
4 FREED IN DAKOTA IN INSURANCE CASE

see 27 Mar. 1967

Cleared of Fraud in Collapse of Minnesota Company

BISMARCK, N. D., June 23 — A district court jury acquitted four defendants today in the American Allied Insurance Company mail fraud and conspiracy trial.

The jury returned its verdict shortly before 5 P.M. (central daylight time) after two and a half days of deliberation.

The defendants were Phillip Kitzer Sr. and Phillip Kitzer Jr., both of Chicago, owners of the company; Cyrus Magnusson, who is on leave as Minnesota insurance commissioner, and George Hruban, a former officer of American Allied from White Bear Lake, Minn.

The four were charged in connection with the 1965 financial collapse of American Allied, a St. Paul company that specialized in high-risk automobile insurance.

Each of the defendants was acquitted on 10 counts of mail or wire fraud and one count of conspiracy by the jury of eight women and four men, who began their deliberations shortly before noon Wednesday.

Phillip Kitzer Jr., 34 years old, wept when his acquittal was delivered. He was led from the courtroom by the other defendants and defense lawyers.

Phillip Kitzer Sr., 71, sat silently, as he did throughout the long trial.

Mr. Hruban, a husky former marine, appeared to hold his breath through the string of "not guilty" readings until his acquittal was read on the 11th count. Then he sighed, smiled and reached across the table to shake the hand of his lawyer, James Shellow.

Mr. Magnusson was not in the courtroom. He has been in a hospital since he was taken ill during closing arguments Monday.

Mr. Magnusson's wife and one of his sons were in the courtroom.
