

Marcello Firm Suit Is Filed; Receiver Set

Carlos Marcello dominates the affairs of Churchill Farms Inc. and refuses to pay the firm's legal obligations, a suit filed in the District Court at Gretna claims.

Filed by J. Folsie Roy, identified as a minor stockholder of Churchill Farms Inc., the suit seeks to place the corporation in receivership. Judge Floyd W. Newlin has signed an order naming attorney Cecil M. Burglass as temporary receiver to manage the affairs of the corporation until the matter is settled.

THE JUDGE set a hearing for 10 a.m. July 28.

Three other suits have been filed by Roy, one of which seeks payment of \$49,176.77 he says is due him from Marcello.

Roy told the court the officers of Churchill Farms, Joseph Marcello Jr., president, and Mrs. Dorothy Crowder, assistant secretary, are "grossly wasting by misapplying the assets of the corporation" to the detriment of its creditors and stockholders.

Roy contends corporate funds are used to pay individual obligations or expenses without authority, and corporate funds were loaned to unauthorized persons; that the firm failed to pay Burglass for legal services; that it failed to pay income taxes for 1959-60, with the result the firm's property was seized under a federal tax lien and was subject to sale and to \$23,000 in federal tax penalties.

IT IS also charged that \$3,000 in corporate funds were paid for long distance calls of persons not connected with the firm.

The suit expressed fear Churchill Farms Inc. will expend the \$228,774.51 it was awarded for a servitude for power transmission lines for unauthorized purposes, such as making loans to stockholders or paying debts to stockholders.

The suit asks that the National American Bank in New Orleans be enjoined from paying out any sums on deposit for Churchill Farms pending the outcome of the suit, and that the firm be enjoined from disposing of any corporate funds.