jobs in Caney, Kan., and Houston but frequently checks in at his family home

in Dewey, not far from Tulsa . . .

"LEON COHEN, the Atlanta insurance agent, isn't coming close to the \$100 million-a-year sales volume he once had. For one thing, investigation into the death of his partner, Leroy Kerwin, has taken a lot of his time . . .

"Kent Green is back in familiar surroundings — the Kansas State Prison at Lansing — where he is serving a 1-to-15-year sentence, after pleading guilty to a gun violation as a compromise to what was originally a kidnaping charge (he was charged with having abducted his estranged

wife and her mother at gunpoint).

"The insurance company lawyers asked Green to tell them if he had any idea who killed Mullendore. His answer: 'We are in the penitentiary, gentlemen. If I did the thing you are asking me to do, I couldn't make it to that front gate without three knives sticking in me.' "