

Bankruptcy Petition Filed by Moriarty:[Home Edition]

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Abstract (Summary)

CHART: [W. Patrick Moriarty]'S CREDITORS In bankruptcy proceedings, fireworks magnate W. Patrick Moriarty listed these creditors to whom more than \$11.5 million is owed. Millions of dollars in other claims that Moriarty is disputing were not listed. **Creditor Debt Lee Mansdorf of Beverly Hills, a loan, part of which is disputed.....\$5,070,000**

Community Bank.....\$2,500,000 Salvatore Federico of San Marino.....\$650,000 Telegraph Properties Ltd., partnership that bought land for and built Moriarty's Commerce poker club.....\$604,803 Cable TV contractor Rodney Caldwell.....\$550,000 Hercules Properties, Inc., Hercules, Calif.....\$440,897 L.T. Murray, Jr. of Tacoma, Wash.....\$300,000 Gene Rhodes of Fremont, Calif.....\$171,786 Henry L. Bear of Downey, lawyer and business partner.....\$150,000 Imperial Bank.....\$90,000 First Interstate Bank.....\$89,325 Kenneth Bishop, investor in proposed landfill project.....\$60,000

Full Text

(598 words)

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Fireworks magnate W. Patrick Moriarty, who is facing trial this month on mail fraud and racketeering charges, has declared bankruptcy, citing debts of more than \$11.5 million.

Moriarty, who also is being investigated by the U.S. attorney and the Orange County district attorney for allegedly laundering contributions to California politicians, agreed to an involuntary declaration of bankruptcy last December under pressure from two creditors.

"Mr. Moriarty initially opposed the petition (by creditors to have him declared bankrupt), but then consented to it," Alan Pitt, Moriarty's attorney, said Friday.

Lists 13 Creditors

The Anaheim businessman listed 13 creditors, including three banks, the head of a cable-TV construction firm, a businessman whose company sold Moriarty land in the San Fernando Valley for a proposed landfill and condominiums, plus investors in several real estate ventures.

Moriarty's case was filed in Federal Court in Los Angeles under Chapter 7 of the U.S. Bankruptcy Code, which permits the court to arrange for sale of assets to pay off creditors. Once assets are sold, the court could excuse him from further debts.

The bankruptcy case will not affect Moriarty's Feb. 26 trial on charges that he and a Las

Vegas business associate allegedly bribed City of Commerce officials to win a license for a poker club, according to Chief Assistant U.S. Atty. Richard Drooyan.

However, the action raises new questions about Moriarty's already tangled finances.

The petition, for example, does not list millions of dollars in other claims against Moriarty, including a \$40-million lawsuit by **California Canadian Bank** for loan fraud, as well as lawsuits by American International and Security Pacific banks to recover \$900,000 in loans.

Pitt declined to comment on these suits and also would not discuss \$6 million in creditors' claims Moriarty is disputing, including a \$5.07 million debt to the **Del Rio Development Corp. Inc. of Beverly Hills-which says it sold Moriarty property for the landfill-and a \$913,704 debt to Anthony F. Garcia of Burlingame.**

Triggered Action

These two creditors triggered the bankruptcy action last November when they asked the court to have Moriarty declared insolvent. Although Moriarty said their claims were invalid, he consented a month later to participate in bankruptcy proceedings.

In his bankruptcy petition, Moriarty listed more than \$11.5 million in debts, not including those he is disputing.

Moriarty, who founded Pyrotronics Corp., one of the nation's largest manufacturers of so-called "safe-and-sane" fireworks, is the subject of a widening investigation by the U.S. attorney's office and the Orange County district attorney's office into allegations of money laundering, bribery and fraud.

Former Moriarty associates have alleged that 32 California officeholders and candidates allegedly received laundered political contributions from Moriarty during a period in 1981-82 when he was lobbying for state legislation that would legalize the sale of fireworks, which some communities had banned.

The associates also allege that Moriarty provided prostitutes to at least five state and local officeholders in an effort to gain political influence.

[Illustration]

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