

# Colonia del Sol Target of Suit

## Ned Warren, Associates Accused of Deceiving Lot Buyers

By DOUG MELVOLD  
Staff Writer

Convicted land promoter Ned Warren Sr. and several associates were accused of deceiving lot buyers in a Casa Grande area subdivision Wednesday in a civil suit filed by the Arizona Attorney General's office.

The suit, filed in Maricopa County Superior Court, charges that false and deceptive methods were used to sell lots in Colonia del Sol, a 500-acre mobile home subdivision located just north of the city limits along State Route 93.

The subdivision is the property of Advance Realty Corp., of Phoenix, named among the defendants. The firm's owner, David Rich, also is named. A Warren-controlled firm, Camelback Mortgage Corp., of Phoenix, and several past and present officers of the two accused corporations, also are named as defendants.

The suit charges violations of the Arizona Consumer Fraud Act, including the unfulfilled promise of providing paved streets in Colonia del Sol and the failure of the promoters to provide utility services.

Warren, Rich and the other officers of the two accused corporations, the suit said, told lot buyers

that they had established a trust fund for the construction of improvements in the subdivision.

The trust, the suit explained, was to be funded by the remittance of part of the lot payments.

Instead of using the trust money to finance improvements, the suit said, "these monies have been applied to the retirement of a \$250,000 loan received by Advance Realty from Security Mortgage Corp."

Buyers of some lots in one section of the partially-developed subdivision, the suit continued, were not told that parts of their properties actually were owned by El Paso Natural Gas Co., which has a main transmission line that passes through the area.

"As a result," the suit said, "defendants' representations that clear title could be conveyed per the legal descriptions contained in the warranty deeds were false and deceptive."

The suit also said the promoters told buyers that the subdivision would have a community club house and swimming pool.

The promoters used the club house as a sales office and the swimming pool was not made available to property owners, the suit stated.

The promoters also withheld on their promise to make refunds to lot buyers who wanted to back out

of the deal after inspecting the property, the suit said.

It asked for a court order forbidding the promoters to continue making misrepresentations to potential lot buyers, a \$5,000 civil penalty for each violation cited in the complaint and restitution to buyers who were deceived.

Camelback Mortgage Co., which owned Advance Realty for 15 months in 1973 and '74, was described by Warren in a court statement two years ago as being his principal business interest. The company, according to the suit, lends money and buys and sells land contracts and mortgages.

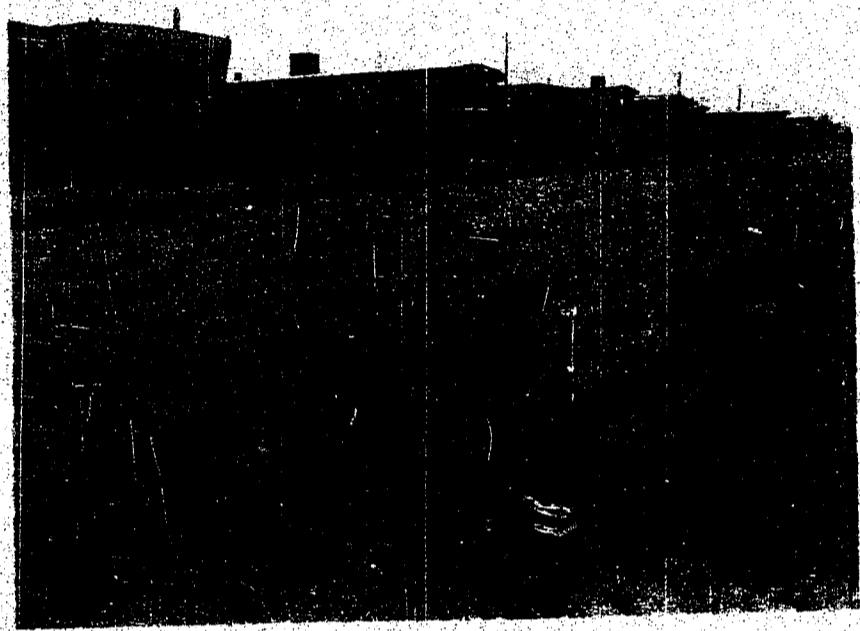
Warren was sentenced Monday to a 12-year prison term for his conviction on extortion charges. He is free on bond while he appeals the conviction.

Rich and Warren are longtime associates in the land business, according to Wayne Tangye, a special agent in the attorney general's office.

Other defendants named in the suit include Allan Harrington, former real estate broker and officer of Advance Realty; Warren's wife, Barbara; and her girlhood friend, Donna Stevens, who was a business associate of Warren; Rich's wife, Edra, James Witty; Charles Gostando; Carl Ragan; Ed Modzeleski and John W. Callahan.



DIRT STREETS at Colonia del Sol north of Casa Grande are one point of contention in a suit filed against accused land swindler Ned Warren Sr. and others by the State Attorney General's office Wednesday. The main access road to the mobile home development, above, is paved and palm-lined, although residential streets, which terminate in cul-de-sacs, below, are unpaved dirt. The Attorney General's suit alleges that Warren and others have violated the State Consumer Fraud Act by failing to provide Colonia del Sol residents with paved streets and utilities as promised. (Staff Photos by Jim Thomson)



## Awards Dinner Will Honor Heroism of Florence Man

A Florence Scoutmaster who is credited with saving a 12-year-old girl from perishing in a mobile home fire last December will be presented one of Scouting's highest awards tonight.

In a public awards dinner at Central Arizona College, Dennis Owens, 28, will receive the National Scouting Council Lifesaving Award for saving the life of 12-year-old Tara Brady of Florence.

Tara's 28-year-old mother, Patricia Balcom, and her 10-year-old brother, Bobby Brady, died in the fire.

The dinner will begin at 7:15 p.m. in the CAC cafeteria. Tickets will be on sale at the door.

Owens, employed as a lab technician by Arizona State Prison, is scoutmaster for Troop 921, sponsored by the Florence Rotary Club. He will be cited for his actions on the night of Dec. 3, 1974.

According to the citation accompanying the award, Owens heard an explosion and a scream across the street as he was arriving at his home.

"He ran into his house and called firemen, then ran into the burning mobile home," the citation states.

"With the help of two neighbors, Owens entered through the rear door by breaking a window and pulled out the badly burned and apparently lifeless body of the girl.

"He applied mouth-to-mouth resuscitation and continued to aid the girl all the way to the hospital.

"Tara survived, due in large measure to Owens' prompt, courageous rescue and skillful first aid," the citation adds.

District Scout officials said the award is believed to be the first such commendation to be given to a member of the Scouting organization in this area.

Willard Taylor, a scoutmaster in Mammoth who was Owens' scoutmaster when he was a scout there, is expected to attend the dinner.

Approximately 20 other awards will be presented at the dinner, including the Annual Award of Merit, the highest award given in a district for volunteer work. Recipient of that award will be announced at the dinner.

Owens' troop is part of the Sahuaro District, which includes Casa Grande, Coolidge, Eloy, Arizona City, Maricopa, and Stanfield as well as Florence.

Zimmerman would not say where investigators were pointing their search for the kidnapers but said technicians were at work trying to discover clues.

The successful dropoff of the ransom, which police said came at 8:24 p.m. Wednesday, followed an abortive attempt earlier in the day.

Stempel, director of engineering at the Chevrolet Motor Division, followed "complicated and critical arrangements" to make the payoff, police said.

He went to a designated spot under tight police surveillance and waited for three hours after receiving a phone call at 10:53 Wednesday morning, police said. However, he received no further instructions and returned home.

Then, police said, a second telephone call at 7:30 Wednesday night disclosed more details and Stempel dropped off the \$150,000, which was picked up at 9:12 p.m., police said.

The first word Timothy had been abducted came three hours after the boy vanished. In the first of a series of telephone calls, a male voice told Stempel he would have to pay \$150,000 for his son.

Stempel told the abductor Tuesday he wouldn't be able to

# CASA GRANDE DISPATCH

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## Anza Expedition Fords the Gila

(Editor's note: The Nov. 13, 1775 diary passage quoted here from the Anza Expedition was written by Fray Pedro Font, chaplain and official diarist. It tells of fording the Gila River.)

Font, Oatman Flat, Nov. 13, 1775.

"We set out from the Rancheria de San Diego at a quarter past nine in the morning, and about half past one in the afternoon halted at a place called Artoac, a little after fording the river, having traveled some four leagues west by south.

"This is a place with very little grass and elsewhere there is none at all, but the road is not very bad.

"On leaving camp we ascended a small sierra formed of boulders and black, rough rocks piled up, but thereafter the country is level. They looked for a good ford across the river, which here has a large volume of water, reaching to the shoulder blades of the horses.

"We forded it without mishap, but in the time of floods it is very formidable, as is shown by its channel and its overflows."

## Gila Bend Owns Waterworks

GILA BEND (AP)—When local residents turned on their water taps today, it was with the knowledge the taxpayers now have clear title to the community's water system after nine years of uncertainty.

First National Bank of Arizona Wednesday turned over the title to city officials after the city paid off a \$300,000 note owed the bank by the former owners, the Stout Water Co.

At the same time, the community's attorneys gave the Maricopa County Attorney's office a check for \$82,008 in back taxes owed to the county by the former owners of the system.

The funds were obtained through the sale of bonds to the Farmer's Home Administration. Bob Kerrick, attorney acting for the community, said the city is drilling two more wells and plans to install equipment to lower

## To Replace Grant City Major Tenant in Sight For Casa Grande Mall

Owners of the Casa Grande Mall announced today the signing of a letter of intent by one of the nation's largest discount department stores to replace Grant City as the major Mall tenant.

The Casa Grande Grant City is in the midst of a close-out sale, part of a nation-wide bankruptcy action by the chain.

In a telephone interview today, Edward Parker told the Dispatch that within 10 days the Mall expects to make an announcement identifying the new tenant.

Parker added that plans call for an increase in the size of the Grant City location by one-third to 85,000 square feet to accommodate the giant chain retailer, which Parker described as one of the top three in its field.

Mall owners went to Los Angeles, Calif., Wednesday and purchased the Grant City fixtures at an auction to facilitate the move-in

by the new tenants.

Parker said during the last month the location has been considered by 11 major retailers with the list narrowed down to three prospects during the past week.

Two other national tenants, a jewelry store and a family shoe store are expected to sign lease agreements for space in the Mall as soon as the Grant City location is filled, Parker said.

"Some may be surprised at the national firms who are interested in Casa Grande," Parker said. "We plan not only to fill the existing locations within the Mall, but construction on the east and north sides of the Mall to accommodate additional retail stores."

Parker is vice-president of Collier, Heinz and Associates of Salt Lake City, owners and

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## President May Approve Latest New York Plan

WASHINGTON (AP) — Citing a changed situation, President Ford's press secretary hinted broadly today that Ford could be moving toward approval of stopgap federal aid for deficit-ridden New York City.

Press Secretary Ron Nessen said Ford finds the latest efforts to develop a rescue package for the city "encouraging" and wants to study it in detail.

Nessen said that "obviously there has been finally, at long last, some serious action by New York City and New York State to solve their own problems."

As if to set the stage for a change in Ford's long-standing adamant opposition to federal aid for New York City, Nessen said of the rescue plan that "The President feels that this action, or apparent action, largely is the result of his own position against a federal bailout of New York City."

Ford consistently has said the city and state should take vigorous action to handle the matter.

New York Gov. Hugh Carey, indicating he sees signs that the administration may be backing down from its hard-line stand against aiding the city, called the New York legislature into special session today to begin work on a new plan to help avert default, including provisions for new taxes and a debt restructuring.

The White House spokesman said it was not clear, however, whether such money would have to come from the federal government or might be raised from other sources.

While declaring that Ford "certainly has not changed his stand against a federal bailout," Nessen acknowledged that "the situation that we are talking about has changed."

In fact, Nessen suggested, the type of aid legislation that Ford had vowed to veto if passed by Congress was likely to become irrelevant because of changes in the situation.

## Son of GM Executive Set Free by Abductor

BLOOMFIELD HILLS, Mich. (AP) — The 13-year-old son of a top General Motors executive was reunited with his family today, some 55 hours after he was abducted from outside his home. Police said the boy's father paid a \$150,000 ransom to guarantee the youth's safe return.

Bloomfield Hills Township police said Timothy Stempel, son of Robert C. Stempel, was "fatigued but alert" when he walked into the Wayne County Medical Center shortly after 11 p.m. Wednesday and called his parents.

Young Stempel was abducted from outside his home in this exclusive Detroit suburb at about 5:30 p.m. Monday. At no time during the negotiations for ransom did the abductor give any evidence the youth was alive.

Word of the abduction leaked to the news media Monday night, but the story was withheld at police urging for fear of endangering the boy's life.

L. Don Zimmerman of the Bloomfield Township Police Department said police had not questioned Timothy extensively. He said that would be done later today.

"The most important thing since this incident began has been the safety of the boy," Zimmerman said. "His parents

have gone through a great ordeal."

Zimmerman would not say where investigators were pointing their search for the kidnapers but said technicians were at work trying to discover clues.

The successful dropoff of the ransom, which police said came at 8:24 p.m. Wednesday, followed an abortive attempt earlier in the day.

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## APS Asks U.S. Court for Permission to Hike Rates

Plea Seeks to Override Arizona Corporation Commission Denial of Increase

PHOENIX (AP)—The federal court has been asked by Arizona Public Service Co. to issue an injunction to permit the utility to impose a reasonable rate increase denied recently by the Arizona Corporation Commission.

The commission last month turned down an APS request for a seven per cent increase.

The utility also said Wednesday it has asked the commission for a rehearing of its case. The utility charged the commission erred when it disallowed \$3.5 million in purchased power costs reported by APS and a portion of the expenses the firm incurred in preparing its rate case.

If the U.S. District Court grants APS its request, the rates would go into effect under bond, subject to refund, until the issues are

finally resolved, the utility said in a prepared release.

In the lawsuit, APS said that the commission's failure to grant it the seven per cent increase did not permit a just, fair and reasonable rate of return. APS charged the action was unconstitutional and deprived it of property without due process of law.

"The commission's decision was based on an attorney general's opinion which restricted its consideration of rate case evidence to a 1974 test year," said Keith Turley, APS president. "As a result, the commission was unable to consider any conditions or events that have occurred since 1974, thus making it impossible for the company to ever earn the 7.82 per cent rate of return granted APS by the commission."

Turley said since the end of 1974 APS has added over \$71 million to its plant investment, and is expected to add nearly \$210 million in new plant investment by the end of 1976.

"Failure to recognize this additional investment, along with the higher operating costs, will result in a rate of return of 6.36 per cent for 1975 and 5.05 per cent for 1976 on an estimated fair value rate base," Turley said.

He said the declining rate of return seriously jeopardizes APS' financial condition, and its ability to finance the construction program necessary to serve its customers.

In supporting that the cost of power purchased during outages of APS' Four Corners Power Plant, the utility included an affidavit

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