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Interview with

Renne Allred, Jr.

June 15; August 14, 21; September 4, 5, 1968

Place of Interview: Bowie, Texas

Interviewer: Dr. E. Dale Odom

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Renne Allred, Jr.
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Oral History Collection

Judge Renne Allred

Interviewer: Dr. E. Dale Odom

Place of Interview: Bowie, Texas

June 15, 1968

Dr. Odom: This is E. Dale Odom on June 15, 1968, in the home of Judge Renne Allred, Bowie, Texas. We've just dedicated a marker to the late Governor of Texas, Jimmie Allred. And Judge Allred has consented to make a few comments to reminisce and...about Texas politics in the 1930's and...particularly questions relating to his brother. Judge Allred, I thought I'd ask you first to comment some about the campaign of 1934--what you were doing in this and what Governor Allred was doing and things of this sort.

Judge Allred: Well, it seems to me that to begin talking about the campaign of 1934 it is necessary to really go back to the campaign of 1926 when my brother Jimmie made his first campaign for Attorney General of Texas. He had five opponents for attorney general in the first primary. And during the first primary each of his four brothers were candidates for county attorney or district attorney in their respective counties and districts. O. H. Allred, the oldest boy, or young man, was elected in the first primary as county attorney of Stephens County. Ben Allred was elected district attorney of the 30th District of Texas composed at that

time of Wichita, Archer, and Young counties. Raymond Allred, the next boy in the family, at the same time--in the first primary--was elected county attorney of Wheeler County. And the speaker, Renne Allred, Jr., was elected in the first primary as county attorney of Montague County, the home county of all of the Allred boys.

After the first primary Jimmie was in the campaign with Claude Pollard, an attorney who was fifty-two years of age and who had practiced law longer than Jimmie had lived. Most of the attorneys in Texas were supporting Mr. Pollard. And the speaker, Renne Allred, was the driver of the automobile for Jimmie in the run-off primary. We were driving an old Ford Roadster with the window curtains that you had to put up each time it rained, and we had a little "back" on the Ford where Jimmie would speak. We would go into towns and since most of the lawyers were supporting his opponent, he would have no one to get crowds for him, or to arrange for speakings, or to introduce him. And Jimmie and I coined the phrase "official introducer." The official introducer at most of these speakings was the present speaker, Renne Allred. And I remember one of our favorite modes of introducing Jimmie was that I would mount the back end of the Ford, try to get a crowd of ten or fifteen people, and trying to drum up a crowd for him to talk to. When I had succeeded in doing that, I would tell them that I had not come there to make to them a long, tiresome address, I would just introduce my brother, Jimmie, who would.

Odom: In that race in 1926, did you make the larger cities as well as the small towns, and how did you campaign when you got there?

Allred: Most of our campaigning was in the smaller towns. However, the latter part of the campaign we did go into the cities, and would have some help trying to get crowds for him to speak to. But it was a very difficult thing to get crowds in the cities to come out to political gatherings. Jimmie was defeated in that race for attorney general by about four thousand votes out of some seven hundred thousand votes cast. He returned to Wichita Falls and entered the practice of law.

Odom: Did you use the radio any at all in the campaign in 1926?

Allred: I don't recall of us ever using it.

Odom: Did Governor Allred not make the 1928 race for attorney general against Claude Pollard who won the 1926 primary and election because you figured he'd have two terms?

Allred: Well, in 1928 Claude Pollard had not announced for re-election, and some of Jimmie's friends in Graham put Jimmie's name on the ticket for attorney general in 1928. At that time Mr. Pollard then stated that he presumed that Mr. Allred would know that he intended to make the race for a second term. And he then announced for his second term at which time Jimmie withdrew his name from the ticket, as it had been placed there by his friends in Graham, Young County, Texas.

Odom: Did any of the other brothers travel with you on any of the races in 1926 or in 1930?

Allred: None of them traveled with Jimmie and myself in that run-off cam-

paign. However, all three of the boys were very active in campaigning for Jimmie elsewhere.

Odom: After winning the attorney general's race in 1930, then, did you and the rest of the brothers continue in the county or district attorney offices you had won back in 1926?

Allred: O. H., the oldest boy, continued as county attorney, I think, for three terms in Stephens County, and Ben retired as district attorney in Wichita, Archer, and Young Counties. Raymond, who had been elected for two terms as county attorney of Wheeler County was elected district attorney in that district comprised of Wheeler-Gray, Roberts, and Lipscomb Counties, and Ben entered the practice of law.

Odom: Judge Allred, who did the family work for in the 1930 race for governor the year that Governor Allred was first elected attorney general?

Allred: We did not participate in any of the governors' races, actively, between Governor Sterling and Mrs. Ferguson. I might add that T. F. Hunter who later ran against Jimmie in 1934 was also a candidate in the 1932 primary, running third behind Sterling and Ferguson, and he also ran in 1936 against Jimmie running second as he had in 1934, and he also ran against O'Daniel in 1938 running fourth. Before that I might go back to the '28 election. Mr. Pollard, after about eight months of his second term as attorney general, resigned. And Governor Dan Moody of this state, and Jimmie went in to talk with him. After he came out some of the reporters asked him if they talked about the appointment for attorney general to succeed

Mr. Pollard. And Jimmie, as I recall, said they did not; but he said, "I predict that whoever Governor Moody appoints as attorney general will be defeated at the next election." Thereafter, Governor Moody appointed Robert Lee Bobbitt as attorney general. And the campaign of 1930 was between Robert Lee Bobbitt, Cecil Storey, and Jimmie Allred in the first primary, and Mr. Storey was eliminated in the first primary. And Jimmie defeated Mr. Bobbitt by approximately a hundred and thirty thousand votes in the run-off in the 1930 campaign for Attorney General of Texas.

Odom: Then perhaps you might...however you might like to phrase it, however you might like to do it. You might in leading up to the 1934 campaign for the governorship...you started out here. I interrupted you right there when you started out on your story there.

Allred: I might state here that after Governor Sterling had been defeated by Mrs. Ferguson for a second term, the speaker...the present speaker, Renne Allred, was practicing law in Henderson, Rusk County, Texas, and had been for several years during the beginning of the East Texas oil boom. And Governor Sterling appointed Renne Allred as judge of the special district court of Rusk and Gregg Counties for the two-year period that the legislature had created the court for, as a special court, because of the enormous amount of business. And Jimmie made his first race for governor in 1934. He had five opponents. His opponents in the first primary were Senator Clint Small, Edgar Witt, Lieutenant Governor, Maury Hughes, a lawyer in Dallas who had been district attorney in Dallas, C. C. MacDonald of Wichita Falls, who, incidentally, at the age of eighty-three

was present at the dedication services today, and Tom F. Hunter of Wichita Falls. That made three of the candidates for governor all residents of Wichita Falls, Texas. In discussing the campaign for governor in 1934, we all believed that Jimmie would lead the ticket, and we all agreed that he would have to lead the ticket by at least a hundred and fifty thousand votes in order to win against the next man in the run-off, because we figured that all of the other four candidates would support the man who was in the run-off with him. It so happened that the man that was in the run-off with him was Tom F. Hunter, and Jimmie led him by only 56,000 votes. We were very disturbed about that because we had felt that--as finally did happen--the other four candidates would support Mr. Hunter. And it looked like Jimmie would be defeated. That was our feeling in the first couple of weeks in the second primary of that race.

The turning point in the campaign against Mr. Hunter that caused the election of my brother Jimmie as governor, in my opinion, was the fact that Jimmie opposed a general sales tax, and he charged that his opponent, Mr. Hunter, favored a general sales tax. He made that charge for two or three days without submitting any proof of it. And finally Mr. Hunter denied that he favored a general sales tax. Whereupon, Jimmie, without submitting any proof, stated, "Why I never dreamed that Mr. Hunter would deny that he favored a general sales tax because he once wrote me a letter in which he stated that he favored a general sales tax like the one in Missis-

sippi." After two or three days Mr. Hunter denied that he had ever written Jimmie a letter advocating a general sales tax like the one they had in Mississippi. Jimmie continued to make the charge without submitting any proof. And finally Mr. Hunter made the statement that: "When a man starts going down in defeat, he starts lying, and that is what Jimmie Allred did when he said I wrote him a letter in which I advocated a general sales tax like the sales tax in Mississippi, because I never wrote him such a letter." Jimmie continued to charge it for a day or two and finally produced a letter on the stationery of Tom F. Hunter, lawyer of Wichita Falls, two pages in which Mr. Hunter, who had appeared before the legislature as a lobbyist, advocated a general sales tax stating to Jimmie Allred that he advocated a general sales tax like the sales tax in Mississippi. The tide then turned because the people determined who was telling the true facts. Jimmie had the letter, and he produced it. In that run-off, Jimmie defeated Hunter by about 40,000 votes.

Odom: Was it part of the strategy not to produce the letter in the beginning when he made the charges? Do you recall?

Allred: Yes. Yes, because we wanted him to continue to deny it. We wanted him to deny it because we felt if we produced it immediately, he would try to pass it off. But by making the general denial, and the flat denial, that Jimmie Allred was lying when he made that statement, then it was time enough to produce the positive evidence. Jimmie would never have made the statement had he not had the evidence before him.

Odom: Did you have problems raising money in the 1934 campaign?

Allred: Oh, we had problems from 1926...1930...1934. Of course, it was much easier in 1934. We had...I know in 1926 Jimmie borrowed money at the bank. People went on his note, and when he went into the attorney general's office in 1930, he was in debt. The office of attorney general paid \$4,000 a year. The governor's office paid \$4,000 a year. He was in debt when he went in the governor's office. He was in debt when he came out of the governor's office.

Odom: I suppose since you were in East Texas at the time of the East Texas oil boom, it must've been a rather interesting, what, two years, you say, that you spent there?

Allred: Twenty-one months. The legislature created the court for two years, but it didn't become effective for ninety days because it was on a voice vote. And so it was actually only twenty-one months that I served as district judge holding Court in both Rusk and Gregg Counties. The court expired in November, at the same time Jimmie was elected governor in 1934.

Odom: I see. And this was just a special judgeship added there because of the additional amount of legal work involving the oil leases and so forth?

Allred: That is correct except that when Jimmie became governor, in January he asked the legislature to recreate the special district court of Rusk and Gregg County but to make two courts, two special district courts--one for Rusk County and one for Gregg County. And he appointed Paul G. Brown as judge of the special court of Rusk County and D. S. Meredith, a lawyer at Longview, as judge of the special

court of Gregg County. I have laughingly joked on many occasions making the statement that it took two lawyers to take my place as district judge.

Odom: Why didn't he appoint you to one of those court...one of those judgeships created?

Allred: Well, for the first place I didn't want the appointment. After about a year serving on the bench I had determined that I was going to resign. And Jimmie sent word to me that I ought not to do Governor Sterling that way, that Governor Sterling had appointed me for that two-year term and that I should not resign and let his successor, Mrs. Ferguson, appoint my successor. And I continued. The second reason is that it would have been a violation of the Nepotism Law had he appointed me. And I would not have accepted it anyway.

Odom: I see. Did it change your life any...in any particular way to have your brother finally be elected governor?

Allred: No. I don't think it changed my life very much. There were some benefits being related to the governor--personal contacts. But at the same time sometimes there were detriments, by reason of being related to the governor. The same thing was true when he was attorney general, and I recall an example. I had represented a client in connection with some matter with one of the state departments while he was attorney general, and they had called upon him for an opinion. And he told them that his opinion was in accordance with the contention I was making. He then asked me at one time if I wouldn't withdraw from the case. And I asked him if he

didn't think I was right, and he said he did think I was right. And I said, "In other words by reason of the fact that I am your brother, I must withdraw from a lawsuit." And he said, "Well, of course, I won't ask you to do so."

Odom: Did any people approach you for special favors once he become governor? Do you recall incidents of that sort?

Allred: The only person that I recall that ever approached me while he was governor and wanted me to do something for him through the governor's office was a man that I had prosecuted as county attorney of Montague County and had sent him to the penitentiary. When I was district judge this man walked up to me on the streets of Longview and said, "Aren't you Judge Allred?" I told him I was. He then told me his name, and I did not recall it. He then pulled out a pencil and wrote the signature that he had used in connection with a check that had been forged. A beautiful signature, and I immediately recognized it. This man had contended in the trial of the case in Montague that he was crazy, and he sent word to me that he wanted to talk to me. And when I brought him out of the jail, he told me that some other prisoners were attempting to kill me, and that he was playing crazy, because he didn't want to go to the penitentiary, but that he didn't believe in murder, and he gave me the details with reference to it for which I was very grateful. The jury convicted him and sent him to the penitentiary, and I went over to Breckenridge and got the judge there to run a sentence concurrent with that. He served that term. And when he came to me in Longview, he told me...he said, "I live in

Bryan, Texas, and people down there don't know that I have been in the penitentiary. I know that your brother is going to be governor of this state, and I would like to have my citizenship restored." He said, "I can get plenty of letters of recommendation, but I don't want my people in my home county to know that I've been in the penitentiary. And would you help me?" I told him I would. And when Jimmie became governor, I asked him to restore his citizenship, which he did. And that was the only dealings...

Odom: The only case.

Allred: The only dealings that I had. Of course, any person in public office always has propositions made to them--slyly-innuendos. I did when I was county attorney on one occasion, and...but that is just natural. But I had one lawyer one time after Jimmie became federal judge. Said he wanted me to help him try a case in federal court. Jimmie was going to hold court in Wichita Falls, and I told him...I said, "Well, you don't want me to help you. You better get another lawyer." Which he did, and I told him, "If I were to come in to the case with you, Jimmie would immediately have recused himself and would not participate in the trial of the case."

Odom: Did you ever get cussed out or berated because you're the brother of the governor for unpopular things?

Allred: No. I don't recall of anyone being so unkind as to...to do that.

Odom: Did he discuss with you the decision he made to support Robert Calvert in 1934 against Coke Stevenson?

Allred: No. We stayed away from politics after he came into the governor's

office. None of we boys had anything to do with the speaker's races.

Odom: Yes. Did you say you didn't take any part in any of the speakers' races? What about other major parts of his program? Did he discuss these with you and did...what sort of influence do you think you might've had on programs that he may have recommended?

Allred: No, I never discussed with him his programs that he was sponsoring as governor at all.

Odom: This seems kind of strange to me. How do you explain that?

Allred: Well, I don't know. Sometimes when a person gets to be governor of the state, he meets other people, other contacts. And I had a living I was trying to make, and I couldn't on...he was making four thousand dollars a year as governor and that wasn't supporting him and his family--much less me and my family. And I was trying to make a living.

Odom: I see. So just...just a matter of having other political advisors and you were busy with your own career.

Allred: That's right. We did participate as political advisors in later races, and he may have discussed some of his program with some of my brothers, but so far as I am concerned I never attempted to influence his program in any way. Oh, he might have asked what we thought about a particular person for appointment or something like that and we would tell him what we thought, but we never attempted to exert any pressure on him on any matters involving his duties as Attorney General or Governor. The people had elected him, not us.

I might add here that two days after Jimmie was inaugurated as Governor, I was stricken with a serious condition that kept me out of my office some eight or nine months. I had returned from the Inauguration and went home to bed about ten o'clock at night feeling as good as I had ever felt and woke up about 3 A.M. and could not get up out of bed. I could move my legs and my arms, but could not control the middle of my body. Two weeks later when I was able to be taken for X-ray it was determined my back was broken in two. The Doctors first said I could not live, later if I did live I would never be able to walk again, but if I ever walked again it would be at least two years. Six months and two days I was standing on my feet, and within a few days was able to walk.

It appears that I had osteomyelitis of the spine, one of the vertebra was eaten away and what was left was broken in two. Later after blood transfusions nature took the poison out of my spine, and put new bone in the spine sealing the vertebra involved with the one above and the one below. This was done by nature without any operation except they made an opening in my side to drain out the infection. For some months I wore a plaster of paris cast, later a steel brace for some months but had to discard it because of weight problem. At the time I was stricken I weighed about 175 pounds, went down to 90 when in the hospital and later my weight came up higher than what it was originally, I am sorry to say. I have had no serious trouble with my back since 1935, but do rest

on my back quite a bit daily.

Odom: I see. How did the Governor regard his political opponents as individuals? I know that's a very general question, and some of them, I'm sure, that he fought pretty hard politically he may have had respect for or he may not have had. I was wondering what you might comment on what he said about them privately, and so forth.

Allred: Generally, I think, he had high regard for all of the people that opposed him in his various races. I remember one time he made a statement to me that you shouldn't get mad at somebody just because you disagreed with him, and I think that was the attitude that he took--that he would have his fights with the individuals, and so far as he was concerned, he never held any animosity. Now, it may be some of those that he defeated may have but Jimmie never had. It wasn't in his nature.

Odom: Did you get involved in many of the centennial activities, since he was the Texas centennial governor?

Allred: In only one respect. My birthday is June the 6th, and my brother Jimmie, I don't believe, from the time he and I were grown ever forgot...so long as he lived, ever forgot my birthday. I would receive a message--telegram, phone call, a card, a gift, or something--except on June the 6th, 1936, the centennial year. My boy and I were in Dallas and Jimmie and his son, Jimmie, Jr., were in Dallas. We were all at the Adolphus hotel on June 6th, which was my birthday. And I spent two or three hours with him in the hotel. Other people were there. And at no time during that two or three hours up until the time I left him, did he make any comment about

my birthday. My boy and I went on out to the centennial grounds-- the fair grounds. We were inside the grounds when the parade arrived. Jimmie and his son and the then Secretary of the Interior were in a car. And they came into the entrance of the fair, and the ribbon was cut to open the fair. They came on down about a block where my boy and I were standing, and the car stopped right where we were standing, just like it had been predestined to stop. And Jimmie, with all of his smiles and waving to the crowd, looked at me and his smile froze and he got a little silent, and he said, "Tar..." that was my nickname he called me..."Tar, this is nice, happening on your birthday, isn't it?" (chuckle) So he remembered it, after all.

Odom: And it opened...the Centennial Exposition in Dallas opened on your birthday.

Allred: Yes.

Odom: In 1936. What kind of reaction did the Governor's law enforcement campaign get, especially his attempt to fight against liquor and gambling? Did you have any experiences with that campaign?

Allred: No...no, I didn't. But I know that he did have a considerable battle over the law enforcement, particularly in Galveston County. And he had a real hard time.

This calls to my mind the fact that after Galveston's gambling and slot machines were closed down, a lawyer from Houston, who I believe had been in law school with Jimmie, called me in Dallas and asked me if I would meet him in Austin on some business, that he would

pay me for my time and expenses and I told him I would and did, not knowing the nature of the business until I met him in Austin.

When we met in Austin he told me he had been employed by some business men in Galveston to see if he couldn't get the Governor to relax on the slot machines, and he wanted me to go with him to see Jimmie. I told him I would go with him but that it would do no good, that Jimmie would not relax and I wanted no part of it, but this fellow was a good friend of mine and Jimmie's and I went along to see how Jimmie would handle it.

My friend explained the matter to Jimmie and said it was hurting business generally in Galveston, people were not going there because they could not play the slot machines, and Jimmie said: "Buck, you mean to tell me that people go there just to play the slot machines?" He said, "Yes, I do myself." Jimmie said, "You mean you go just to play the slot machines?" The answer was yes. Jimmie said, "Well, I can just eliminate that. I will have one of these confiscated slot machines set up in your home and you can play it to your heart's content and you won't have to go to Galveston to do it."

Of course, Jimmie was kidding him, and that was the end of that. Jimmie was always personally and politically dry on the liquor question. And I know he advocated an election to let them have a democratic vote on whether or not they should have liquor in Texas.

And...but he always said that he would vote against it, personally.

Odom: He didn't have much of a problem with that up in this part of the country, did he?

Allred: Well, (chuckle) I think we've always had those problems up in this part of the country, but not...not from a standpoint of...except bootlegging, generally. You had that and you still have it; I think we'll continue to have it.

Odom: Did he ever make any comments to you about his spat with Captain Tom Hickman of the Texas Rangers?

Allred: No. I knew that he and Captain Hickman had had a difference. What it was, I did not know. Later when I was living at Gainesville Captain Hickman was also living in Gainesville. And I went to Montague, court in ^{Montague} ~~Gainesville~~, and Captain Hickman was over there with some other officers, and I went in with another lawyer. And as I saw him, I was shaking hands with the various officers that I knew, the men that I had worked with as county attorney. And I met Captain Hickman and stuck out my hand to him and he said, "No...no." And I stepped back and I said, "I'm sorry." Then I turned back to Captain Hickman and I said, "Mr. Hickman, I am not my brother's keeper. I do not know what you and his differences were. I care not what they were. But I've never mistreated you in my life; and you have no right to mistreat me in the manner in which you have just treated me in the presence of officers who have been my friends." He said, "Well, I didn't know you felt that way about it, and I'm sorry." And we shook hands, and after that Tom Hickman and I became pretty good personal friends around

Gainesville for the period of time that I was there.

Odom: During the years that he was in the attorney general's office and the governor's office, did you spend any time to speak of in Austin during those times?

Allred: Not much. Practicing law in East Texas, I would have matters before the Railroad Commission, applications for permits to drill oil wells, and things of that sort. And I made periodic trips to Austin, but not much time did I spend there.

Odom: Would you stay in the governor's mansion if you spent the night there?

Allred: Well, sometimes I did; sometimes I'd stay at the hotel if I was there on business. I usually stayed at the hotel because I had my business, and Jimmie was busy with affairs of state.

Odom: Understandably. Well, what about your relationship with Governor Allred after he left the governor's office? Were you closely associated with him in any endeavors after that?

Allred: No, nothing, except he visited us more after he was out of politics. While he was practicing law...I assisted him in some cases while he was practicing law between the two periods of time that he was federal judge. And sometimes he would get me to assist him which I did. Then when he became federal judge, he would visit with his family more; he had more time. And particularly he seemed to enjoy coming to our home which was over on Mill Street at that time here in Bowie...after we came back to Bowie in 1954.

Odom: That's when you came back--in 1954?

Allred: Yes...yes.

Odom: Did you come here from Gainesville at that time?

Allred: No, I came...I came from Austin.

Odom: From Austin.

Allred: In 1940, I was appointed as attorney for the receiver of an Insurance Company in Dallas. He was Liquidator for the State Board of Insurance. Later in 1941, I was appointed for the Receiver of other insurance companies. In 1953, the bottom dropped out in some of the fraudulent insurance companies. I was one of the persons who uncovered the fraud that was perpetrated on policy holders and creditors that caused the filing of receivership proceedings by John Ben Shepperd who presided at this ceremony today--his assistants. I was, in addition to being an attorney for the Receiver and Liquidator, I was also designated by the Insurance Board as an examiner. And I was appointed by Mr. Shepperd as Special Assistant Attorney General which would give me powers to go into banks checking on these deposits and so on that they made in insurance cases. And in 1954, they had the famous or infamous Texas Mutual Insurance Company of Beaumont--the Lowry Brothers. I uncovered that and also I determined that some of the employees of the Insurance Board were involved in some of the corruption. And I was fixing, under authority from the judges who had appointed me, I was fixing to file suits against the promoters, against banks, against the employees of the Insurance Commission. And the Insurance Commission didn't like it, and they fired me as their representative, and a few days later, the judges rescinded their order appointing me as attorney for the Receiver. So I came to Bowie and

...where I've practiced law ever since. But in 1957, Judge Charles O. Betts of Austin called me and asked me if I would aid him in connection with the U. S. Trust and Guaranty Receivership. He was having difficulty in getting his cases properly tried. And I went to Austin then for seventeen months. Off and on I would go back and forth and I maintained my office here, and lived here in Bowie. But I spent most of my time in Austin and on the road under appointment by Judge Betts as Special Attorney for the U. S. Trust, if you will recall what that was. That's the one that Mr. Shoemaker shot himself in 1956...

Odom: I vaguely recall this.

Allred: I think he is still in the Veterans Hospital in Waco.

Odom: I would like to interview you sometime about the insurance problems there in the early '50's, then, since you were so intimately involved in that. We could perhaps do a little background.

Allred: I have my files.

Odom: Could we do that sometime in the next two or three months, or something like this?

Allred: Yes.

Odom: I could run up here from Denton. I'd sure like to interview you.

Allred: I'd be happy to go into it because I think it's something that people ought not to forget.

Odom: I should have asked you to do to start with...I should have asked you to just briefly sketch your life for this record. I whould have gotten that on the front of it. If you would, just give us briefly where and when you were born, and your career, your educa-

tion, and so on and so forth.

Allred: Well, I was born June 6, 1901, in the same little two-room shack where Jimmie was born out on what is now U. S. Highway 81, about four or five blocks from the little park where the marker was dedicated today. My education was not too great. I spent three years in the third grade and finally got into high school and was in the ninth grade when the superintendent of the school told my mother that there wasn't anything in that school for me, and he thought I would be better off if I took my shorthand course and went to work.

I had gone to the Bowie Commercial College--a shorthand school here in Bowie that we referred to as the "Bowie Knowledge Box"--and Professor E. A. Hayes was the owner of the college. I went back to the college...and my first experience in the college was when I was twelve. I was using the typewriter and then I got...by the time I was fourteen, I was writing shorthand. And when I was fifteen I went to Childress and went to work for the Fort Worth and Denver Railroad in the superintendent's office as a stenographer. Then I went to Clovis, New Mexico, where I was secretary to the superintendent of the Santa Fe. By the time I was eighteen, I became a court reporter, first reporting for District Judge J. A. Ward in Mount Pleasant, Jefferson, Mount Vernon, Pittsburg, and Dangerfield in East Texas. And then I was court reporter later for Judge J. B. Keith at Stephenville, Palo Pinto, and Granbury. Then for five years, I was court reporter for Judge P. A. Martin in Wichita Falls.

I took the Bar examination and got my law license and came back to Montague County and was court reporter here one year, and ran for and was elected prosecuting attorney in 1926. For a while after I left the county attorney's office, I did some abstract work for Elliot and Waldren Abstract Company in West Texas and then in Tyler in the first Van oil pool. And then for a while I was court reporter in Fort Worth, for six or seven months. And when the East Texas oil field hit in 1930, I went to Henderson where I began the practice of law. And then became district judge, and later practiced law in Tyler and Dallas. And after that I was appointed by the Insurance Board as attorney for the Liquidator, and appointed by the courts as attorney for the Receiver.

In 1952 I went to Chicago as General Counsel of the National Association of Independent Insurers for a four month trial basis. I could have stayed there, but at the request of the three District Judges in Austin I returned, and this will be detailed more in your interview with me concerning Insurance frauds. And after my difficulty in 1954, I came to Bowie to practice law where I am now practicing law here in Bowie. My education was mainly from the Bowie Knowledge Box.

Odom: And from the courts themselves.

Allred: From the courts themselves. I got more experience as a court reporter, I think, than most students get in the University. Now in the long-run, the University would probably be better. But I got the practical experience, whereas they were getting the theory.

Odom: Where do the young court reporters come from today?

Allred: I don't know. It is a whole lot easier to do court reporting now because they have these tape recorders that take it down, in addition to shorthand. When I was a court reporter we had nothing but our shorthand. You had to be pretty fast to do it.

Odom: What kind of trial lawyer was Governor Allred?

Allred: Well, he was, I think, a fine trial lawyer. His trial experience was not too great. He had only tried a few cases in the firm of Martin, Oneal, and Allred when he became district attorney. Then he practiced law after he went out of the district attorney's office and after he was first defeated for attorney general. Then he practiced law seven years in Houston between his two federal judgeship appointments. And I don't know much about his experience down there except when he would call on me to help him in some particular case.

I remember one case he asked me to help him in. He tried a case in Brownsville before a jury and the jury answered all special issues in favor of a local resident and local attorneys against Jimmie's client, a non-resident of Cameron County and of course Jimmie lived in Houston. Jimmie filed a motion for judgment non obstante veredicto and subject thereto a motion for new trial. He asked me to look at the record and help him on the new trial. After doing so, I told him we didn't want a new trial, we wanted a judgment. He and I appeared before the District Judge, argued our motion for judgment which was granted, and the Waco Court of Civil Appeals

sustained us. I remember in arguing a motion for rehearing filed by the other side, Jimmie telling the Waco Court he had learned one thing from that trial and that was to not try a case out of his own county unless he had a local lawyer to assist him. The rehearing was denied his opponent.

Oral History Collection

Renne Allred, Jr.

Place of Interview: Bowie, Texas

Interviewer: E. Dale Odom

Date: August 14, 1968

Dr. Odom: This is E. Dale Odom on August 14, 1968, interviewing Mr. Renne Allred, Jr., in his law office in Bowie, Texas. Also present is Morris James, graduate student in the History Department. Mr. Allred, I think before we get into the insurance question and your experiences there, you might like to--in connection with our previous interview--tell us a little bit about your experiences in the 1932 second race for attorney general and also the 1936 race. You indicated a while ago you had some experiences there to relate.

Mr. Allred: Well, in 1931 when Jimmie first became attorney general, he filed an anti-trust suit against a number of the major oil companies for several million dollars. And the major oil companies became very unhappy with him by reasons obvious, and as a result of that suit he had an opponent in the 1932 campaign. That opponent was Clem Calhoun. He had been a district attorney somewhere, and the district attorney at Borger had been killed...been murdered. And Governor Dan Moody had appointed Clem Calhoun as district attorney out at Borger, and he had done considerable prosecution work out there. So he announced, and ran against Jimmie, for a second term

as attorney general. Jimmie defeated him. I do not recall how bad, but I think a pretty good defeat. And the only thing that I had in mind with reference to the second term for attorney general race was the fact that someone had printed many thousands of letters for people to sign to mail to their friends and relatives supporting Clem Calhoun for attorney general. It so happened that one of the major oil companies had a refinery at Baytown, one at Goose Creek, and one at Pelly, Texas. And these friendly letters were headed at the top "Baytown, Texas, Goose Creek, Texas, and Pelly, Texas," and the employees of the company were supposed to mark out the two towns where he didn't live. And then he was to address the letter to a particular individual and sign it. Those went out all over the state. And I ran into an old gentleman down close to Livingston, and he told me that he had--he's terribly disturbed--that he had received a letter from his son wanting him to support Clem Calhoun and oppose my brother. And he said, "My son used to live at Baytown, but I don't know where he lives now because this letter is addressed Baytown, Pelly, and Goose Creek. And I don't know whether he lives in Baytown, Goose Creek, or Pelly." Apparently, the son had failed to mark out two of the towns. And he said, "My son never wrote me a letter 'Mr. John Doe, Livingston, Texas, Dear Sir:' He always just started off 'Dear Dad:'" And he said, "My son never sent me a printed letter in his life, and this one's printed. He always wrote me with a pencil. And my son'd always end up his letters, 'Your son, John.' This one is signed 'Yours truly, John Doe.'" Of course, that was done by the special interests.

Anyway, that election was finished, and I think that law suit that I mentioned was finally settled. It was something over a million dollars that Jimmie recovered for our state.

Odom: At this time you were over in...were you in East Texas in a special judgeship at that time?

Allred: Well, no, at that time I was practicing law at Henderson. And in December of 1932 after that election, I was appointed by Governor Ross Sterling as district judge for Rusk and Gregg Counties.

Odom: Oh, after that. I didn't recall the exact timing at that time. What about the election of 1936? Were there any particular incidents that you wanted to relate in connection with the second race for governor?

Allred: Well, I was trying to recall who his opponents were in that race, and for the life of me until yesterday I couldn't figure out the name of but one person and that was F. W. Fischer. But on yesterday I went over to our little Bowie Public Library and looked in the Almanac and got the names, and it then came back to me who they were. In that second race for governor Jimmie won it against all of his opponents. The second man was Tom Hunter...Tom F. Hunter of Wichita Falls. The third man in the race was F. W. Fischer of Tyler who formerly was in Wichita Falls, lawyer. Senator Roy Sanderford of Belton, Texas, and P. Pierce Brooks who later was in the insurance business in Dallas--he was the last man. And there was no runoff. Jimmie defeated them all in that primary.

The thing that is outstanding in my mind in connection with that race...Jimmie became governor in 1935, and he was responsible

for the first old age assistance bill. And other people in later years tried to take credit for being the originator of the old age assistance. One day Judge Randolph Bryant, who was federal judge... lived at Sherman and held court at Tyler and was a good friend of ours--he was a Republican incidentally, he was a fine gentleman-- he called one of my law partners and myself over to his office in Tyler...Neal Powers and I...And he said, "I would like to know what 'Big Fisch'"--that's F. W. Fischer, his nickname was "Big Fisch"-- "has got against Jimmie." We told him we had no idea. He said, "Well, he was over here, and he was just laying him low. And I thought maybe that you might have some idea about what he has against him."

In the next morning's paper, the big headlines "F. W. Fischer Announced for Governor of Texas." So it so happened that that next morning I had a case before Judge Bryant, and Mr. Fischer had a case before Judge Bryant. And I walked into the courtroom, and Judge Bryant was on the bench. And when I walked in and stepped inside the bar, Judge Bryant said, "Well, Mr. Allred, good morning." I said, "Good morning, your Honor." He said, "It seems to me this morning we have the answer to our question of yesterday." I said, "Yes, it does." So after a short recess the judge invited Mr. Powers, Mr. Fischer, and myself to have coffee with him. And while we were drinking coffee, Judge Bryant said, "Fisch, what are you...why are you running against my friend Jimmie Allred for governor?" And Mr. Fischer said, "Well, judge, he wants to pay the old folks' pension out of liquor tax money, and I want to pay it out of oil

tax money. That's the only difference. And I don't want those old folks having to get their money out of liquor tax money." And the judge said, "Fisch, when did you become a Democrat, anyway?" He said, "Why, I've been a Democrat all my life." Judge Bryant said, "That isn't what you told me when you moved down here from Oklahoma. You told me that you were a Republican up in Oklahoma, just like I am. And," he said, "when you came down here, you found there were not many Republicans, and you found out you couldn't whip the Democrats, and you decided to 'jine' them." And Fisch said, "Well, judge, I don't remember that."

Anyway, during the campaign Jimmie was talking about the fact that he had started the old age assistance and that other people were trying to take credit for it. But he said, "That's my baby." And I recall that he used to sing that song, "Yes, sir, that's my baby. No, sir, I don't mean maybe. Yes, sir, that's my baby now." Well, that is the outstanding thing that connects with it. And as I believe I stated, Mr. Hunter was second, and Mr. Fischer was third in that race.

Odom: Okay. Let's move up a number of years here in time. I wanted to ask you when and how you came to be the attorney for the Liquidator for the State Insurance Board. And also explain a bit about the job--what the responsibilities were and so on. I'm asking you to relate it however you'd like to.

Allred: Well, in 1937 I moved from East Texas to Dallas and opened a law office in Dallas, and I overlooked a thing that my brother Jimmie one time told me. He said, "Tar, it's better to be a big fish in

a little pond than to be a little fish in a big pond." And he said, "You made a mistake in trying to go to a big city." And I found out that that was correct.

In 1940 an insurance company known as the American Agency Lloyds was placed in receivership. This was a Dallas company and I was appointed as attorney to represent the receiver in that particular insurance company. It was an all new experience to me. I was spending most all of my time in connection with it, and that went on for some five or six months in Dallas. When the receiver got ready to move the Dallas office or the receivership to Austin where he had other receiverships, I decided not to go then to Austin. But I moved up to Gainesville and opened an office but continued during that year representing the receiver in the American Agency Lloyds, living in Gainesville and practicing law there. Then in 1941 companies began to come into receivership a little bit more and a little bit more. And about that time the United Employers Casualty Company of Houston was placed in receivership, and I was asked by the Insurance Commission to come to Austin to represent the receiver in all the receivership companies except in the United Employers Casualty Company. They had gotten local lawyers in Houston to represent them. So after some consultation and arrangements, I moved to Austin. I believe it was in March or April, maybe May, of 1941.

Odom: It was that early?

Allred: And I stayed there until September 1 of 1952, at which time I obtained a leave of absence from the board and from the judges,

and I was offered a position as General Counsel of the National Association of Independent Insurers in Chicago. At that time I think they'd had about 252 companies in that association. And I accepted that on a four months' trial basis because I didn't know whether I would like it. I didn't know whether they would like me. I didn't know whether I would like living in Chicago. And so I went to Chicago for four months. In November, 1952, the judges called me. I believe it was Judge Betts--Charles O. Betts--speaking for the other two judges asking me if I would come back and what it would take for me to come back to Texas. I think I would've liked the work in Chicago, but I didn't like living up there. The living expense was terrible compared to what it was here, and my income tax would've been so much greater. I would've had a Chicago city income tax to pay in Chicago, and finally I told the judges what it would take. And they agreed to it, and then there's an order fixing my compensation. At that time that was the first real dispute between the judges and the Board of Insurance Commissioners because the Board of Insurance Commissioners did not want to pay me the amount of money which I had asked, but they continued to authorize the payment of what I had been drawing before I went to Chicago and agreed that the court might supplement it by court order. But as you know this was the first...

Odom: Dispute?

Allred: ...dispute between them.

Odom: Were you paid out of money appropriated for the State Insurance Board or what?

Allred: Well, no...no, I was paid out of the receivership and out of the particular receivership in which I worked. In other words I would keep track of the time that I'd work on any particular receivership, and I would be paid pro rata out of that receivership fund. I was never paid by the state any compensation in connection with these receiverships.

Odom: In other words you were compensated out of the receivership that you were working on.

Allred: Under the orders of the court.

Odom: Under the orders of the court.

Allred: Yes.

Odom: I see. And what...what essentially did you do? I mean what did the job consist of? What're your occupations and activities?

Allred: Well, up until 1953 principally the attorney's work was in settling claims against the receivership estate and the collection of agents' accounts and premium accounts and things of that sort. That generally was what it was. Now there was one exception. Sometime in the middle '40's the attorneys who had been employed to represent the receiver of the United Employers had filed a law suit against the incorporators of the United Employers Casualty Company for some \$250,000, and the receiver wasn't very happy about the progress that was being made. So he asked me then to start to work on that United Employers, and there I found for the first time the first fraud. It was perpetrated not only by the organizers...

Odom: Of the insurance company.

Allred: ...of the insurance company but involving other parties, Insurance

Commission, people, a bank in Dallas. But limitation by that time had run against them, and we couldn't sue them. And all you had against them was the suit that had been filed back in 1942...about '42. Now the United Employers Casualty Company was a stock company incorporated for \$250,000, and it was organized for the purpose of taking over the Southern Underwriters which was a reciprocal exchange where the policyholders were the insured and also they were the insurers. But we found in connection with that that the Southern Underwriters Exchange was broke at that time, and the organizers of Southern Underwriters--Mr. Christie was the head of it, George Christie--along with some gentleman who lived in Fort Worth, and he was a very wealthy man. And I've been trying to think of his name, but I don't recall (later recalled his name was Owens). But they got him to go to one of the banks in Dallas and borrow \$250,000, which he did on his note. And then they got a certificate from the bank that the money was there free and clear for the United Employers Casualty Company. The Insurance Commission granted them their charter. They turned around and paid the money back, and the man paid his note back, and they had nothing...nothing more than what they started with. In addition to that, I found that the Southern Underwriters and the United Employers Casualty Company had been guilty of rebating premiums. The law provided that the Board of Insurance Commissioners would set the rates for companies, and the companies were required by law to charge the rates fixed by the Board of Insurance Commissioners. And I found that in numerous instances in the United Employers and Southern Underwriters

that they were kicking back to the insured thousands and thousands of dollars in premiums. They had different ways of doing that. Sometimes they wouldn't...just wouldn't collect it and sometimes they'd issue checks back to them. And in the latter part of '40's ...of the '40's I collected many thousands of dollars of those rebates. As an example, I collected some \$14,000.00 to \$15,000.00 from the English Freight Company. I can give you the book and page if you'd like to have it in the record. It's English Freight Company vs. Knox, 180 Southwestern Reporter, Second Series at page 633. I collected from a Glenn H. McCarthy Company some \$24,000.00 kicked back to them. And that case was Glenn H. McCarthy vs. Knox, 186 Southwestern Reporter, Second Series, at page 832. In the trial court the judge gave us a judgment for \$21,600.00, and McCarthy appealed it. And on appeal in the Court of Civil Appeals we recovered an additional \$2700.00 which the Trial Court had refused to give us. There were many other cases, but those were just two examples and a record at where each could be found that I'm talking about. But there were many of those.

Odom: Well, were they giving the kickbacks sort of just to obtain more business or was there a taking under the table themselves from the people it kicked back to?

Allred: Well, so far as I know I think that they were doing it in order to get the business.

Odom: In order to get the business.

Allred: So far as I know in the United Employers and Southern Underwriters the employees were not getting any of the kickbacks. But they...

in other words they couldn't get the business if they didn't agree to cut the rates which was illegal.

Odom: Are these things that an auditor should have found?

Allred: I don't see why they didn't find them except that maybe they didn't want to. It didn't take me very long to find them. Of course, I had a little more free access, I imagine, with the receiver having charge of the records. But as we go along through this story, I will show you some other instances where I could tell by looking at the papers in the office of the Insurance Commission whether a company had been organized on false money.

Odom: I see.

Allred: Well, I explained that to Mr. J. Byron Saunders, the casualty commissioner, on one occasion. I'll explain it to you when I get down...when we get to that.

Odom: I have some more questions to ask you about the auditors and about the kind of cross checks there are on them and why these weren't working and so on when you get up to a particular case in a minute. I wanted to...whenever you want to talk about it. Let me ask you this. When...when did...you told me, I believe, you were appointed an assistant attorney general. Now when did you get this appointment?

Allred: Well, my first time was in '53 by John Ben Shepperd. He didn't designate me as assistant attorney general. He designated me as his agent, but I have letters...copies of letters from him to individuals, to banks that I was his representative. I have copies of those from him and also some from Will Wilson at a later time in connection with ICT and others.

Odom: Why did he appoint you to this position as an agent? To do what?

Allred: To go into the records of any corporation. The attorney general can go into any corporation and check their books and records. And we wanted to go in the banks. We wanted to have the right to see any and all records of the banks. And the insurance examiner if he had the information might be refused that right, but if he was refused that right, all the Insurance Commission would've had to have done was to say, "We won't grant this charter." See?

James: Then in effect the attorney general was broadening the powers of the liquidation.

Allred: No, he was broadening my powers, to be frank about it. And the time came when the attorney general and the Insurance Commission were in conflict. And one of the first suits that was filed in 1953 was filed without knowledge of some of the Insurance Commission people, and only upon my insistence did the attorney general tell any one in the Insurance Commission, the then casualty commissioner, Garland Smith...he was told of what they were going to do and that was at my insistence. And for one time Garland kept his mouth shut.

Odom: Didn't tell the other...

Allred: Well, one of the commissioners was ill or had died and the other commissioner had been ill. And Mr. L. W. Blanchard was the acting commissioner. But for one time Garland kept his mouth shut and didn't tell Blanchard because if he had, the money would've been gone out of the bank, you see, by the time they got there. We'll get into that.

Odom: We'll get into that in just a minute. We're kind of getting ahead

of the story a little bit there according to chronological order. Would you go ahead then, Mr. Allred, and relate the incidents or the developments here that you were talking about?

Allred: Well, I was telling you about this lawsuit that was filed by the attorneys for the receiver of the United Employers Casualty Company against some of the organizers, and I got into the case with Charles Bell who later was assigned to the case by one of the larger law firms in Houston with which firm he was associated. He was a very competent lawyer. It happened in the beginning a Mr. Cecil C. Rotsch, whose name will appear later, was assigned this case of representing the receiver, and the receiver asked the law firm to assign it to Mr. Bell. Mr. Bell and I worked on it together. And we tried that lawsuit for seven weeks in Houston before Judge W. W. Moore. And we asked Judge Moore, after seven weeks of testimony, to submit to the jury twelve special issues. One of those issues was whether or not a conspiracy had been entered into, and if so, whether or not there was a conspiracy to defraud creditors; if so, did so and so enter into it. There were twelve issues. The defendants, I think, asked 108 issues and the judge gave them all. And the jury was out four hours, and the receiver settled the case for \$100,000.00. And I don't believe the jury would have ever returned a verdict, because they found (when the issues came back in they had answered the first four issues, I think) that there was a conspiracy, and that it was to defraud creditors and one certain person had entered into the conspiracy. But when they got to a very prominent former newspaperman-publisher

the jury stood ten to two. These two would not vote that he had entered into the conspiracy, and they were hung at that time, although we didn't know it at the time we settled it.

Odom: I see.

Allred: The case was settled and...

Odom: Would you care to say...mention the name of the insurance...I mean of the newspaper publisher.

Allred: It was J. E. Josey who was head of the, I guess...I believe it was the Houston Post. And one that they found guilty of conspiracy was a former assistant attorney general under my brother when he was attorney general.

Odom: Oh, really...

Allred: He...rather a peculiar thing in connection with that, that might be interesting to you. We had the case set and they had a telephone strike. When the judge called it, the case was set for Monday and the judge called the case on Friday morning for the following Monday, and this particular defendant's lawyers...there were some others, Pioneer American Insurance Company was a defendant in that case, and they paid part of the settlement. I've forgotten who the others were. The defendant's lawyers came in and said that this gentleman who'd been assistant attorney general was seriously ill in the hospital at some little town between Yoakum...close to Yoakum...at Yoakum, and that they couldn't be ready for trial. So Charley Bell wired me. You couldn't get a telephone call through because the telephone strike was on, and you couldn't get a long distance call through. He wired me Friday what had happened. And

I picked up one of the employees at five; I got it just before I left the office Friday afternoon. And I picked up one of the employees of the insurance receivership, a Mr. Meteor N. Frnka, and told him to get ready and go with me. He and I took off, and we went to Yoakum, Texas. And we went to the home of this man who lived out in the country. Flood lights all on the outside were on, and what we were planning on doing was just laying around out there to see if he showed up any place. But when I saw all those flood lights we decided we'd just drive on up. And I drove up and honked. The man's wife came out and I asked where he was. She said, "Why, you just missed him, I guess. He's just gone to town with another man" (who was a defendant, whose name I don't recall). She said, "You just missed him." I said, "Well, I guess we came this other way." So we took off and went into Yoakum, and just as we drove into Yoakum here we saw these two men, which we recognized one of them, and we stopped him. And I told him that I was on my way to Houston to get ready to try this case, and I was wondering if he was going to be there. And he flared up at me and said, "Yes, I know what you're after." But he wasn't in the hospital at all. On Friday, the Judge had given them until Saturday morning to prepare a motion for continuance, and on Saturday morning the Judge called the case, and the lawyer got up and said their man was in the hospital in Yoakum and that they had a doctor's certificate on the way that the mail hadn't come in. So Mr. Bell said, "Judge, we have some proof that this man was up driving at 11:00 at night on the streets of Yoakum Friday night." Judge said, "Let's hear your testimony."

So Mr. Bell put me on the witness stand and put Mr. Meteor N. Frnka, a Bohemian boy, on the witness stand. Both of us testified to what had taken place. The judge said, "The motion to continue is overruled." So then, on Monday morning they came up with another motion to continue by the Pioneer American Casualty Company, and one of their lawyers was seriously ill. So they got another postponement for two weeks, but anyway we finally got to trial and tried it for seven weeks. That's just a little amusing incident.

Now those are things that I was doing as attorney for the receiver. I was interested in seeing that things were disposed of. And I did not want to let somebody pull a fast one on me, and I was up until two o'clock that Friday night and back in court at 9 o'clock the following morning.

Also...now one other thing that I want to mention. You asked me something about what we did...attorneys did, let's put it. One of the companies was Allied Underwriters Reciprocal Exchange of Dallas. And as I explained a while ago, in a Reciprocal, a policy holder is the insurer but also is the insured. And under the law unless they have certain assets the policy holders are liable for an additional premium, if it's necessary to pay the claims. And in the Allied Underwriters there were many hundreds of thousands of dollars in claims. And we filed a lawsuit in connection with that and got a judgment that amounted to nearly a million dollars. In the case of Allied Underwriters it was Archie vs. Knox, 224 Southwestern Reporter, Second Series, at page 504, error refused by the Supreme Court. And for the first and only time to my know-

ledge did a company that owed as much as \$100,000 in claims pay one hundred cents on the dollar. And I was responsible for that being done.

Odom: A hundred cents. That's not an ordinary, usual thing.

Allred: No. That generally would bring you up to the time I went to Chicago and then came back.

Odom: Now when you came back from Chicago, I know that one of the cases you got involved in was that of the Texas Mutual Insurance Company that figured prominently in the dispute, especially in 1954. I wonder if you would like to focus on that for just a minute and tell us what's involved here, and how the dispute that you got into with the Insurance Commission arose.

Allred: Well, in January or February of 1953 the Texas Mutual was placed in receivership and there was no contest. And the receiver was appointed by the judge, and we started going into the records of that company. And I saw enough in that to realize that there had been some corruption taking place, and I went to the attorney general, John Ben Shepperd, and I told him that the people who had organized Texas Mutual had also organized the Texas Fire and Casualty Company, the Lone Star Insurance Company, the Texas Western Insurance Company, some or all of them, and that from what I had been able to see that all of them were organized fraudulently. I felt that the attorney general ought to check into them himself because I was fearful that any information that I might get alone, if I divulged it in any way except to the attorney general that these people who were still operating all the companies except Texas Mutual if they

found out about if that any money that they had on deposit anywhere that it'd be gone before any action could be taken. That seemed to be the practice before that. Those are the cases out of the Texas Mutual which is the case out of which I later was discharged, but it seems to me that it might be well if we would leave that until a little bit later time--all of the details--because that brings it right up to the time in September of 1954, when the Insurance Commission discharged me, and go into some others that were equally as fraudulent...

Odom: Okay.

Allred: ...and give you a little bit of my investigation.

Odom: Would you like to have a little bit of time or do you want to go ahead then?

Allred: No. In the meantime the Insurance Commission had appointed me as an examiner so that I could go into the insurance companies before they went into receivership, the questionable ones. Although I didn't receive any compensation from them, I think maybe they paid my expenses on a few trips. But there was a company at El Paso by the name of the United Lloyds, and in about January of 1954 at the request of Garland Smith, the then life commissioner, and J. Byron Saunders, the casualty commissioner, I made a trip to El Paso. And I discovered from records of the United Lloyds and the Southwest Bank of El Paso that United Lloyds had had to have \$60,000 to get its license. It borrowed \$55,000 of that amount from the Southwest National Bank in April of 1952 and got their license. Then in July they repaid the money--the same \$55,000--back to the Southwest

National and put in in its place inflated mortgages to replace the cash. Well, now that could have been ascertained by an examiner. If he had checked the records of the United Lloyds, he would have found that. And then in December of 1952 the United Lloyds made a loan from the Southwest National Bank of \$70,000. They borrowed it the last few days in December and repaid it in January of 1953. They were to use it for year end statement purposes. They would show it as an asset but would not show the liability as offset.

Odom: This seems to be a common pattern at that...

Allred: That seemed to be a common pattern. On March 31, 1953, United Lloyds made a loan from the Southwest National Bank of \$75,000 and repaid it in April. Now it so happened that United Lloyds was to be examined as of March 31, 1953, and how they found that out I don't know. I have my ideas, my guesses. But at any rate they sent an examiner by the name of Lee Pfefferkorn to make that examination as of March 31, 1953. And he could have discovered that \$75,000. He could have discovered everything that I later discovered if he had checked it. He did show that \$75,000 item, but he had called it cash clearance. In his sworn examination on March 31, 1953, he showed the United Lloyds was solvent except that the guaranty fund was impaired by \$299.50. In the trial of the receivership of United Lloyds two other examiners who were out there examining when I was, Washington Whitesides and E. B. Kelly, they went back to that. And they testified that as of March 31, 1953, United Lloyds was insolvent according to the work papers of Pfefferkorn by an excess of \$200,000. And as of October 31, 1953, the company was insolvent

by over \$400,000. And when they had that hearing before the judge on United Lloyds--they were contesting the receivership--chairman of the board Garland Smith, chairman of the board of the Insurance Commission, testified that he thought the examination as of March 31, 1953, "Could have revealed some things that it didn't reveal, and I am very anxious to talk to that examiner, yes sir." Pfefferkorn was still an examiner for the Insurance Board in 1955 when we were having this senate hearing.

Odom: Do you think he talked to him?

Allred: I don't know. My guess is that he didn't but I remember that I was sitting in the jury box in the United Lloyds mentioned above, with Judge J. Byron Saunders, who was Casualty Commissioner. And Mr. Smith wasn't doing very well on the witness stand, I didn't think, and Mr. Saunders leaned over to me and whispered, "I wish to God I was chairman of this board." That was along in January...April 1954. Maybe...might have been as long as April. And I remember I whispered back to Judge. I said, "Judge, I wish you were too." Now I didn't know at that time that J. Byron Saunders was going on the payroll of Ben Jack Cage at a later time.

Odom: Of the two he was the more able...

Allred: Oh he was.

Odom: ...individual by far.

Allred: He was and I have an item here where somebody in some newspaper is talking about how smooth and suave he was testifying before the Senate Investigating Committee at a later time.

Odom: Go ahead with your...

Allred: Now, the United Lloyds, while they were at it, organized the United World. It was organized in May of 1953, with a \$25,000 capital and \$12,500 surplus. And that money was borrowed I believe from Southwest National Bank, and the loan was repaid by United Lloyds on or by August 1. And United Lloyds was repaid out of United World in November 1952. Now any proper examination by any examiner who wanted to know the facts as I was wanting to know the facts as I was wanting to know them could have discovered any and all of these things. Now do you have any questions you want to ask on United Lloyds?

Odom: One...Not particularly on United Lloyds but I might forget to ask it. It's a general question that I think won't be changed necessarily by other developments we talk about. I know it's an opinion, but is it your opinion that these examiners were stupid or corrupt?

Allred: Well, some of these examiners were corrupt. Some of them were intelligent. Some of them were probably a little stupid too, but there were some of them that were very fine examiners, and they wouldn't have knowingly done anything wrong but some I do know received handouts.

Odom: Received handouts.

Allred: I have, as a matter of fact, I have evidence. Everything I'm telling you...

Odom: You have evidence...

Allred: I have the evidence right here in my office to substantiate it.

Odom: Think researchers would like to know that. I'm glad we got it in the records. Well let me ask...while we're talking about examiners.

Aren't there cross checks and checks against examiner misconduct and what happened to those in these cases?

Allred: Well I don't...

Odom: Or could you say?

Allred: Some of them got fired. Four of them got fired after they filed suit in the General American case naming the four examiners, the petition alleging the fraud. They weren't fired. They were, I guess, given a leave of absence.

Odom: Suspended?

Allred: Suspended--I believe that was what they said. They suspended them in pendency of this...of this...

Odom: Were there no examiners ever indicted in any of these...

Allred: None...

Odom: ...these insurance scandals?

Allred: None that I know of.

Odom: I hadn't run across it.

Allred: None that I know of.

Odom: And...so apparently if your opinion is correct, the possibilities for examiner misconduct remain or have there been improvements?

Allred: Well, I don't...I don't want...

Odom: ...along that line.

Allred: I don't want to talk about anything that's happened since about 1958-59 because...

Odom: Okay. (Chuckle) You don't realize...

Allred: I know nothing about what took place down there after about 1958.

Odom: Of course, everything changes, some improvements.

Allred: They...as an example, they did have some examiners who...who were efficient. They had three investigating a company that was operated by a Negro, a great big fellow. And they were checking and checking him pretty close, and he told these fellows, said, "Now I've got \$60,000 in this company." And he said, "Anybody tries to take it away from me, I'll kill 'em." So George Butler, who was then... who was at that time chairman of the board of the Insurance Commission, said, "This is the case we ought to get Renne Allred on." So they asked me to go with these examiners. Those boys came on back to Austin, and Mr. Butler called me and told me the problem. And we filed a petition before Judge Chas. O. Betts to require this man...we set up the fact that he had made threats that he'd kill anybody that interfered and we filed the motion requiring him to appear and show cause. He admitted that he had made the statement, but said he really didn't mean it. The court required them to produce all of their records at the comptroller's office in Houston instead of us having to go back to the office. Now I had been with these boys before we filed that complaint. And I had been with these examiners back down there. And it was getting pretty close to Christmas time. And Mr. Hollins, I believe was that big fellow's name, Mr. Hollins...I was in his office. And he had a swank office, and I was sitting at his desk, and I was supervising. He came in and wanted to know if there was anything that he could get for us by way of a little whiskey or something for Christmas. And I told him no. And I remember one of the examiners got after me about that a little later and said I ought to have kept my mouth shut.

(Chuckle) But I wasn't about to permit anything...that showed by that examiner that they were used to things of that sort. That was a natural thing to them, but it wasn't for me.

Odom: What were qualifications for examiner in the mid '50's? Do you recall?

Allred: Well, I don't know if they had any special requirements or not. I didn't have any special requirements for myself, but I was able to uncover these things. I knew enough to do that, but as to what the requirements were, I don't know. They were supposed to be auditors, accountants. I wasn't an auditor; I wasn't an accountant. Any auditor or accountant should've been able to find out these things which I found out without being one, but I don't know if they had any special requirements.

Odom: I may have it somewhere. I don't know. I was interested in what they were if you knew. No, I think I don't have any other particular questions about the Lloyds in El Paso.

Allred: All right, I'll go to Lloyds of Great State. This was a Galveston company. This company was insolvent as of April 30, 1953, to the extent of \$127,000 according to the examination made by Washington Whitesides. He's one of those that I always thought was a very competent, capable, honest examiner. And that information was furnished to the board in June of 1953. And L. W. Blanchard, the chief examiner, called on the Lloyds on July 7, 1953, to put in \$175-200,000 in cash or acceptable securities. And Blanchard's letter said it had to be approved by an examiner of the department. And on July 14, 1953, T. D. Armstrong and Carter Wesley made a

contribution of \$10,000, cashier's check, and 2,729 shares of Freedmen Corporation and 700 shares of the Armstrong Realty, which they valued at \$170,000. Later on the receiver was offered by Armstrong and Wesley \$1,000 for that stock. (Chuckle) In the spring of 1954 the company was placed in receivership, and we found where the Lloyds of Great State had started to organize a life insurance company. And they took \$18,010 out of the Lloyds of Great State to organize this life company, and while we were down there, within two or three...two or three weeks period of time, I had \$18,000 back in the Lloyds of Great State from Mr. Carter Wesley and Mr. T. D. Armstrong.

Now these two men...that was a Negro company. Those two men were Negroes, and they were rather prominent and pretty well-do-do. And you asked me the other day if anybody had said anything unkind to me about Jimmie. I have a letter here which Mr. Carter Wesley wrote me after my discharge in which I had filed a motion for compensation in this Lloyds of Great State and other companies in which I had made some reference to L. W. Blanchard. And he was berating me for mentioning Mr. Blanchard and said Mr. Blanchard had always been honest honorable, and he believed that the only reason that I said anything about that was that they were Negroes, and I was throwing them in because they were Negroes.

Well, Mr. Wesley didn't know that in November of 1952 when I was in Chicago, we found out that one of the subscribers to that association--National Association of Independent Insurers--was Lloyds of Great State, and they were surprised. The officials of

the association were surprised when T. D. Armstrong and Carter Wesley showed up at their convention. They didn't know that they had a Negro coming in their association. And I was designated by the general manager to greet those men, and I did. And not only that, but when they had a big dinner at the Hilton Hotel, I made it a point to go to the people in charge at the Hilton of the banquet to see that those men were taken in there and treated...had a table furnished them and were treated correctly, properly.

And when I later told Mr. Wesley about that, which was in 1957 or '58, well, I was still trying to get from them some of these assets which nobody else had done while I was gone. And he wrote me two very nice letters. He didn't mention that, but he was trying to work out a settlement, and I think we did work out a settlement. We got some \$30,000; it was about all that he could do, but he referred very kindly toward me. For instance, he said, "You seem to be a very prompt man about...I'll try to be in my letter," and things of that sort. But I thought that might be interesting to you, and what I saw with reference to Lloyds of Great State, we didn't...

Odom: Do you have any others there?

Allred: Well...

Odom: Do you want to say anything further there?

Allred: Yes, we need to get into some of this. Prior to October 22, 1953, the Insurance Board knew that Century Lloyds of Houston was insolvent. And Century Lloyds had had an operating loss over a five-year period in its operations. The records in the Insurance Commission

showed that. So the organizers of Century Lloyds started the usual technique when one company becomes insolvent to organize another to become the insurer. And Mr. Blanchard told me--L. W. Blanchard, chief examiner--that he had reserved the Commercial Security Insurance Company name in connection with organization of an insurance company to reinsure Century Lloyds and later told me that the Commercial Security Insurance Company had been organized and granted a charter.

Odom: They had no trouble getting a charter to do something like this?

Allred: No, all they had to do...

Odom: Was it legal and so on under the law? I mean, it was...

Allred: Well, you see what happened in connection with this. They had an affidavit from the vice-president of a bank at Waco. And in February Ben B. High, who was one of the organizers, advised Blanchard that they had the proper amount of surplus in Commercial Security to start rolling. And in March of '54 I advised Blanchard that Century Lloyds had released a \$50,000 mortgage on some El Paso property as of December 28, 1953, and I found what I believed to be the same mortgage still in their annual statement as of December 31, 1953. Blanchard said because of what I'd discovered as to the El Paso property in United Lloyds, he'd ask Century Lloyds to take the El Paso property out of its assets. They sold it on the 28th and still carried it as an asset on December 31, and then in March of '54 Blanchard wrote High to find out when they expected the Commercial Security to consummate the reinsurance of Century Lloyds, and High wrote to Blanchard and said they were taking immediate steps to

take that El Paso land out of Century Lloyds. And I made further inquiry in April of Blanchard about the Century Lloyds' mortgages, and he told me the officials of Century Lloyds were organizing the stock company to reinsure Century Lloyds. I ascertained for Mr. J. Byron Saunders and Angus MacDonald, who was one of the actuaries, that the stock company was the Commercial Security. I went down and checked the charter papers of the Commercial Security, and I went back up, and I told Mr. Saunders and Mr. MacDonald that I would bet them \$100 to \$10 that it was organized illegally on borrowed money just from what I saw in the records of the Insurance Commission.

In June of 1954 Blanchard said that they had the reinsurance agreement in the office between Commercial Security and Century Lloyds. It was on June 24, 1954, that the board and an assistant attorney general asked me to check on Commercial Security before the reinsurance agreement was approved because I had told the casualty commissioner in April or May that from merely looking at the charter papers then on file in the Life Insurance Department, I believed Commercial Security was illegally organized on borrowed money. I remember Mr. Saunders asked me, "What makes you say that?" I said, "Well, the company's going to do business in Houston. The Commercial Security incorporaters are in Houston; Century Lloyds is in Houston. Why have they got a \$250,000 deposit in a Waco bank?" So on June 29, 1954, I reported to the commission and the attorney general on June 30 orally, and in writing on July 1. On July 15 the commission found just what I had predicted in April or May, and suit was filed, and the charter was cancelled. And need-

less to say, the reinsurance agreement was not consummated. Now after the commission had issued its order of September 15, 1954, discharging me, I called their attention in my reply to the fact that, "In March of 1954 I called to your attention evidence of grossly over-valued mortgage concerning a company that your examiners found insolvent as of June 30, 1953, and this company's still doing business at the same old stand." And that was the Century Lloyds. It was placed in receivership after I left. I think that was a little bit of negligence.

Now I might repeat myself a little bit, but in connection with Commercial Security because this is an intriguing thing. After talking with Blanchard and Saunders and MacDonald, learning about the Commercial Security and my going and checking and telling Mr. Saunders why I thought it, he asked me to check it in Waco the first time I was in Waco.

Well, I was in Dallas at the Southland Hotel about the 27th or 28th, and I saw Don Cornett, an examiner for the Insurance Department. And I got to talking with him and remarked that I didn't see why an examiner while making a preliminary examination didn't try to find out where the money organizing a company came from or where it went to. He said he wasn't going to do that. When a banker made an affidavit that was there, that was as far as he was going. I didn't know at that time that he had made a qualifying examination as of March 31, 1954, on Commercial Security.

On June 28, I went to Waco, spent the night, and on the morning of the 29th checked the records in the bank, found the \$250,000

was borrowed money tied by the bank tighter than a drum. I wrote those facts to the commission and the attorney general, and they filed suit and the Commercial Security was placed in receivership.

Four days after that, Blanchard wrote the Commercial Security enclosing Mr. Cornett's qualifying examination as of March 31 which I'm sure he reported everything was hunky-dory, and he asked the president to let them know if they found the report to be acceptable. That was done four days after his company had been filed on to place them in receivership.

Odom: Did he know it?

Allred: Well, he knew that they were being placed in receivership. You bet he knew it.

Odom: He knew that.

Allred: You bet he knew it.

Odom: I thought he would have to know it.

Allred: Now when I got to that bank, I found where the money had been deposited, found where the money had been loaned, where it had been deposited, and the big red letters across the ledger sheet, "NO CHECKS TO BE ISSUED EXCEPT ON APPROVAL OF THE VICE-PRESIDENT OF THE BANK." Now the bank first, when I went in there, they showed me part of their records. Then I wanted to see the minutes on making that loan. And I hadn't told them that I was anything except an examiner for the Insurance Department. And finally he said, well, he didn't know whether he wanted to do that or not. And so I just handed him this letter from the attorney general that had made me his agent. He called his lawyer, and his lawyer told him to let

me see them. So I found all that. Now I could sense from seeing in the Insurance Department that that company was broke to start with. And why anybody that knew enough about that stuff as those examiners, why they couldn't see that, I can't for the life of me ...I don't think they wanted to see it.

Odom: Let me ask you this general question now. I know that I had it down in this specific case a little bit later. Of course you know what the Insurance Commission always gave as an excuse for not taking action against some of these companies that were in trouble. They wanted to try to save the companies. What's your opinion, your attitude, your reaction to that?

Allred: Well, my attitude was that if there'd been a chance to save them it had a long time been gone. And you can't save a company that starts out with nothing and hasn't got anything to up it. You can't save them. And that's what happened in nearly everyone of these.

Odom: Most of these were cases just like that.

Allred: Most of these instances.

Odom: And things like that.

Allred: Went down and borrowed money and then went in the hole.

Odom: (Chuckle) Then went in the hole.

Allred: I had a file here. I don't find it at the moment, but Spencer Treharne was the head of the United Lloyds. And I was in Garland Smith's office one morning and Treharne called and said that they were going to be reinsured by Great National Fire and Casualty Company. And Mr. Smith says, "Spencer, how can you make a solvent company out of two broke companies?" Well, it so happened that the

Home Service Insurance Company was licensed in March of '54. And it entered into a consolidation agreement with the Great National Fire and Casualty Company on September 27, 1954, six months after Garland Smith told Spencer Treharne in my presence that United Lloyds and Great National were both broke. But they approved a reinsurance of Home Service with National Fire six months later.

Now in my report to the Commission, July 1, 1954, I advised the Commission that I had asked Mr. Harmon, vice-president of the Waco Bank, who A. A. Williams was. I found his name, that he had signed something in connection with that. And he stated that he was a man that Mr. High had learned had assisted in obtaining a charter for the Great National Fire and Casualty Company. And Mr. High had come to Mr. Williams to assist him in connection with the obtaining of the charter of the Commercial Security. That ought to have put the Commission on notice--that if the Commercial Security was handled that way and Mr. Williams was handling it, that Great National was probably handled the same way. Now whatever happened to that I don't know because I had nothing to do with it.

Odom: While you were uncovering these things, let me ask you this. Say in '53 and early '54, did you suspect or did you believe that there were a great many more of these kinds of cases in Texas?

Allred: Well, I don't know whether I even thought about it, because I had so much to do with what I was doing. I was trying to represent the Insurance Department; I was trying to represent the Attorney General; I was trying to represent the receiver. And I don't know that I even thought about other companies. But I guess that there

were many of them.

Odom: Did you communicate your suspicions, if you had them at the time-- that not everything was right or that they weren't on the ball in the Insurance Commission, and the auditors and so on, on these matters?

Allred: Well, I hadn't told the Insurance Commissioners that, because I thought I'd be stepping out of bounds trying to tell them what they were doing. I was just trying to show them what I could find out.

Odom: What you could find out.

Allred: And I thought that they ought to have sense enough to know that with all this going on there was bound to be something going on in connection with some of it.

Odom: At what point did you begin to think differently?

Allred: Well, really so far as Mr. Saunders was concerned I always had a very high regard for J. Byron Saunders. He's been, I think, Assistant District Attorney, maybe County Judge at Tyler. He had a good reputation. He came on the Commission, and I was very glad to see him come on the Commission. And the first time that I began to think there might be something wrong was after I was gone...after they had fired me, because in the U. S. Trust, I notified them fifteen months before they put it in receivership that the company was broke by \$1,000,000, and gave them the details on each piece of property and each piece of asset that they had. And Saunders at one time, I think it was in July of '54, told me that he thought U. S. Trust was broke, and they were probably going to have to put it in receivership. But they didn't get around to doing it until December of 1955. At which time, in the meantime, from July till

December, 1955, about \$5,000,000 had been paid into that company by people who were trying to get this 5 per cent interest deal.

Odom: We're getting probably ahead a little bit there, but let me ask you this general question, too. How would you compare these commissioners with earlier commissioners that you had worked under in all these regards? I know you probably didn't have as much inside knowledge or hadn't gone into this matter as much earlier back in the '40's. But can you recall here some of the commissioners you worked under at least as a receiver?

Allred: Well, Marvin Hall was fire insurance commissioner. He was, I think, a very fine man, but he didn't have anything to do with the incorporation of these things. That was handled back in the beginning by the life insurance commissioner, who was chairman of the board. He had control of the examiners.

Odom: I see.

Allred: And at a later time Mr. J. P. Gibbs was commissioner. I had high regard for Mr. Gibbs. And one of his employees went up to try to get a financial statement of a company and was refused by Mr. Blanchard. The chief examiner wouldn't let the casualty insurance commissioner see an annual statement of some company that he was interested in. I don't know.

Odom: It's a hard question for me to ask you. I just thought you might respond on that.

Allred: Mr. Paul Brown, I didn't know very well. He was on the commission for a while and, so far as I know, was just a fine gentleman. Mr. Mark Wentz, who later came on the commission, so far as I know,

was a very fine man.

Odom: Were these men with experience in insurance or not?

Allred: Mr. Mark Wentz was an insurance agent, I believe, out in West Texas. And Paul Brown, I believe, was a lawyer in the Valley. Marvin Hall was a lawyer. Now personally I liked Garland Smith. I never did think that Garland was particularly equipped to be casualty commissioner or life insurance commissioner or chairman of the board, but I personally liked him. And later on when they got ready to file a suit against some of the Texas Mutual companies, I insisted that the Attorney General tell Garland Smith, who was casualty commissioner, what they were going to do. And as I believe I stated a while ago, he kept his mouth shut for the first time.

Odom: Yes.

Allred: But Mr. Saunders--I had a very high regard for him until developments came along.

Odom: Who was the other commissioner then? Wasn't there three on the board?

Allred: Well at one time Paul Brown was seriously ill and was, I think, unconscious for many months, but he was there part of the time. He was there when I went to Chicago. I know he seemed to be very pleased that I had the opportunity maybe going to Chicago for the amount of money that I could make. And later on he was very, very ill for a long, long time.

Odom: So that he wasn't really functioning during this particular time.

Allred: Wasn't functioning. And George Butler also was ill--the life commissioner--for a while, and Mr. Blanchard took his place.

Odom: I see. Yes.

Allred: Actually, for a while they just had two commissioners--actually, the one commissioner and the chief examiner acting as commissioner.

Odom: Do you think at this point you're ready to get on to Texas Mutual Insurance Company, or did you have some other cases there that you would like to deal with?

Allred: Well, one small one here and then another one that's a honey.

Odom: All right.

Allred: Pioneer Western of San Antonio was organized after Mr. Saunders came in. And sometime in the spring of 1954, Mr. Saunders told me that they had had Brickly in and told him that he had to put in \$20,000 in cash into that company. Later on, Mr. Saunders told me that Brickly brought the money in and they were going to permit him ...to continue operations. I asked him in what form. He said it was a cashier's check. I asked Mr. Saunders if he'd made any inquiry as to where the money came from that purchased the cashier's check. He said, "No." I asked him then if he didn't think it was important to know whether it was borrowed money or whether they had just issued Pioneer Western's check for that amount, got a cashier's check, then put it back in the company. He said he guessed so. I guess I wasn't very discreet. Later the company went into receivership, and I understand that part of that \$20,000 was borrowed money. I don't know the exact amount of it.

Now I showed Mr. James a while ago a petition here filed under the name of J. D. Wheeler, Receiver of the General American Casualty Company vs. C. B. Erwin, et al. That was filed December 30, 1955.

That was after I was gone. But the crux of that case was that the General American Casualty Company was an outgrowth--maybe I should've said an undergrowth--of General Lloyds and Alamo Casualty. The General Lloyds was broke in 1949 with an operating loss of \$50,000. In 1950 they had an operating loss of \$67,000; in 1951 they had an operating loss of \$209,000. The Alamo Casualty Company was broke November 4, 1949, when the earned premium reserve was cut to about half and permitted to withdraw the contribution of \$250,000 in Yellow Cab stock. In 1949 the operating loss to Alamo was \$6,900. In 1950 the operating loss was \$239,000. In 1951 the operating loss was \$577,000. Now the General Lloyds and Alamo were broke from that time until they became the General American Casualty Company, and it was illegally organized from its inception. General American was organized with \$250,000 sworn to, that it had it in cash on May 16, 1952. Thereafter, about May 19 an affidavit was prepared and attached to its charter dated May 16, showing as of May 16 certain assets all of which belonged to General Lloyds and which were a part of the incorporation of the General American. My opinion that it was the grossest of negligence on the part of whoever approved that incorporation--had a cashier's check, \$250,000, payable to the state treasury, covering these other assets, forgot to take it out. General American wholly reinsured the General Lloyds as of March 19, 1952. On June 1, General American reinsured wholly the Alamo, examination of General American as of June 30, 1952.

Mr. Dow Robinson, who was an employee of General American, made a reservation for William J. Noad, an examiner for the Insurance Department, in September of 1952 at the Sunset Ridge Apartments in San Antonio, and he paid the total of \$135 for advanced apartment rent and furniture rent on checks of the General American. And the copies of the checks were marked "travel expense." Sometime prior to October 9, 1952, Noad, in an effort to make it appear he'd repaid General American, gave his check dated September 15, 1952, to the General American for the sum of \$125. And at or about the same time and before this check was paid by the Republic Bank in Dallas, Robinson gave Noad his check for \$125 dated October 2, which Noad claimed was a wedding present.

Later we took Robinson's deposition. He testified the first knowledge he had that the examination was to be made was when Mr. Noad came in and said he was to make an examination of the company. Now I have in my files here a letter in which it shows that he did know that Noad was coming in and made these reservations for him.

As of May 31, 1952, the premiums in force of General Lloyds and Alamo was \$5,000,000 from which the unearned premium was \$3,000,000--these are round figures. As of June 1, 1952, the following day, the premium in force was \$3,000,000 with an unearned premium of \$2,000,000. Noad set up in his work papers the old basis of \$3,100,000 unearned premium and another as revalued basis of \$2,000,000, making the difference of \$1,000,000. Noad testified in one of these hearings that he'd submitted these to Blanchard

and to Robert Butler, who was also an examiner, and they authorized him to use the revalued basis. If they'd use the old basis or proper and legal basis, the company was broke, even assuming all other assets and liabilities were carried correct. Also they carried and approved by the examiner's value the home office of \$700,000 that a month or so before they'd purchased for less than \$350,000. I have a copy of a check \$1,800 to Robinson and \$200 to Mrs. Hendricks for travel and entertainment of agents during the examinations.

Odom: Travel and entertaining of agents.

Allred: Now, later on a suit was filed--some three or 400 pages--against the organizers, banks, and, I don't know how many defendants there were, by Josh Groce, an attorney of San Antonio. Whatever happened to that I don't know, but I left down there.

Back onto Commercial Security, I mentioned the fact that Don Cornett had made a qualifying examination of the Commercial Security Insurance Company. His expense account--he showed that he'd made it on April 6 and April 7, 1954--filed with the comptroller, showed that he was in Houston during those two days. He couldn't have been in Waco to do any checking to see if any of that was correct.

Odom: I see.

Allred: Now there was a case of Lloyds of North America of Houston that was placed in receivership. When we got into that, we found that he'd employed a man by the name of John Van Cronkhite who at one time was a supporter of Governor Shivers.

Odom: He was a partner of Weldon Hart in a public relations firm.

Allred: You know more about him, I guess, than I do. But at any rate, they

were paying him \$1,000 a month retainer fee. That went on for eight or ten months, and in one of those he sent in a bill, dated October 31, 1953, for a dinner for insurance commissioners and their wives for \$46.00 and then his bill for \$1,000.

Odom: I see. So he entertained insurance commissioners and their wives.

Allred: Yes, and when I found that out down at Houston, the then receiver said, "We want to hide that." I said, "No, we don't. We don't hide nothing 'cause this Ralph Hammond's going to be coming in here wanting copies of this, and we're not going to do anything like that a'tall."

And then I found another bill for expense trips of Frank Lake to Houston, entertainment and promotion \$62.50 and \$59.67 plus \$1,000. So I told the receiver we would not do anything like that. And as soon as I went to Austin, I went to J. Byron Saunders. When I told him about this, his ulcer started cutting up and he went home. That's all I want to say about that.

Odom: (Chuckle) Mr. Saunders had an ulcer then.

Allred: He told me he did.

Odom: I see.

Allred: Now you started off talking about Texas Mutual. Texas Mutual was organized on July 11, 1949, on \$20,000 of borrowed money, and within a week's time \$19,500 was repaid to the lender. That is in the record and is also in the opinion of the Texas Mutual Case entitled Moreland vs. Knox, 268 Southwestern Reporter, Second Series, at page 744. Have you by any chance read that case?

Odom: No.

Allred: You ought to get the law book and read it. A preliminary examination of Texas Mutual would have discovered where the money came from and where it went to. In August of 1949, a man by the name of O'Fiel and Langham sold to the Texas Mutual a building worth less than \$100,000 for \$100,000. And L. W. Blanchard approved the appraisal of that property in the amount of \$436,000. Now what they were trying to do was to keep it as a Mutual Company but to get it where they could issue non-participating policies so they wouldn't have to pay additional premiums.

The appraisal showed on its face two things that did not comply with the law, assuming that the statute which refers to appraisers on property which the insurance company could acquire personally and mortgage had reference to a home office building. This appraisal in the Texas Mutual did not comply with article 2.10 because it was not sworn to. It was merely acknowledged. The appraisal showed on its face it was not being purchased for the purpose set out in article 3.01 and 8.18, since the appraisal stated that the whole of this property is now under lease for five years at monthly rentals of \$2,000 to another insurance company who was the present occupant.

Odom: (Chuckle)

Allred: How could they run a home office that was under lease to someone else? On November 7, 1949, L. W. Blanchard for commissioner Butler wrote Paul Lowry, president of Texas Mutual, in part as follows:
"The writer personally examined the deed in which you and your brother conveyed to the Texas Mutual Insurance Company real estate

for home office property, together with the appraisal made by Beaumont Real Estate men on this property. And this department has accepted the home office property at a valuation of \$436,000 less the outstanding incumbrance originally at a \$100,000 as a fair and reasonable evaluation on the property for your company." As a matter of fact there was no deed from the Lowrys to Mutual at all. The deed was from O'Fiel and Langham to the Texas Mutual. But he said he had examined the deed where you conveyed it, he told the two Lowry brothers.

Odom: I see.

Allred: You can find that in the opinion of the Court of Civil Appeals in the Moreland vs. Knox case. In addition to that, when I interrogated Blanchard about examining the deed, he said he never saw any deed to the property but later said he must have since he wrote the letter.

Now the Lowry boys employed a state senator by the name of William T. (Bill) Moore of Bryan. All of this is set out in Moreland vs. Knox. They wired him \$1,000 in Austin, wired him \$500 to Bryan. They agreed to pay him \$9,500 at \$300 per month, and the agreement provided that if Moore died the money would go to his wife anyway. Right in connection with that, it's a rather amusing thing that Mr. Reichelt, an assistant attorney general, was with me in Beaumont when we took the deposition of Paul Lowry. And...

Odom: The Lowry brothers are now connected with...

Allred: They organized...

Odom: They organized it? Okay. I thought that was correct, but I...

Allred: ...they organized Texas Mutual. And we were interrogating Paul Lowry, and I had a copy of a letter, carbon copy unsigned, from the Texas Mutual, Paul Lowry, President, addressed to William T. Moore, dated August 31, 1949. I did not have the original signed instrument but written across the top up here was what I thought was in Paul Lowry's handwriting "Charlene, file in correspondence to Moore."

Odom: I see.

Allred: So I told Ed Reichelt, "Now I'm going to show him...I'm going to ask him about this copy, and you lean over to me and whisper loud enough that he can hear you, 'Show him the original.' I want him to hear that." So (chuckle) I said, (showing him the copy) "Mr. Lowry, did you write a letter August 31, 1949, to William T. Moore concerning this fee arrangement that you had?" So Ed leaned over and whispered, "Show him the original." I said, "Did you write the original of this letter?" He said, "Yes, I did." He thought I had the original. (Chuckle) I said, "Is this your handwriting up here?" He said, "Yes, sir." So I got the evidence that way, and he could have denied it very easily, you see. I never misrepresented anything to him, but Mr. Reichelt wanted me to show him the original.

Anyway Texas Mutual loans, December, 1950, for ten days--they borrowed \$50,000 from the American National Bank at Beaumont and \$20,000 from First National. They drew a draft on Tom Taylor, College Station, for \$50,000. It was returned unpaid, but they

got the benefit of it as in their annual statement. F. W. Izzard, who was an accountant, testified that the Lowrys wanted a Texas examination to prevent a convention examination, that is, by other state agencies. That was in 1950 or January, 1951. Robert Butler, who assigned the examiners, was a guest of the Texas Mutual at the Adolphus Hotel in room 1515, December 31, 1950, and January 1, 1951, and they paid \$8.42 for his hotel bill.

Odom: What was that for?

Allred: Well, I guess he was up to a ball game there.

Odom: Oh.

Allred: And Mr. Butler assigned V. C. Thompson in February of 1951. Thompson was a guest of Texas Mutual in the Adolphus Hotel on December 28, 1950, to January 1, 1951, to the tune of \$43.90. And on February 13, 1951, Butler assigned Thompson to make the examination. Paul Lowry told Izzard in substance the examiner would do nothing about the value of the building, so Izzard testified. Paul Lowry through Izzard, according to Izzard's testimony, three times paid V. C. Thompson \$100 in cash. We had checks of the Texas Mutual and Lowry agency totaling \$300. One of them was endorsed V. C. Thompson and addressed to Lowry. Texas Mutual paid V. C. Thompson's bill at the La Salle Hotel rooms 1213 and 1126 in Beaumont for \$49.10. That was during the examination. Also during that time Hubert O'Fiel, who was a lawyer down there and was one of the organizers, spent \$58.00 in entertainment of Mr. Thompson and some man whose name I don't recall. They were on transactions for December 31, 1951.

Now I have here a photostatic copy of an appraisal of real property being the home office building of Texas Mutual which was marked exhibit 75 in one of the proceedings which describes this property, shows its income, and comes out with a total valuation of \$522,000. And that was signed by D. Hubert O'Fiel, the attorney for Texas Mutual, Carl A. Kohler, who was an engineer--I don't know him but I think I met him--and by Sampson Carr, the janitor of the Texas Mutual. (Chuckle) So they take this appraisal to Senator Moore, and somehow he finds out that they won't approve that \$522,000. But somebody suggested to him or he on his own went out to see W. W. Heath. You know who W. W. Heath is.

Odom: Yes, I do.

Allred: He's now ambassador to Sweden. And Mr. Heath, in his handwriting, showed Mr. Moore how to prepare this appraisal so it would be acceptable to the Insurance Department, and all of this writing which you see on here is in the handwriting of W. W. Heath, and he so testified.

Odom: Really?

Allred: Now he comes up with a valuation of \$436,000. How he could do that out at his home with Senator Moore on a sociable occasion, I don't understand. But he comes up with a valuation of \$436,000. So they then prepare to take it back and have it typed up.

Odom: Another appraisal?

Allred: Just like Mr. Heath had...

Odom: Showed him how to do it?

Allred: ...fixed it up.

Odom: Now how did you come by all these records? As the examiner or agent for Attorney General Shepperd? You obtained copies of these or what?

Allred: Well, the court appointed a master in chancery, and we took testimony down in Beaumont.

Odom: I see.

Allred: And we had it in the grand jury room. We were wanting to take it privately, and some of the parties--interested parties--wanted to come and sit in. And I told them that it was not open to the public. They insisted very vociferously. I said, "All right, gentlemen, we'll just have it open to the public, and I'm going to call the newspaper reporters and ask them to sit in, too, because I think they'd be interested in this." And that stopped any open hearing.

But this particular appraisal which Mr. Heath changed with the writing on it was originally given to me by Tom Robinson, an examiner for the Insurance Department who was down there during the time I was taking this testimony. Now somewhere I have a photostat of the appraisal that was finally approved, and it was signed by D. Hubert O'Fiel and one of the other parties and by a third party who the records show was paid \$200 for his final appraisal in connection with it.

Now during the investigation of Texas Mutual, it seemed that Texas Mutual wanted to organize another company so they organized on July 11, 1951, the Texas Fire Insurance Company with \$100,000 capital and \$50,000 surplus, and you had just made a remark off the record here that the attorney might have all the facts, might know that. My brother Jimmie one time told me, "Don't ever throw

anything away." And I have followed that and as you recall in the comment under campaign, he had a letter that he hadn't thrown away.

Odom: Played a big part in that campaign, noted on a previous recording.

Allred: Well, I thought I had a copy of that final appraisal, but I don't find it.

Odom: Well, at least you can tell us the contents.

Allred: Well, it was for \$430,000.00. This time it was just like the one that Mr. Heath prepared in his handwriting. It was just typed off, changed over. And I noticed in some notes that I've got here instead of \$522,000 I think that original appraisal was...they came up with 5...they used two figures....They used 600,000 plus 522,000, and they came up with a figure of \$561,000 instead of \$522,000 first. Anyway, there's no question but what the \$436,000 appraisal is written out by Mr. Heath. It might be interesting to note how I found out that Mr. Heath had done this.

Odom: Yes, it would be.

Allred: I had reported to the receiver...the then receiver--we've had several receivers (only one at a time)--but I reported to the then receiver about what I had uncovered about this appraisal, and I told him that I was going to take the testimony...the deposition of L. W. Blanchard and William T. Moore. And he said I wasn't going to take it, and...

Odom: Did the receiver say that?

Allred: The receiver told me that and said he'd resign first. So he appeared before the judge. He either took me before the judge or I took him before the judge; I've forgotten which. Anyway, one

of us went to the judge, and the judge called the other one over there. And I told the judge what I'd found, and the judge told me to proceed, and I proceeded, and...

Odom: Did the receiver stay in?

Allred: He stayed in until later on, sometime later on. He finally resigned and went to work as vice-president of a life insurance company in Austin--Mr. McCormack's company and the record shows, I think, Mr. McCormack took one of the commissioners and his wife on a trip to Hawaii. But anyway that's it.

Anyway I was sitting in the coffee shop there in the insurance building where the offices of the Insurance Commission were. I had breakfast there one morning, and George B. Butler, the chairman of the board and life insurance commissioner, came in and sat down with me. And he said, "You think Larry Blanchard made those changes, don't you?" And I said, "Well, did he?" He said, "No." He said, "Do you think Bill Moore made them?" And I said, "Well, did he?" He said, "No." I said, "Well, that's interesting." This was before I took the deposition. I had taken the deposition once. This was before I took Mr. Moore's deposition the second time, I believe. So he said, "Would you like to know who did that?" And I said, "Well, would you like to tell me?" I wasn't asking him anything. I was just letting him talk. (Chuckle) He said, "Well, Bill Heath did it." I said, "Is that so?" So I just subpoenaed Mr. Bill Heath and Mr. Moore. Mr. Moore forgot to tell me about it the first time, I think. He forgot to tell me about going out to Bill Heath's. The second time he remembered it, and Mr. Heath testified, also. Anyway...

Odom: You didn't ask Mr. Butler how he knew?

Allred: No, sir. I just was taking what information he gave me, what he wanted to volunteer. I wasn't soliciting anything from him.

Anyway, the Lowry boys organized Texas Fire Insurance Company, and it was incorporated July 11, 1951, received its certificate July 16, 1951. They had \$100,000 capital and \$50,000 surplus. And \$70,000 of that was money borrowed by the Texas Mutual from the Security Bank at Beaumont. It was put in the Texas Fire and on July 18 the Texas Fire paid the Texas Mutual's note with \$78.74 interest to Security Bank. \$20,000 of the above capital and surplus was a check of Texas Mutual and was repaid to Texas Mutual on July 18. \$20,000 was money borrowed from Mrs. Violet G. O'Fiel, who, I think, was the mother of Hubert O'Fiel. I believe that's correct. It might've been his wife, but I don't believe so--and repaid to her on July 18. Now the Texas Mutual and Texas Fire moved up to Ellis County to the town of Ennis, I believe. And they bought a building that had been started, and they completed it, and it was a very nice office building.

So they decided they wanted to organize a company, and they organized the Lone Star Insurance Company, \$100,000, \$50,000 surplus, cash on deposit in the Citizen's Bank of Ennis \$50,000, cash on deposit in the First National Bank of Grandview \$54,700. And \$45,000 of each deposit was the same money. They got an affidavit of \$50,000 in the Ennis bank, then deposited the check drawn on it for \$45,000 deposited it with \$9,700 more in the Grandview bank and obtained affidavits it was there. The check was in route

between the bank. I think they call that check kiting.

Odom: Same principle, anyway.

Allred: \$50,000 deposit was made up of \$12,000 from Texas Fire and \$38,000 from Leslie Lowry. \$12,000 was returned to the Texas Fire May 17, and the \$18,700 returned to Lowry on the 17th and 19th.

Now D. Hubert O'Fiel and some others wanted to organize the Texas Western. So on May 22, 1952, they were incorporated for \$100,000 capital and \$25,000 surplus, and \$125,000 was deposited in the City National Bank in Houston on the following checks: \$85,000 on the American National Bank of Beaumont, \$15,000 in the First National Bank of Beaumont, \$25,000 in the Security State Bank of Beaumont. These funds were all funds of the Texas Mutual. On May 23, the following day, the charter was approved in Austin, and \$90,000 of that amount was deposited to the Texas Mutual in the American National Bank and \$25,000 deposited to the Texas Mutual in the First National. On September 10 the Texas Mutual got the other \$10,000 by a check.

Now during this time we took a great deal of depositions before the master in chancery at Beaumont. I went over, and Mr. John Ben Shepperd assigned two of his assistants, and I was asked by the receiver to go up to examine the Texas Mutual and the Texas Fire--the same receiver--and...

Odom: This is now in 1951, right?

Allred: This was in 1954.

Odom: Oh, I see. Your investigation started...

Allred: These companies were started back in that time.

Odom: Yes, but your investigation was back then. I see.

Allred: So when I got up there, and they had two or three examiners with the Insurance Department there. And I would uncover some of this stuff that I've been talking about here, and I'd show it to one of these examiners. A fellow by the name of E. B. Kelley, who was a very nice fellow, said, "Well, what if you find it. They won't do anything about it down at Austin." And so anyway the assistant attorney general, the examiners, and myself, we went through all these records up at Ennis. We went back, and the attorney general filed a law suit against the Texas Fire, Lone Star, and one of the other companies. One company they had organized had some \$10,000 on deposit in the bank up at Hedley, Texas. We didn't know about it, and they got away with...somebody got away with it. They went through that money before we found out about it. (Chuckle) And the attorney general...we discussed this with Mr. Shepperd at quite some length, and he decided that he was going to act without knowledge of the Insurance Commission.

Odom: Why did he make this decision, Mr. Allred?

Allred: Well, because he was fearful that any information that was disclosed over to the examining department...

Odom: Would get back to the Lowrys?

Allred: ...would get back to the Lowrys and that the money would be gone. Now Mr. Shepperd was sustained by his right to do this without the board by the case of State vs. Teachers' Annuity Life Insurance Company, 149 Southwestern Reporter, Second Series, at page 318, error refused, in which two of the defendants were C. H. Cavness,

who later became state auditor, and Adrian Spears, who, I think, is federal judge in San Antonio. And their capital stock was \$100,000 to be paid out of money, bonds, bank stock, first mortgages, but instead they transferred an equity and a lot and building in San Antonio. The property was acquired by the incorporators for a \$123,000 vendor's lien note, and capital stock paid for by transferring the property of the company at the valuation of \$275,000, with the company assuming the \$123,000. The Board of Insurance Commissioners refused to join the attorney general, and the suit was dismissed by the trial court, who happened to be Ralph W. Yarborough, the present Senior United States Senator from Texas. And the Court of Civil Appeals reversed him and held that the attorney general had the authority to maintain the suit without the board. So John Ben Shepperd decided that he was going to file these suits without knowledge of the board and...

Odom: Now is it at this time that you wanted to file suit against Mr. Blanchard?

Allred: No, it was at a little later time.

Odom: Oh, at a little later time, okay.

Allred: A little later time. The only commissioner who was there was Garland Smith, and I told Mr. Shepperd that I felt like he ought to tell Garland Smith. And I think one of his assistants and I went over, and he finally consented to it. And one of his assistants and I went over and told Mr. Smith about it. The suit was filed in Austin late in the afternoon, and they were having their open house at the Texas Fire building. (Chuckle) They'd just

completed their house. Everybody had flowers, and there were hundreds and hundreds of people who were there. And, well, the papers were served on Leslie Lowry during the course of that, and his lawyer from Waxahachie was over there, and he says, "Let's get ahold of Judge Stout. Get this thing set aside." He said, "You can't do that." He said, "It's been signed by a judge in Austin." The next morning at 8:00 Leslie Lowry was in L. W. Blanchard's office in Austin and all hell started popping. But at any rate they were all put in the receivership.

Oral History Collection

Renne Allred, Jr.

Interviewer: E. Dale Odom

Place of Interview: Bowie, Texas

Date: August 21, 1968

Dr. Odom: This is E. Dale Odom on August 21, 1968, interviewing Judge Renne Allred, Jr., in his office in Bowie, Texas. Mr. Allred, I guess that you probably recall what point we were in this story of the insurance frauds and scandals better than I do. Do you recall pretty well what we covered and the point we were about to start at this time?

Mr. Allred: Well,...

Dr. Odom: What you had in mind, at least.

Mr. Allred: Yes, I do recall generally what we were discussing, and I want to go back into part of it to be sure that I covered everything, and if it's all right, I'll just go ahead.

Dr. Odom: It won't hurt to have some overlapping.

Mr. Allred: No. You will recall that I discussed at some length the United Lloyds, the Commercial Security, and the Waco bank. And at one time I mentioned something about the Great National Fire and Casualty Company. Since you were here I have found another file which I have marked as "Great National and Home Service Insurance Company." Home Service Company was licensed in March of 1954, and

it was in the spring or in the early part of 1954 when Spencer Treharne of United Lloyds had wanted the permission to permit him to consolidate with the Great National, and Garland Smith, the commissioner, made the statement, "How can you take two broke companies and make a good one out of it?" (Chuckle) After that and on September 27 of 1954, after I had been discharged by the insurance commission--at least they thought they had discharged me, I still have never agreed that they did, but they gave me notice that I was being discharged--there was a consolidation agreement between the Home Service and the Great National Fire and Casualty Company. And I was advised of this by Paul Conner, one of the legal examiners from the insurance department, L. W. Blanchard, and I saw the papers. I don't know whether those two companies were ever consolidated or not, but in my report on Commercial Security I advised the Board of Insurance Commissioners that I had asked Mr. Harmon, vice-president of the Waco bank, who A. A. Williams was--he was authorized to sign checks for Commercial Security--and Mr. Harmon told me that he was a man that Mr. High had learned, had assisted in obtaining a charter for the Great National Fire and Casualty Company. And Mr. High had come to Mr. Williams to assist in connection with the charter of the Commercial Security.

I reported all that to the commission. The charter file of the Great National Fire and Casualty Company showed that on August 10, 1953, Great National had on deposit a certain amount and was not indebted to the Waco bank, the same bank. It was the same affidavit from Mr. Harmon that it was on deposit a certain amount and not

indebted to the bank. And the Great National Fire and Casualty Company is the same company that has reinsured the Great National Lloyds, which was having trouble of staying in the black. Mr. Paul Conner mentioned to me that if there was--or asked me if there was--any reason why there should be a delay on the consolidation between Great National and Home Service, and if so, he would appreciate my giving him the information. Well, the only information I had was information which he already had, what Spencer Treharne had said about Great National being broke. And Mr. Conner told me that the Home Service was not in too good a shape and he made the statement it was like Treharne's transaction of putting two companies together that were not in very good shape and making a good, sound company out of it. My memorandum on this says that he smiled when he made the statement. And I don't know whether we--he and I--discussed it at the time or not, but both of us had in mind the statement that Mr. Smith had made to Mr. Treharne on the telephone about taking two broke companies and making a good company, trying to make a good company out of it.

Odom: You say you don't recall or don't know whether they finally were consolidated?

Allred: Consolidated or not? But I do know that Home Service Casualty Company was placed in receivership after that time in one of the district courts in Travis County, and I have a copy of the petition that was filed by the Attorney General. But that was just another thing showing what I term to be the negligence of the insurance commission and some of their employees.

Odom: Am I correct now in assuming that we were about to get around to the case in which the insurance commission, as you put it, attempted to fire you?

Allred: Well, I want to come right back to that also.

Odom: There may be some other things that you overlooked before...

Allred: In connection with Texas Mutual. I mentioned the other day this letter from the Texas Mutual to William T. Moore about his attorney's fees, and I don't know if I went into detail, but I did want to show that this letter states, and I have a photostatic copy of it here, that they are to pay him \$10,000--\$1,500 which they had already paid him, and \$8,500, payable \$300 a month, and that in the event of his death, payments would continue to be to his estate or to such person as he might direct. And I thought, since I had two copies of each of those appraisals, one which was not marked on, showing an appraisal value of \$561,000, dated July 27, 1949, and a copy of the one that Mr. W. W. Heath made the changes on, if you'd like to have a copy...

Odom: We certainly would...

Allred: ...of those appraisals...

Odom: ...to go in the files...

Allred: ...I'll hand them here to you now. In addition to that I found in my files a memorandum which I had written on the Texas Mutual back ten or fifteen years ago, with the exception of the last two paragraphs which I have put on there since you were here last week. And I had xeroxed copies made of this memorandum which I wanted to give to you, but in connection with what I have heretofore testified,

you will recall that I have mentioned a law suit Moreland vs. Knox, 268 Southwestern Reporter, Second Series, on page 744...

Odom: Yes.

Allred: This memorandum mentions the fact that there was an attempt on the part of the receiver to file a suit against the policyholders for some \$2,000,000 in order to try to raise enough money to pay the claims. What I added since you were here last week is the action of the trial court and the action of the Court of Civil Appeals. The judgment of the trial court was reversed by the Court of Civil Appeals in that case which I cited, the court holding, in effect, that since the board had approved the nonassessible policies, the receiver could not recover. Justice Robert G. Hughes concurred in the opinion but wrote a separate opinion in which he outlined in detail the conduct of the Lowry brothers, O'Fiel, Senator Moore, employees of the insurance department, and Justice Hughes said at the end, "Nothing in this opinion should be construed as imputing bad faith to Appellee (receiver) or his attorneys in this proceeding. Acknowledgment is made to them and other attorneys for developing the facts set out herein, and without which the sorry spectacle presented would have been unrepresented and generally unknown." I happen to be the attorney who handled that, and there is the...

Odom: Thank you. Let me ask you before you go on there just a minute, is this something of an unusual move in a case where a receiver files a suit against the policyholders, or would that be a usual thing in that kind of a company. I remember you explained what kind it was.

Allred: Well, now the only other ones that we had filed before that were reciprocal exchanges rather than a mutual company. And the reciprocal exchanges...

Odom: This wasn't a reciprocal exchange...

Allred: This was a mutual...

Odom: This was a mutual...

Allred: ...which is a little bit different. Now, we had been successful-- I had been in the case of Archie vs. Knox which I have heretofore given you the reference to, and the receiver in Howell vs. Knox and other companies even prior to that time in reciprocal exchanges had recovered from the policyholder an additional premium.

Odom: But they're actually the owners there, though, aren't they?

Allred: They are...

Odom: In a reciprocal agreement...

Allred: ...actually the owners. Now, in the mutual companies they had to have certain assets before they could issue non-assessible policies, otherwise, they would be liable if it was...except for the non-assessible provision, they would be liable. This particular case and one other case of equal importance in size, moneywise, together with some four or five smaller cases, are the only cases that as attorney for the receiver, in all these receiverships, that I had lost in fourteen years representing the receiver. And I tried and disposed of thousands of cases in that fourteen years.

Odom: When you say "lost", the only ones that you lost, in the others that you've won, you didn't necessarily always win the amount you sued for, did you?

Allred: Well, sometimes I did, sometimes I didn't get as much, sometimes, as I told you about in the Glenn McCarthy case, I got more...

Odom: You got more...

Allred: ...in the Court of Civil Appeals.

Odom: Yes, I remember that.

Allred: But the only other one was Texas General Underwriters in which we lost it, and later on in this hearing before the Senate investigating committee, Mr. Saunders criticized me for losing that and for making a trip to California in connection with it which we will get into a little bit later on.

Odom: Okay.

Allred: Those were the only two big cases in that fourteen years that I lost.

Odom: Yes.

Allred: Now, I might mention in connection with this that Paul R. Lowry, Leslie Lowry, and H. David O'Fiel, the incorporators--they were in the Texas Mutual--incorporators of Texas Fire Insurance Company in which they were using borrowed money and so on, they were indicted by the grand jury in Austin on May 27, 1954, and they tried Leslie Lowry, and he was convicted and sentenced to seven years in prison. He appealed his case, and it's cited in the case of Lowry vs. State, 297 Southwest Reporter, Second Series, on page 848. The Court of Criminal Appeals reversed that case, on the theory that the state did not prove that Lowry actually appeared before the notary and swore to the instrument that he was charged with having perjured himself on. And the notary, whose name was Lusby, an employee, testified that he did not swear him to that instrument. Now, I had

taken Lusby's testimony in the hearing before the Master in Chancery in the Texas Mutual, and I had tried to pin him down as to the reference of that, and he wouldn't say "yes" and he wouldn't say "no," at that time; he said he didn't recall. But you know, it's a penitentiary offense for a notary...

Odom: That's what I was about to say...

Allred: ...to certify that he did something when in truth and in fact, he didn't. And I think they sent one man to the penitentiary, in the Veterans' Land Board scandals, who was a notary and he had certified that people appeared before him. By the time they got around to trying Lowry, the statute of limitation had run against Lusby for having made a false certificate. So he then came in and said that, he could, but at the time that I was interrogating him, the limitations hadn't run...

Odom: Hadn't run...

Allred: ...and I couldn't get him tied, which I was trying to do, of course.

Odom: Yes. What about the other defendants in that suit. They were...

Allred: Well, I don't think they ever tried them because of the same thing-- they had no way of proving that all of them were supposedly sworn to by Lusby, and I don't think they ever tried them.

Odom: These were all tried, with all these charges for perjury?

Allred: Yes. Because those were instruments that were required by law to be sworn to, and that would be perjury. Now, if it was a false affidavit that was not required by law but still somebody made a false affidavit, it would be false swearing...

Odom: Yes.

Allred: ...would be the difference, and...

Odom: Is this the only kind of criminal charge it would be possible to have brought against these people in this case?

Allred: Well, I don't know whether it would or not; I know that on one occasion one of Leslie Lowry's lawyers--I've forgotten who it was now--came to me and said that if I would see that he wasn't prosecuted on a criminal case, that he would testify before the Master in Chancery and give me all the details. And just what he meant by "the details" I don't know, but I have a pretty good idea that he would have tied some people into this that didn't want to be tied into it.

Odom: Excuse me for interrupting again, but...

Allred: Sure.

Odom: Mr. Allred, I hate to display my ignorance, and I'm not completely ignorant of it, but I wish you would explain this chancery court business just briefly in layman's terms. What is involved in this thing and what is the Master in Chancery and these terms that are used quite often in this interview?

Allred: Well, the judge can appoint a lawyer to take testimony and make recommendations to the court, and he can give to him full power, the same as if he were acting as a district judge.

Odom: I see.

Allred: He would have all the power.

Odom: This is the Master in Chancery?

Allred: That's the Master in Chancery. Now, in the Texas Mutual case, Harry L. Wear, who was a court reporter at Austin but also a

licensed attorney, was appointed as Master in Chancery. Also he was appointed in the General American so that he could not only swear the witnesses and subpoena them, but he could take it down in shorthand and type it--have it typed for them.

Odom: I see.

Allred: Now at a later time, when we get into that later session, I think, Judge Betts appointed me as Master in Chancery in the I. C. T. Insurance Company for the Ben Jack Cage case. In addition to acting as attorney, I was appointed as master to try to uncover all the assets I could.

Odom: Well now, how does, in a chancery hearing or chancery court, or whatever it's called, how does this differ from a regular hearing or a regular court hearing?

Allred: Well...

Odom: It's not on the same rules of procedure, is it?

Allred: No, no, you can go more into detail; it's more like taking an oral deposition of a witness. Sometimes you can make inquiry about things that somebody might object to in the trial before the district judge, and the judge can pass on it. But the Master in Chancery would let anybody make an objection that wanted to make an objection. Then he'd note it, and then make them go ahead and testify.

Odom: I see. So, both defendant and plaintiff are always represented by attorneys in these hearings.

Allred: Well, sometimes. I told you about the Texas Mutual case where some of the parties that were involved wanted to appear with their attorneys, but we told them that it was an investigation. And

they said they insisted on it, and I said, "If they wanted it to be open, all right, we'll just make it open, and call in the newspaper reporters and let them hear what's going on." And they changed their minds.

Odom: So, normally then, they are not represented by an attorney?

Allred: Normally, they are not represented by attorneys in a Master in Chancery hearing. Now in the General American case Mr. L. H. Odom, whom we'll talk about a little bit later, was cited for contempt for refusing to answer questions. He was represented by his attorney. At this proceeding we had no objection to it, and throughout that entire investigation, his attorney was present during all the time that he was taking oral testimony.

Odom: For my own information I wanted to have just a little more knowledge of that chancery business.

Allred: Now, just before we go into the question of the attempt to discharge me by the board, I want to go back on General American Casualty Company a little bit and clarify two or three or four matters. We found a list of the companies that were using Post Office Box 1247 in San Antonio; and while there were not as many as Ben Jack Cage later had, there were quite a few--General American Casualty Company, Texas United Life and Casualty, General Life and Hospital Insurance Company, C. B. Erwin agencies, Federal Life Insurance Company, General County Mutual Insurance Company, Government Service and Insurance Underwriters, and General Securities Incorporated, they were all...

Odom: ...in the same post office box...

Allred: ...in the same post office box, and I think, all controlled by C. B. Erwin. Now I mentioned the other day about a \$200 check to Mary L. Hendricks. The copy of the check, #23304, showed it was for entertainment of agents. Now, the original check, as you will notice, has Mary L. Hendricks--pay to the order of Mary L. Hendricks, but the copy is marked blank, payable to blank.

Odom: (Chuckle)

Allred: And then I mentioned a check to Dow S. Robinson of \$1,800 for the original, check #23305, and the copy, check #23305, \$1,800. The original check is payable to Dow S. Robinson, as you can see, and the copy of the check had some dash marks and not charged to the payee.

Odom: These copies are what were in the company's records.

Allred: ...company's records, as well as the original.

Odom: How could they expect to get by the examiners with copies like this?

Allred: Well, it would depend upon your examiner. Now if it had been me, they didn't get by with it because you can see, I picked these up. I got these. In addition to that, in July of 1954, and I'm reading now from a memorandum which was signed by myself and by James N. Castleberry, Jr., who was an assistant attorney general, and I quote this memorandum which we wrote and signed: "On July 9, 1954, about 3:30 p.m., Dow S. Robinson told the undersigned on the fourth floor of the General American Building in San Antonio that when he was with General American, the General American did not do any entertaining of agents of General American or any other company." Now, remember the check was supposedly for entertainment of agents.

Continuing, "Mr. Allred interrogated him concerning this matter and repeated it the second time, inquiring if General American had done any entertaining of agents, and Mr. Robinson said they had not."

I was trying to do my homework for future reference.

Odom: Yes.

Allred: We found among the records of General American numerous checks to Senator William T. Moore; they're all for \$200, about 12 of them, and I'll show you the list which is in the handwriting of V. F. Taylor, who was an attorney for the reciever and was furnished to me. And attached to that...

Odom: I'm looking at the dates on this one.

Allred: Yes. Those are dated in '53 and January, March, April of '54. One or two of those were marked to be voided. But attached to that we found a copy of a letter in the files of General American. These are not instruments which I got from the receivership, but they were introduced in evidence in the hearing before the master; see, this was marked "Exhibit 50." This letter was dated March 22, 1954, addressed to Mr. Herman Glosserman, who was an attorney in San Antonio, an attorney for General American Casualty, from A. V. Cross, controller of General American. And he says, "Attached, please find letter from William T. "Bill" Moore addressed to Mr. Erwin, dated March 9, 1954, that was given to me March 19, 1954. I have checked with Mr. Rouse and was advised that Mr. Robinson had instructed him to withhold further payments of retainer fees until advised differently. This was discussed with Mr. Erwin, and he suggested that you [meaning Mr. Glosserman] handle the matter as to whether

we wish to continue retaining Mr. Moore or not. Please advise.

If we do, it is Mr. Erwin's request that the retainer fee not be issued direct to Mr. Moore, but be issued to you and you, in turn, handle the same with Mr. Moore." You would wonder about...

Odom: Yes. I wondered about why his...

Allred: They were trying to get away from keeping these records which they had started too late. But if they had been smart they would have done it to start with.

Odom: Yes.

Allred: Also, we found a letter from L. H. Odom to C. B. Erwin, California, in August, 1952, giving to Mr. Erwin the home addresses of Garland Smith, George B. Butler, the insurance commissioners, and L. W. Blanchard. For what purpose, I don't know.

Odom: From Mr. Odom?

Allred: L. H. Odom.

Odom: Yes, to Erwin.

Allred: And then I have a letter February 15, 1953, a memo to Mr. C. B. Erwin, personal in re George B. Butler. "Mr. Butler," this is also from Mr. Odom. "Mr. Butler is in room 117 of Scott and White Hospital at Temple with a bad case of the jitters. I suggest you send him some of your nerve pills." (Laughter) We found also a memorandum charging two bottles of Haig and Haig Pinch, \$16.00, delivered to San Souci Hotel to Mr. G. A. Smith and Mr. B. J. Saunders, together with a letter from Murray M. Sheldon of Miami Beach to a man who was an agent in Atlanta, Georgia, who sent it to the General American in San Antonio. The letter says, "Enclosed is a bill for

two bottles of whiskey delivered to Texas Commissioners G. A. Smith and B. J. Saunders when in Miami Beach attending the Insurance Commissioners meeting. Very truly yours, Murray M. Sheldon." And a note attached to it, Send to Ralph Stokes. "Ralph, you can send the check to me and I'll mail with thanks to the agent." And a letter from Frank Schwartz, dated January 3, 1951, to Mr. Erwin,-- he was an employee of the insurance department--thanking him for a lovely Christmas gift, a cigarette case and lighter for his desk. Very handsome.

Odom: Let me ask you at this point, did you find evidence of these kinds of things here in most of these insurance companies that you investigated?

Allred: Yes. Most of them. For instance, here's one--Garland A. Smith to W. D. Christner, United Lloyds at El Paso: "Just a note to thank you for the steak knives. I can assure they'll come in handy. We certainly enjoy them. Visit the next time you're in the office."

Odom: Why didn't they destroy it the first time?

Allred: I don't know...

Odom: ...if they thought there was anything...

Allred: I don't know. Mr. Smith and Mr. Saunders both testified before the Senate Investigating Committee later that they got numerous gifts of that sort.

Odom: I knew they did.

Allred: And Mr. Smith said he had counted his Christmas cards; I think he said he had about 548, but he didn't send any of them back either. (Chuckle) I found in there a list of...I guess it says "lighters,"

I guess they're talking about cigarette lighters, showing about 140 or 150 of these being sent to insurance commissioners all over the country, to state senators from Texas, to representatives from Texas, and I have an extra copy of these; if you'd like to have those I'll...

Odom: I would like to have it.

Allred: Now, Mr. L. H. Odom, in his testimony before the master in chancery, testified--and I have here a copy of his testimony with reference to that--that he knew some of these insurance examiners just maybe by casually meeting them. And he said he had met Fred Brown and Tom Robinson in a group of people. "And prior to that time had you met Bill Noad?" I asked. He said the same, exactly. And he said he just met them, and he said that he really had no connection with the General American Casualty Company. And I believe he was vice-president.

Odom: Yes.

Allred: And that, until they showed up, he didn't know any of them, unless he had met them casually--he repeated that several times--and then he said that Mr. Noad, he believed, stayed out at an apartment which he first gave the name of it, as Sunset Ridge, and then later said he didn't know what the name of the apartment was. And when I refreshed his recollection on it, he said well, he guessed that was right, but the only reason he knew about Mr. Noad being out there was that he had met his wife, who was an English girl, and they had just gotten married, and his wife (Mrs. Odom) went over to pick her up to go to a golf tournament or something. But we had in our possession a letter from L. Houston Odom, dated August 28, 1952,

before the examination started, telling him "I have an apartment for him--a bedroom, a living room, a dining room, a kitchen, and bath;" and it's addressed to "Dear Bill," (chuckle) and signed "L. Houston Odom." Then there's a copy of a letter to L. Houston Odom, "Dear Houston," thanking him for getting him the apartment. That was on September 2, and was signed, "Bill." Those were instances showing how you...

Odom: You confront a witness like that when he says these things with this evidence?

Allred: I'm not sure, but I don't believe we did at that time in connection with the taking of the deposition. I think we were saving that for a later time. Now, Mr. L. H. Odom and four or five others were subpoenaed by the master in chancery to appear and testify, and they were there, and their attorney, Hubert Green, whose son, I understand, was campaign manager for Governor Shivers, and Mr. Green appeared with them, representing all of them--four or five, whatever number they were. And they refused to testify on the grounds that the Master in Chancery had no power to make them appear and testify before him in San Antonio, and in that case they decided that they would just make a test case of it, and Mr. Odom was selected by them, not by us, as the one to make the test case on, and he was required to appear before the judge over at Austin, Judge Jack Roberts, and Judge Roberts ordered him to jail. And his lawyer already had prepared a writ of habeas corpus before the Supreme Court and went up there and the court fixed the bond for him, and then they later handed down an opinion in the case of Ex Parte Odom,

271 Southwestern Reporter, Second Series, on page 796, in which they held that the Master in Chancery did have the power to require them to appear and testify and, as a result of that, he did testify to, I guess, all the questions that were asked them.

Odom: Would this be an appropriate time, Mr. Allred, to ask you some questions based on a letter which Mr. Odom ultimately addressed to Governor Shivers, Attorney General Shepperd, making allegations against the receiver and the attorney for the receiver?

Allred: Including me?

Odom: Including you and this. Of course, it was made at a later date...

Allred: Yes, I recall...

Odom: ...developments that were taking place at that time.

Allred: I thought you would be interested in it, and I furnished you with a copy of that...

Odom: I'm glad to have it...

Allred: I don't think a copy of that was mailed to me.

Odom: No, not directly.

Allred: ...not directly. But I got it through some source--I don't know where--and I had several copies of it made, and I sent you a copy because I thought you might like to...

Odom: It will be in the files, in your files _____

Allred: I'll be glad to answer anything I can in reference to it.

Odom: All right. First, what came of these charges? Anything?

Allred: No, nothing.

Odom: Nothing. I assumed that you didn't. Why did you appoint Josh Groce, and what was Odom complaining about, in your appointment of him?

Allred: I didn't appoint Josh Groce. I knew that this was going to be a law suit involving millions of dollars, against many people, and I knew that I, with four younger lawyers, with all of the other business we had, that I wouldn't have the time to attempt to do it. And I went to Judge Jack Roberts and told him that I needed some attorney that would take this on a part cash basis and part contingent basis, and I said I thought it ought to be some attorney in San Antonio. And he asked me if I had anybody in mind, and I told him that there were two lawyers that were very prominent lawyers that I had in mind and that I'd like to suggest to the court. And he asked me who, and I told him Josh Groce and Carl Wright Johnson. And Judge Roberts authorized me to confer with one or both of them and see if either one of them was interested, and then the court would talk with them and try to make out a fee arrangement. Well, I guess I've always been a liberal in politics. My brother Jimmie, who was always considered as a liberal, although he said later he thought he was not as liberal as people thought he was. But I knew Carl Wright Johnson was a liberal. And I knew that Josh Groce was a strong conservative, and I figured that somebody would be critical of me and of the court if I went to Carl Wright Johnson. That's a bad thing to have to say that you take business away from a man because...

Odom: You lean over backwards?

Allred: And lean over backwards, but nevertheless, I didn't go see Carl Wright Johnson, I went to see Josh Groce, a conservative lawyer who I think is a fine man and a fine lawyer. And he and I worked out

a fee arrangement--it was on a percentage basis but it had, I think, \$1,000 a month...

Odom: Yes, I believe that was it.

Allred: ...cash, because he was going to have to put somebody to work on it full-time, because it was going to be a full-time job. As you can see, to prepare and to assimilate all the evidence that's in a 250 or 275 page petition, it's going to take somebody months--many months, and it did, in fact, take...

Odom: That's for expenses mostly?

Allred: Yes, for expenses and what have you.

Odom: Well, did you know that Groce was also representing both the plaintiff and the defendants on the same suit, or is this true as it is alleged here?

Allred: I don't know. I know Mr. Groce was involved in some other litigations, but I didn't know what it was at the time, and I don't think I paid any attention to it if he had.

Odom: Really, the question of double representation, in other words, didn't really _____

Allred: I didn't really think it would have made any difference in connection with it. At any rate, Mr. Groce was appointed by Judge Roberts, and the fee arrangement was fixed by Judge Roberts, and Judge Roberts was the man who employed him and not me. I was, I guess, responsible for it, but, of course, somebody had to be, and Judge Roberts didn't have the time, and the receiver didn't have the time. They didn't have the inclination, I don't know. Anyway, I did it.

Odom: Yes. What about his charges here in exhibit number two on the

recovery of assets? Is there anything to the...

Allred: What is exhibit two?

Odom: Take a look at that.

Allred: I don't recall what that was about. I know this--that Josh Groce would have gone after anybody and everybody in connection with this matter.

Odom: Now you were--that's right--you wouldn't have any knowledge there with specific things since it's actually Mr. Groce who was handling the main part of it _____

Allred: That's right. Now it so happened that in October, after I had been relieved by the courts, Mr. Groce called me and wanted to know what I was going to do. And I told him that I thought I was coming to Bowie. Now in the same conversation he asked me my opinion as to Rudy Rice, assistant attorney general, that I'd worked with in these cases. And I told him he couldn't find anybody better. Now I have an idea, although Mr. Groce didn't tell me so, but I have an idea that Mr. Groce was fixing to offer me some employment in connection with this matter. But, I didn't want to become involved in it. I didn't want to get him involved in it even if he did, and I told him that I was coming to Bowie.

Odom: I see.

Allred: Well they had employed Rudy Rice. And Rudy Rice worked on this case...

Odom: Worked on this case?

Allred: Worked on this case as he did the ICT case.

Odom: What about his charge there on the expenses of the receivership of

the chancery hearings? Now would these be a normal expenditure of a receivership here to hold chancery hearings in a case like this?

Allred: It would be in a case where the parties for the receiver and the attorneys were diligent in their work and wanted to get to the bottom of it, and wanted to get all the facts and to interrogate the prospective parties and prospective defendants and get their story and their theory.

Odom: If they had some suspicion particularly of the activities and motives of the officials of the company that they were receivers for particularly.

Allred: Yes. That was the purpose of that. There's nothing improper with reference to that unless the owner complains about it.

Odom: This is normal, I suppose, for owners of a company or those people who have interest in it--the company in receivership--to have the expenses eating up the cash the company had, if the company had any cash. Or do you know?

Allred: I don't recall, I don't recall. I know most of the companies where we'd go in and find little cash if any.

Odom: Little if any, yes.

Allred: And to try to recover \$6,000,000 or any portion thereof, it takes someone....I know that you can claim some \$6,000 expense in connection with the chancery hearings.

Odom: Now sir, a more important question. What about these charges--and I'd like for you to comment on some--that you can recall, and I think you have a time or two maybe briefly alluded to them. But what about these charges of using your position to engage in political

activities. I believe I'm quoting your name, "injurious to the insurance industry and insurance department of the state of Texas."

Allred: Any charge, any statement, any charge that I used any influence as attorney for the receiver, liquidator, or anybody for political activities of anybody is absolutely false. I purposely stayed out of politics, even when I wanted to file the suit against the people in Texas Mutual. And I told Mr. Saunders and Mr. Smith in July that we were going to name L. W. Blanchard, and the court had instructed me to do this; I was not going to file that suit until after the primary election because I did not want it to become involved in politics. I think that was the year that Ralph Yarborough and Governor Shivers were in a hot primary. And then there was a run-off. I didn't think there'd be a run-off. And then there was a run-off. And I notified Mr. Saunders and Mr. Smith that I would not take any action until after that primary because I did not want the...the liquidation had stayed out of politics until these people got into it.

Odom: Making their charges.

Allred: Making their charges. It'd been out of politics. Nobody so far as I know knew and certainly not me because I voted, and that's all I did. I didn't take any active part for anybody, and I furnished no information to anybody about any of these receiverships--none whatsoever.

Odom: Were these charges and so on perhaps occasioned by some statements, I think, about insurance companies that Ralph Yarborough made? I don't know whether he made them in that election, that run-off, or

that primary, or that run-off or not, but I believe it's mentioned in there somewhere about some statement which then Judge Yarborough made.

Allred: Well, in 1948 or 1950, I believe it was. I don't know; I don't remember what year. One year that O'Daniel was running--he ran several times--but he made the statement that the corruption down in Austin was just peanuts back there years ago as compared to what it had gotten to be. And my wife and I kind of laughed about it and kidded about it, but the more I thought about it after I got in there and saw what I was seeing--with all these senators drawing money from the U. S. Trust, Moore drawing it from the Texas Mutual, those all politics--the more I came to the conclusion that maybe O'Daniel was right. But Ralph Yarborough, I understand, made a charge in one of the primaries that one of these companies--he didn't name any company--one of the companies was broke.

Odom: Yes, I remember that.

Allred: At a later time and when we get into this, I will quote John Ben Shepperd who refers to that statement made by Mr. Yarborough and which the Insurance Commission said was what broke the company. But Mr. Shepperd, and I quote from him, said that "it had no bearing whatever; it was already broke and had been broke for two or three years."

Odom: I see. Okay, that's for a later time when we get to the story there. I just wanted to ask you about these charges. I assume that nothing had arisen from the primary races here, the races between Governor Shivers...

Allred: Never, never did I participate in any election for anybody during any of the time that I was attorney for the receiver. I voted my vote as I saw it, as I wanted to vote it. That's all I did.

Odom: What about the charge of the attention and time being devoted to matters not in the line of duty? Do you think this was occasioned by the fact that you were attempting to find basis for charges against the officials of the company when they thought this should not be done?

Allred: I don't know what he's got in his mind about my doing something else other than my duties, but I do know that I worked harder, I believe, than anybody else under the same circumstances would have worked. Later on in the U. S. Trust and I. C. T. I was working eighteen hours a day, seven days a week. And every once in a while I just had to take off and get some rest, but I recall in the United Lloyds, for instance, V. F. Taylor and I left Austin one Friday afternoon to go to Carrizozo, New Mexico, I believe it was, someplace in New Mexico where United Lloyds had \$10,000 on deposit. We wanted to get that into the Texas receivership, and we were fearful that somebody in New Mexico would latch onto it. And Mr. Taylor and I drove until...we drove all the way 'til we go to Big Springs. We drove into a sand storm; the worst sand storm I've ever been in in my life. We got to Roswell the next morning, entered into an agreement with some parties in connection with that \$10,000. I believe that was on Thursday that we went. On Friday we did all of this; we had to go all the way from the middle of New Mexico down to close to, I believe, to Las Cruces, close to El Paso, within

thirty miles of El Paso, and get the judge's signature on the order authorizing the bank to pay the money to us. We went back to this little town--I can look it up on the map, it's really immaterial-- and the next morning at nine o'clock we were in that bank, got a cashier's check for that \$10,000, and drove lickety-split to El Paso to get it into the bank at twelve o'clock in El Paso, and we just barely made it. And I know I was pretty hot under the collar because the receiver...the then receiver, who had been out at El Paso on United Lloyds, had taken an airplane Friday afternoon and had gone home. And I wanted him there to make this deposit. And that's the kind of work that I did in order to try to get assets for the receivership.

Odom: Perhaps Mr. Odom's charge here reflects an attitude of the insurance industry and the insurance company that the Insurance Department and the receivers and the attorney for receivers were supposed to look out for the affairs of the insurance companies first and not represent necessarily the people of the state of Texas in the regulations. Is that correct?

Allred: Well, that might have been what he had in his mind, but I tell you he was looking at the wrong fellow when he was looking about the receivership. As an example, Byron Saunders and Garland Smith flew to Miami to this convention with Ben Jack Cage. I was at that convention.

Odom: You were?

Allred: I paid my own expenses. I wouldn't even let my auditor take that expense off my income tax.

Odom: Well, you can legitimately do that.

Allred: Maybe so. Maybe so, but maybe I didn't have any business being there. I was attorney for the receiver, but I was not a paid employee of the department, but was an examiner. But I wouldn't do it, and I didn't do it. And you know what? Nobody while I was down there brought any whiskey to my room; nobody took me in an airplane to Havana, Cuba, as they did the commissioners. I found out that maybe I was in the wrong part of the Insurance Department because I never did get any of these steak knives; I never did get any of these cigarette lighters, and I just must've been in the wrong...!!!

Odom: Well, aren't you really representing the same interests supposedly as the Insurance Department, that is the state board and the receiver, if you want? Or were you working for someone else, too?

Allred: No, you see, I wasn't working for anybody except for the receiver and as an examiner for the Insurance Department for which I received no compensation. Whenever they'd had a hard job they wanted done, they got me to do it, and I never received a penny working with the attorney general as an agent for the attorney general. The only money I received was money that I got from the receiver.

Odom: From the receiver. But still the receiver--I mean I'm looking at it from the standpoint of philosophy of law or something, I suppose--isn't he supposed to be representing the same interest?

Allred: He's supposed to be representing the creditors to try to get the money for them and not try to worry about some other insurance company.

Odom: You're not supposed to worry about any...you're representing the creditors then.

Allred: We were representing...

Odom: The insurance company now is representing broad...I mean, the Insurance Department, that is...

Allred: They represent live companies...live companies.

Odom: Yes. They're supposed to represent the people in the state of Texas, too, aren't they, to see to it that the insurance companies are regulated in the interest of the people in the state?

Allred: Well, I remarked at one of these Senate hearings...

Odom: Supposed to be.

Allred: I was asked a question by Senator Rogers one time after I'd been discharged and after the courts had abrogated their rights under the constitution, and under the laws. Senator Rogers said, "Well, isn't the receiver going to be representing the creditors?" And I said, "Well, I used to think so, Senator Rogers." (Chuckle) That was before things had changed, however.

Odom: So they really expected to be representing the insurance companies in this. I think that's perhaps what Mr. Odom may have meant.

Allred: Yes. Well, actually not, actually not. Now here was the problem that we got into. The first receiver was Will G. Knox...first liquidator receiver was Will G. Knox. From 1939 to 1954, sometime in between that period of time O. P. Lockhart, who was an insurance commissioner, life insurance commissioner, I believe, appointed him as legal examiner for the Insurance Department. They moved him over there, and he was trying to hold two jobs. He was trying to

represent as legal examiner the interest that Mr. Odom's talking about--the special interest. And at the same time with another hat on him, he was trying to handle the receiverships.

Odom: Should we get into this federal suit at Brownsville that talking about here in the latter part of that instrument there. I've jotted these down, and I've forgotten the details of it. It's in there toward the latter part. Perhaps it might be something that we will deal with later. I don't know.

Allred: Well, I'll tell you. No. Now that was Zachman vs. somebody. And Garland F. Smith, who's a different person from Garland A. Smith, represented some of these creditors. And they had this lawsuit. Actually I think they had some of the same rights. And I was employed by Garland F. Smith and by one of those clients as an attorney in that case, and I filed an answer in there...this was long after I had left Austin, while I was living in Bowie. And Mr. Smith was going to participate in these chancery hearing, the taking of testimony, and he, knowing that I was pretty familiar with it, he employed me to participate. And I did participate after I'd come to Bowie and while I was living in Bowie and after I'd been so-called discharged from the board--I'd been removed by the courts--and I spent, oh, I guess, a total of maybe thirty days over in a year's time in connection with that. I don't know much about the details of the Zachman suit but I did know the facts that we were trying to uncover. And...

Odom: Oh. Well, didn't he mention in there--and I didn't have a question written down on it or anything--about the resignation of the

receiver in early 1954. I don't recall your mentioning that in anything previous that we talked about. It may be in connection with something you're going to bring up yet.

Allred: Well, no, I hadn't mentioned it, but I don't mind telling you about it. Up until 1953 I had the utmost confidence in Will G. Knox, who had been the receiver, legal examiner. He's the one that tried to prevent me from taking the testimony of L. W. Blanchard, Senator Moore, and W. W. Heath. He's the man that either took me or I took him before the judge, and the judge told me to proceed. Now when I came back from Chicago in '52, the courts had increased my compensation considerably over what it had been to get me to come back. And they felt at that time that the receiver ought to have an increase, but one of the judges spoke up and said, "Well, he just works about half time on his receiverships; the balance of the time he's legal examiner. And I'm willing to pay him on the same basis Mr. Allred's being paid for half the time he gives to the receivership, but I'm not willing to pay him on that basis while he's over there as legal examiner and let them pay him." So they entered an order, and he was being paid the same amount of money as I was for the half time, but the other half time he wasn't drawing as much money as legal examiner. At a later time the district judges told him that they wanted him to either be receiver or legal examiner.

Odom: Not both.

Allred: He resigned as legal examiner and became receiver. I was complaining to him, and I was complaining to the board, and I was complaining to the courts about the expense of the receiverships. I thought

that the expense was getting out of hand, and the first thing I knew Will G. Knox resigned. Garland Smith, life insurance commissioner, entered an order appointing Floyd Herring as receiver, as liquidator. Floyd Herring had been a friend of mine and his wife had been...they had been friends of mine and my wife. I thought a great deal of Floyd Herring. Byron Saunders called me and asked me to come over to his office, and I did. And he said, "Renne, I want you to know that I had nothing to do with the appointment of Floyd Herring as liquidator. That was supposed to have been done by the board." But he said, "Garland Smith did that without talking to me about it, and I want you to tell the judges." And I went in and reported to the judges what he said, and the judges told Mr. Smith they wouldn't appoint Mr. Herring as receiver in their courts.

Odom: Really.

Allred: And, I know Floyd got pretty mad at me, and I explained to him that it wasn't personal with me, but "Chink" Smith was trying to assume responsibility he didn't have--"Chink," that's a nickname.

Odom: Yes, I know that's a nickname. I've heard it before.

Allred: Chink Smith was assuming responsibility he didn't have. And I reported to the court what Mr. Saunders had told me that he wanted me to do. So then they said, "Well, who can we appoint?" The commissioners then and the judges all agreed on J. D. Wheeler as receiver. And he became receiver sometime in the spring of 1954. I think Mr. Knox resigned in April or May.

Odom: Or liquidator, you mean.

Allred: Actually, liquidator and receiver.

Odom: And liquidator and receiver.

Allred: You see, he can be...

Odom: That's why I get confused sometimes by these two terms. He can be both.

Allred: Yes. He's both. He can be a liquidator without being a receiver. Under the liquidation statutes, he can go into a company as liquidator and not even go into a receivership.

Odom: Someone else will be the legal receiver. Both of these companies you were on, he was the receiver and you were the attorney for the receiver.

Allred: That's right. That's right. For instance in the case of Williams vs. Knox, 207 Southwestern Reporter, Second Series, on page 154, the Galveston court said, "Under this statute (meaning the liquidation statute) the court had the authority, which it exercised, in appointing Will G. Knox receiver. When so appointed he ceased to act as liquidator." The Supreme Court, later on they just ignored that and some other authorities which we can get to.

Odom: Okay, then. Mr. Wheeler, what was his background?

Allred: Mr. Wheeler had been a deputy-liquidator and deputy-receiver under Mr. Knox for a long time. And then he had gone into the casualty division as an employee. He worked on compensation insurance files, but I don't know exactly what he did do.

Odom: Do you have any knowledge of why Mr. Knox resigned? You didn't exactly say.

Allred: Well, about that time he was made a vice president of the International Life Insurance Company. Now just what prompted his seeking

that post, if he did seek it (I don't know if he did or not)...but anyway he got out. I made a statement a while ago that up till 1953 that I had the utmost confidence in him. But after he began trying to prevent me from doing what I thought was the right thing ...I recall in my mind about Christmas time of 1950 that I had gone down to the insurance receivership office and gotten the mail. And we were getting lots of checks coming in from various and sundry people. And I remember a check for \$1,000 coming in payable to Will G. Knox. And I called him at his home and asked him what that was, and if it was personal. He said that it was personal. And I took it out to his house and put it in his mailbox. I thought no more about it until 1953. In the meantime, you recall that I mentioned one of the assessment suits which was the case of Archie vs. Knox. We had gotten a judgment against all the policyholders in the Allied Underwriters. And I had gotten an agreement with Mr. Knox that we would not settle any of those cases for any amount less than the principal. If necessary we'd waive the interest. And I recall also that an insurance agent in Longview had a number of policyholders who were involved in that litigation. The first thing I knew one day, Mr. Knox told me he had settled that agent's list of policyholders, part of it on a 50 per cent basis and part of it 75 per cent. And when I was up in the bank I knew that cashier's check came from the First National Bank in Dallas--and when I was up there in one of the receiverships I went back to December of 1950 and ran the records of the bank and found that check. And I found that on December 21, 1950, the First National

cashier's check A-316087 was issued to Will G. Knox and the purchaser of that was the attorney for that particular agent. Now I don't know what that \$1,000 was for. But I do know that Knox didn't cash that check until May 24, 1951, nearly five months. If that had been a fee--normally when I get my checks in here with fees I get them in the bank as quick as I can.

Odom: (Chuckle) As quick as you can.

Allred: And he used \$500 of it to buy him a house in Austin and borrowed the balance of the money from the Republic National Life. Anyway I've carried that in my pocketbook since 1954.

Odom: All this time. Did you take any action on that?

Allred: Well the master in chancery who was court reporter for Judge Jack Roberts told Judge Roberts that he'd seen something that didn't look right and should ask me about it. And Judge Roberts asked me and I told him about it. I said, "Now judge, I don't know what it means. I'm not accusing anybody, but it just came back to my mind."

Odom: So then that's as far as you're concerned then as far as the individual connection with it. That's all that you know about it is...

Allred: That's all I did. I reported it to my judge.

Odom: You don't know what happened after that?

Allred: I'm sure nothing ever happened.

Odom: Sure nothing ever happened.

Allred: I'm sure nothing ever happened. I think I would have known if it had.

Odom: Do you think that Mr. Knox knew that you had reported this?

Allred: I doubt it.

Odom: You doubt it?

Allred: I doubt it. I doubt it. I didn't know what it was. I don't know if I would've reported it, except to Judge Roberts.

Odom: Let's see; I believe that's about all I had, based on that instrument. We could get back to the things you were unvolving there. Let me keep this out of the way.

Allred: Okay. On the tape the other day--and Mr. James did after we finished--raised the question about the fact that probably I had more authority as agent for the attorney general than the examiners had. But I jsut happened to find here in my...now that isn't correct. I found a statute that says that the chairman of the board, either in person or by one or more of the examiners, shall have free access of all insurance companies, summon and examine any person within this state under oath which he or any examiner may administer relative to the affairs and conditions of any insurance company, shall have free access to all the books and papers that the company agents have relating to the business affairs, then shall have the power to summon and examine under oath, the officers, agents, and employees of such company or any other person within the state relative to the affairs of such company.

Odom: He'd summon them under oath.

Allred: Yes, sir. The examiners could've subpoenaed these banks to bring in their records; they had the same powers that I did. It was easier for me with the attorney general and all, but I wanted...

Odom: They had that same power there.

Allred: Now in connection with the General American--I'm just about through-- I found a memorandum of some ten or fifteen pages dated January 20, 1954, addressed to C. B. Erwin covering the General American Casualty Company's operation in the Commonwealth of Kentucky, prepared by C. C. Schuchard in which he tells about going to Kentucky and his conferences with the Insurance Commission, and then going to the governor's office and going to the lieutenant governor's office, and then employing a district judge over there to represent them to get the insurance commissioner off their back --he's wanting to have a convention examination, and...

Odom: Would this have gotten them into their affairs elsewhere or just in Kentucky?

Allred: He wanted the convention examination which would be in all the states in which they were operating.

Odom: All states, that's right.

Allred: Now I don't know whether you're interested in this or not. This is the only copy I've got. I'll be glad to let you take it and read it. You read it and see if there's anything in it. It's rather interesting and shows something about politics of Kentucky...

Odom: Okay. I'll bring it back to you.

Allred: ...but that's the only copy I have. You can make a copy of it if you can make a xerox copy of it.

I think that brings us down to the attempt on the part of the Board of Insurance Commissioners to discharge me. In June of 1954 Mr. Wheeler and Mr. Saunders and Mr. Smith--we called them and asked them to meet us in our office. We were seeing these evidences

against Blanchard and General American the same as we'd seen in Texas Mutual.

Odom: This is you and your assistants you're talking about?

Allred: No, it was me and Mr. Wheeler, the receiver.

Odom: Oh, I misunderstood. I thought you said you called Mr. Wheeler with the company.

Allred: No, we called Mr. Saunders and Mr. Smith. Mr. Wheeler and I did.

Odom: Yes, I see.

Allred: At that time I told them I had been instructed by the judge to file this suit on Texas Mutual and that I had been instructed by Judge J. Harris Gardner to include everybody that had any connection with it whatsoever. First thing Mr. Saunders said, "Well, we're just going to have to let Mr. Blanchard go." And Garland Smith was kind of huffy and puffy, and he didn't have much to say. But later they called me over to the Insurance Department. I went over there, and Mr. Saunders, Mr. Smith, and Mr. Wentz were there. And Mr. Saunders and Mr. Smith tried to persuade me not to sue Mr. Blanchard. Mr. Wentz sat in; he had just been appointed and hadn't been in office long. Things got a little heated over there at that time, and I told them that I was going to follow the instructions of the court. The court had told me what to do and I was going to do it. Later Mr. Wentz called me, and I went over and I detailed to him the facts as I saw them.

Well, I anticipated that something was going to come of it. So on August 9, 1954, I secured from the courts an order in all of the receiverships, in all of the three courts, with reference to

our compensation. We had by written order or orally been appointed by the court, and they were confirming it, and listed all of the receiverships. Up until that time, the judges had always said that they had the power--that the liquidation statute was directory, and it was not mandatory, and one of the cases that I referred to showed that the attorney general could go in and put a company in a receivership without the board's action at all.

Odom: Yes. I recall.

Allred: Now, at that time we had, and the courts had these, Opinion #03695 by the attorney general; we had Opinion #3910; we had the case of Williams vs. Knox that I quoted from a while ago in which the Galveston court said that when he was appointed receiver, he ceased to act as liquidator; we had the case of Knox vs. Damascus, 200 Southwest Reporter, Second Series, on page 656, in which the Galveston court said that when a duly appointed and acting liquidator of a concern may have the power and authority to compound doubtful debts under certain circumstances, he would not be authorized to do so after he had been appointed receiver by the court, without express authority from the court appointing him; we had the case of State vs. National Old Life Insurance Company, 261 Northwestern, 902, where they had a statute with reference to the Secretary of the Department of Trade, and they had a constitutional provision just like ours, and they held that the statute was directory, that if it was mandatory it would be unconstitutional; we had the authorities from Appleman on insurance; there was a New Mexico case that I don't have before me.

Odom: Did Mr. Wheeler act with you in getting all these things now or were you doing this...

Allred: Mr. Wheeler didn't have anything to do with this. Byron Lockhart, V. F. Taylor, Fred Werkinthin, and W. O. Bowers, III, who had been appointed by the courts, and I. We were the ones who did it.

Odom: You were the ones who compiled these things and got specific receiverships...

Allred: ...specific authority from the court, but they were acting under these authorities at that time.

Odom: Yes.

Allred: Well, the next thing I knew the election was over, and on September 17, the Board wrote me a letter sent out to my home, sending me a copy of an order in which they were removing me as attorney for the receiver, liquidator, what have you, as counsel or employee of the receiver, liquidator, rehabilitator, conservator, appointed by the Board of Insurance Commissioners.

Odom: Yes.

Allred: And it says, "We trust you will understand the position of the board in this matter." (Chuckle) And they sent me that to me at my home.

Odom: Did you? (Laughter)

Allred: I did understand, and I wrote them a letter on September 20, 1954, acknowledging receipt of the order, and I told them that "I had never received any compensation as attorney for the liquidator, rehabilitator or conservator, appointed by the Board of Insurance Commissioners, and do not attempt to act as such attorney. I

challenge your right and authority to discharge me as attorney for the receiver who has been appointed by the receivership courts in connection with more than forty insolvent insurance companies now in receivership for the reason that the Board of Insurance Commissioners has never appointed a receiver of an insurance company and has never appointed the undersigned as attorney for a receiver of an insurance company. My authority as attorney for the receiver of the various insurance companies in receivership in Texas comes from the receivership court, and this is to advise you that I shall continue to act as attorney for the receiver in each insurance company in receivership until such time as the receivership court appointing me as such attorney, or some other legal authority has ordered me to cease to act as such attorney."

Odom: Now, let's see, at this point you had already put Texas Mutual into receivership.

Allred: Oh, yes.

Odom: But you had not filed any...

Allred: ...suit...

Odom: ...suit on the Lowry brothers or on anybody connected with it?

Allred: No. I told them, "I note in your letter of transmittal of this board order you make the statement, 'We trust you will understand the position of the board in this matter.' I believe I do understand the position of the board in this matter, but in order that the record may be clear, as to your position, I desire, since you did not give me any reason, to state my understanding of the position of the board in this matter. It is my understanding that

on June 20, 1954, the life and casualty commissioners were informed by the undersigned as attorney for the receiver of Texas Mutual Insurance Company that the receiver and his attorney had been instructed by the receivership court in the Texas Mutual case to institute a suit against all parties who had any connection with the fraud perpetrated upon innocent creditors and policyholders of Texas Mutual whose claims, incidentally, amount to in excess of a million dollars, such suit being in the nature of a conspiracy to defraud creditors. On that date the life and casualty commissioners were informed that it was the intention of the receiver and his attorney to include in said suit an employee of the board such employee whose name was given to you at that time, having been an employee of the board at the time of the organization of Texas Mutual, at the time the fraud was perpetrated, and is at the present time an employee of the board. The undersigned was of the opinion then and is of the opinion now that such employee of the board was not only a proper party but a necessary party in order to protect the rights of creditors. The fire commissioner was informed of this fact on June 30. On the latter date, the life and casualty commissioners each attempted to prevail upon the undersigned to eliminate such employee from such suit the degree of such attempt I must admit was more vigorous from the life commissioner. At that time you were informed that the suit would not be filed until July 24 or later, as I did not want the suit to become embroiled in politics, and later, by reason of events, you were informed that the suit would be delayed until after August 28 for the same reason.

You have also been informed that between July 24 and August 28, one of the parties to the proposed action died, and there had been a further delay in the filing of said suit to enable the attorneys for the receiver to investigate the law as to whether the cause of action survived as to such person." I have forgotten who that was at the moment. "You were advised also that the undersigned would not follow the dictation of the Board of Insurance Commissioners as to who should or should not be sued in connection with the matter, and I believe your position is that by reason of the fact that you could not prevail upon me to leave out of the lawsuit one of your employees, you have decided to take this action against me, since you apparently believe you have the authority to say who the creditors of Texas Mutual represented by the receiver may bring their cause of action against. I notice from the press that the chairman of the board is quoted as making a complaint about the cost of the receivership. The chairman would try to make it appear that I am responsible for the expenditures made by your liquidators' receiver. The chairman and the casualty commissioner both know that I counselled with the Board and the courts nearly a year ago about the expenditures being incurred by the Board's liquidator and receiver. Furthermore, you well know that I had nothing to do with the expenditures about which he complains, and he well knows, and you well know that the life and casualty commisioners have approved expenditures made by the board of liquidator's receiver, which I cautioned them against approving."

Odom: Pardon me, have we discussed that particular point; I don't think

we have talked about it.

Allred: Oh yes, well, I mentioned once before this afternoon that I had discussed it with the commissioners, also...

Odom: I believe you did, now; I didn't recall going into any detail on it.

Allred: Now continuing, "The life and casualty commisioners also well know that because of my action in calling the matter to their attention, to the attention of the courts, constructive changes have been made causing reduction in expenditures in the main office of the receiver and that further reductions are being made monthly under the new receiver. The chairman of the board also makes a complaint about the fact, he says, some of the cases dragged out much too long. I assure you the fact that some 24 insurance companies and subsidiaries have been turned over to the receiver since January 1, 1953, has not lightened the burden of the receiver, his staff, and his attorneys. I note also from the press that the chairman of the board has stated the action was taken 'because of the lack of cooperation between the legal division of the board, which attitude has been fostered, encouraged, and directed' by me. I challenge you to state any act of lack of cooperation from any member of the legal division, including myself and the board, other than my refusal to eliminate one of your employees from a lawsuit. I have always cooperated with the board in every way except as above outlined. As examples of my cooperation, I cite the face that I have gone outside the scope of my employment to aid the commission to assist you in the enforcement of the insurance law. You know that

as long as March of this year, I called to your attention evidence of grossly over-valued mortgages concerning a company that your examiner had found insolvent as of June 30, 1953, and this company is still doing business at the same old stand." I think that probably was Century Lloyds. "You well know that on June 29 of this year at your request I made an investigation without compensation to me of the Organization of Commercial Security Insurance Company. I told you before I had made the investigation, that from what I had seen in the office of the insurance department exactly what I would find. I did find those facts, and that company is in receivership. I wish to reiterate the statement I made to you on June 30 of this year that I felt a sense of responsibility to the board so long as such responsibility did not conflict with the rights of creditors in my duties to the courts, and when such conflict arose, as in the above referred to instance, I must resolve my duty in favor of the creditors in receivership for which I sincerely regret the situation has arisen." Here's a copy if you'd like it.

Odom: Do you have a copy of this?

Allred: You can keep that.

Odom: We can have this? Thank you.

Allred: And then, it came out in the papers, substantially what was in my letter there...

Odom: When did it come out in the paper?

Allred: September 19, Sunday, September 19.

Odom: This was the day before. Who gave the information to the press?

Were you interviewed on that or what?

Allred: I guess so; I don't recall at the moment. But it was in the Dallas Morning News. It's entirely possible; I may have taken a copy of it and gone by the press to...

Odom: Copy of your letter?

Allred: ...copy of my letter and left it with the press. Because I notice they quoted some of the things that I said in that letter.

Odom: You did not mention the name of Mr. Blanchard?

Allred: No. Not in the letter.

Odom: Not in the letter; what about the press? Did they know?

Allred: Not at that time. I didn't at that time. I didn't at that time. That was in the Dallas Morning News on the 19th and in the Austin American on September 21, an article by Raymond Brooks in which I stated that I continued to hold on to the receivership.

Odom: What was the next step in this?

Allred: The next step I didn't know about until later. (Chuckle) But the three insurance commissioners--at least two of them, I'm not sure about Mr. Wentz, but Saunders and Smith and maybe Mr. Wentz--appeared before Judges J. Harris Gardner, Judge Jack Roberts, Judge Charles O. Betts, and had a private consultation.

Odom: These are the judges...

Allred: That appointed me...

Odom: ...that appointed you?

Allred: Yes. And the judges had told me, after the order was entered by the board attempting to discharge me, that they would stand behind me.

Odom: They were notified as well as you at the time they attempted to

discharge you?

Allred: As far as I know about it, they read it in the paper.

Odom: Oh, they were not notified then; they just read it in the paper.

Allred: I don't know whether they did or not.

Odom: I see.

Allred: At any rate, I went to them immediately after that, and I told them that I was taking a position; I represented the courts, receiver under their orders, and they told me they would stand by me. All three of them told me that. But, one day the three judges called me.

Odom: About how long was this after _____?

Allred: It was sometime between September 20 and August 9.

Odom: You mean October 9?

Allred: October 9. And they gave me an opportunity to resign. In view of the fact that, as I explained to you before Mr. James came, I think, I don't want to say or do anything against the courts; they gave me an opportunity to resign. That was the impression. They didn't say so in so many words.

Odom: They didn't say so in so many words?

Allred: But I remember one of the judges said, "Renne, you know what you're up against?" I said, "Yes, I do." And, of course, I knew in my own mind what he was talking about. And I knew in my own mind it was coming from higher up than the insurance commission. He didn't tell me that but he said, "You know what you're up against." But I tell you...

Odom: Well, you think then that there was hope at that time that the activities you have mentioned more than once of the insurance

commissioners could be kept quiet; it would not be publicized, but that if this case came out that it perhaps would?

Allred: I don't know what...

Odom: Yes, I know you don't.

Allred: ...what might have been in their minds. However, part of this had already come out in the case of Moreland vs. Knox; the testimony is outlined in detail by Judge Robert Hughes in the Court of Civil Appeals.

Odom: Yes, I recall.

Allred: That had come out and that was known, but they let me know that I could resign, but I wasn't about to do that. They had taken the position all along that they had the exclusive power under the attorney general's opinion, the court's decisions, and the inherent power of the court to act. And they'd asked me less than a year before to come back from Chicago, give up an opportunity that was a real opportunity.

Odom: These same judges.

Allred: These three same judges. They wrote me, and they called me in Chicago. And they were in conflict with the board at that time about my coming back, about my compensation. And they said they were going to fix my compensation which the board didn't fix, and I wasn't about to let them off the hook--those three judges--that easy. I was going to make them do it the hard way, so I either was going to make them remove me or stand by me as they told me they would do. So on October 9, I wrote the three judges this letter. "I have given considerable thought to our discussion concerning

the attempt by the board to discharge me as attorney for the receiver. Since it is my belief that I should not be penalized without an opportunity to be heard when I have at all times consulted with and acted upon the instructions of you three gentlemen as judges of the receivership court, I have deemed it advisable to file a petition for allocation of my compensation and have set out my belief of the reasons why the board has so acted. These petitions are being filed in the Texas Mutual, Lloyds of Great State, and General American receiverships so that the matter will be before each of the three courts, and each of you will have something before you to act upon one way or the other. I have delayed taking action up to now in view of the statements in the newspaper made by the chairman of the board that the matter would be immediately taken to the appellate courts. This they have not done. And I feel that in fairness to the other four lawyers, the receiverships, and myself, I should proceed." Now two of these lawyers, Mr. Lockhart and Mr. Taylor, wanted to join with me in this motion that I filed, and the other two lawyers, Mr. Werkinthin and Mr. Bowers, did not. And I told Mr. Taylor and Mr. Lockhart that there wasn't any use in them getting their necks chopped off, too, and I was going to on my own.

Odom: Now this would be then when the judges would really take the action.

Allred: They'd have to...

Odom: They'd have to take it.

Allred: They'd have to take it one way or the other. I filed those on October 11. And on the same day without passing upon my petition

in any way the three judges entered an order setting aside my appointment in all of these receiverships. Trying to follow the law as I think a lawyer should do when the court speaks, I must obey the court; and I stepped aside. That was in October--October 11 --and about that time I made my preparations to move to Bowie and did move here on November 1 of 1954.

Odom: Excuse me, Mr. Allred. Let me ask you this question about time. Here in late September and early October when the issue is going, were you consulting with anybody about what you should do or about what should be done?

Allred: No, nobody except the four lawyers.

Odom: the four lawyers, I understand. I meant in addition to them.

Allred: No, I didn't consult with anyone.

Odom: You didn't consult with anyone. Yes, I see.

Allred: And I wanted to eliminate...since all four of us couldn't join together, since two of them wouldn't, I didn't want to...if all four of them...all five of us...

Odom: What would've happened if all five of you had made an issue of it?

Allred: I don't know. It might've been the difference. But since two of them didn't want to do it, I didn't want the other two to stick their necks out. But, you know, it's a rather peculiar thing. On December 1, 1954, Mr. Byron Lockhart, one of the attorneys, wrote a memorandum to Mr. Emmett Shelton concerning the Texas Mutual fraud suit, and...

Odom: Who is Mr. Shelton, pardon me?

Allred: He was the man that was appointed to succeed me...

Odom: Oh, I see.

Allred: ...as attorney for the liquidator, rehabilitator, conservator, and receiver. And he details the facts about who should be sued and the reasons why they should be sued. And originally Mr. Lockhart had not agreed with me on L. W. Blanchard, but in this memorandum he details the evidence against Mr. Blanchard. And he said, closing his memorandum, "On the basis solely of the information detailed above, it is one man's opinion, my own, that our duty to the creditors of Texas Mutual ~~compels~~^{compels} the inclusion of both Mr. Thompson and Mr. Blanchard as defendants in our conspiracy suit. I do not believe that Robert R. Butler should be included." Now this is the only copy that I have of this. If you would like to take it and read it and maybe make copies of it. It's a poor copy.

Odom: Well, we might not be able to do it. It may be hard to do, but we could type some of it if we have enough time. What about the further reaction of the press at the time, Mr. Allred? Did it cause much of a stir beyond the first release of this thing which we mentioned a while ago?

Allred: Well, there were some articles in the paper about the courts entering the order and setting aside the orders appointing me and...

Odom: But not a great deal of furor.

Allred: Well, Mr. Raymond Brooks in one of his articles that I have here somewhere said that in connection with this U. S. Trust when I was giving testimony, he said that I had vented my pique (chuckle) of the well-known boot. But that was referred to later. Also it was in all the papers that I had been removed by the courts, and I

stepped aside.

Odom: But not much speculation about it.

Allred: Now this thing here--they filed that lawsuit, Texas Mutual, and they eliminated L. W. Blanchard. Now Mr. Lockhart didn't get fired because he said he ought to be.

Odom: He recommended that he ought to be, but they didn't...

Allred: They didn't fire him.

Odom: They didn't fire him.

Allred: But they did sue Senator Moore.

Odom: Oh, they did?

Allred: Yes, they sued Senator Moore. And you know what happened? They sued Senator Moore and Tom Taylor, one of his friends up at Bryan, and...

Odom: They didn't sue Mr. Heath?

Allred: They didn't sue Mr. Heath, and I don't think I would've ever included Mr. Heath in it, although I was contemplating...I was thinking about it. And I was looking at every possibility, and I think maybe that might have been the thing that caused my downfall--even considering Mr. Heath.

Odom: Could be.

Allred: I know this that the State Bar Grievance Committee invited Judge Hughes and me to appear before them in connection with this matter, and they were wanting to know about Mr. Heath. And they were trying to prevail upon me not to involve Mr. Heath in anything. This was in Austin.

Odom: What about this hearing now? When did it come?

Allred: Oh, that was...

Odom: Much later or...?

Allred: No, that was before I ever left there.

Odom: Oh, this was before you left?

Allred: Yes. They were trying--whoever was on that committee, I don't remember now...And one of the judges mentioned Mr. Heath. He hated to see Mr. Heath involved in this. And I rather imagine Mr. Heath is a pretty prominent fellow, and that might have been my downfall. But Mr. Moore filed a plea of privilege to be sued in his home county. And under the law a man has the right to be sued in his home county except under certain exceptions which the statute sets out, and that is where you have a resident defendant and a cause of action--allege a cause of action similiar against them. You can maintain it against the residence of any one defendant if they have the resident defendants. And Mr. Shelton didn't even file a controverting plea to Mr. Moore's plea of privilege, and Tom Taylor's plea of privilege. Of course they got the case transferred then up to Bryan. And Mr. Shelton appeared in the trial court down in Beaumont. And I was told--now I don't remember who told me this--but one of the parties that was present told me that he told the court that he would like for the court to sustain the exceptions to the receiver's pleadings so he could appeal it and find out what the liabilities of the banks were. Well, who ever heard of a plaintiff trying to get the judge to sustain the exceptions to throw him out of court? I never heard of that before.

Odom: (Chuckle)

Allred: Now I was fearful when I heard that that maybe the order of the trial court showed that. Well if he had asked him to do it and the order had shown it, he had asked for it, see? But, I checked it and the order wasn't in there. So the trial court sustained the exceptions and dismissed as to everybody except...well they dismissed as to a number of them. And the Beaumont Court of Civil Appeals held that the receiver could not maintain the conspiracy suit and that the banks were not liable. That's decided in Wheeler vs. American National Bank, 338 Southwestern Reporter, Second Series, on page 486. But the Supreme Court held that based on the pleadings alone--now that's all they had, they didn't have anything else--but based on the pleadings alone, the receiver could maintain the suit for conspiracy on behalf of creditors. But since the pleadings did not connect the banks with the overall conspiracy, they couldn't maintain the suit against the banks under the conspiracy count. But under the pleadings of the receiver that he could maintain the suit against the banks for those \$20,000 and \$50,000 deposits--year-end things that they had set up as fictitious loans. And the bank was estopped from denying these year-end transactions, and they couldn't contend from the pleadings now, as alleged by the pleadings, that they couldn't contend that it wasn't the money of Texas Mutual since they had done that. Now whatever finally happened to it, I don't know.

Odom: Sir, by the way what was Mr. Shelton's background--the man who replaced you? I don't know anything about him.

Allred: Oh, he was a lawyer in Austin for a number of years. I never knew

too much about him. He wasn't experienced in any of this. Then in February of 1957, Mr. Shelton resigned. And I don't have the date of this, but I mailed it to Senator Secrist, who was on the investigating committee. Article from the paper says Shelton Quits Legal Post Over Policy. "Emmet Shelton, Tuesday, resigned as chief of Legal section of Liquidator Department of Texas Insurance Commission. In a letter addressed to the Commission, Shelton protested what he said were new policies aimed at reducing members of the liquidator's legal staff from that of lawyers to one of bureaucratic clerks. 'I could not and do not intend to conform to any such policy.' He also alleged that one member of the three man board was intent on making the legal staff of the liquidator a prime target upon which to leave his mark on the affairs of state before his term ran out in February. The term of Morris Brownlee of Houston, appointed by governor Allan Shivers to fill a vacancy created by the resignation of Garland A. Smith about a year ago expires next month. Shivers recently named John Osorio an executive aide to the commission. That appointment awaits confirmation by the Senate." I don't know why I sent this to Jarred Secrist but I may have done it to ask him to tell me what he thought about it. He said, "Your guess is as good as mine as to what about this." He said, "Your guess is as good as mine as to your successor. I tell you, I'll talk with Bob Lockhart--Bob L. means Bob Lockhart--someday and get the story."

Then on February 11, 1957, Mr. Shelton wrote John M. Barron, an attorney at Bryan who is now district judge there and told him

about having severed his connection with the liquidator, about January 10, I guess is the date. And he said, "The trial court at Beaumont granted your plea of privilege in behalf of Mr. Moore and the record was forwarded to Brazos County. The suit was filed immediately after my appointment as attorney for the receiver. After reviewing the record, I became convinced that the receiver had no case against Mr. Moore and frankly told the receiver such to be the case. At such time I informed you and Mr. Moore that it was my intention to not contest the plea of privilege as we could not sustain the burden of proof necessary to hold venue in Jefferson County. After the change of venue, it was my intention to not contest any move you might make towards dismissing the action against Mr. Moore in Brazos County. Since I am no longer connected with the state liquidator, I feel I should give you this information in writing so that you might take it up with the court there, or with any other attorney that might hereafter be representing the receiver. Mr. Wheeler, the receiver, was duly informed during the progress of the case, and any change of view from that stated above would in my opinion be a violation of confidence. That decision was a matter to face not only for my recommendation--we did not have a case against Mr. Moore--but also upon the practical side of the suit--cost of obtaining a judgment would be far more than we might profitably collect for the creditors." Now he took that action in the face of all of the evidence as set out in Moreland vs. Knox and the opinion by Judge Robert G. Hughes. From Lockhart's memorandum he eliminated Blanchard, but he didn't eliminate

Mr. Moore at that time.

Odom: I suppose there's probably about as good a case against one as the other. I was trying to recall all the things that you detailed.

Allred: Maybe a stronger case against Moore than there was against Blanchard.

Odom: Is that so?

Allred: Probably so.

Odom: Don't let me forget, Mr. Allred, when I get through here, I want to be sure and mark the ones you want me to return.

Allred: Okay.

Odom: There's another one here, I think. Yes. Some of them you said I could keep; some of them I'll need to return. I need to have them marked so I won't forget.

Allred: Okay.

Odom: You did take some further action in this, though, didn't you at some time or another?

Allred: Well, I was sitting up here in my office--maybe my home, I don't know--in August of 1955. And I was reading in This Week magazine of date August 7, 1955, an article entitled "The Judge's Confession, 'I was wrong'" by Frederick M. Meek, minister of the Old South Church in Boston. This is what he said: "We all make our share of the world's mistakes, but how hard it is to admit it! That is why it is so good to remember old Judge Samuel Sewall, a man who many years ago, was not afraid to say, 'I was wrong!'"

"Here in Boston in the 1690's Sewall had been a member of the Governor's Special Commission which tried the famous Salem witchcraft cases. He was one of the judges who passed the verdict of

'guilty' on the so-called witches. But later Sewall became convinced that his judgment had been wrong.

"And so, on a cold January day in 1697, as the Reverend Samuel Willard walked down to the pulpit, Judge Sewall handed him a document, requesting that it be read before all the people. On that paper Judge Sewall had written that he was wrong in his verdict of five years before. He asked forgiveness from men--and from God.

"In no other hour has this New England jurist seemed as brave or good a man as when he stood before the congregation in the Old South Meeting House while the minister read his confession: 'I was wrong.'

"I OFTEN think that those three words mean more than many a sermon. Most of us struggle so desperately against admitting our mistakes. We imagine that it tears us down. But actually it is the reverse, for to admit that we have been wrong is a sign of bigness. It renews people's faith in us. It opens the way to new beginnings.

"In a country like ours, where we share ideas and trust each other, part of our free strength comes in the fact that our finest tradition respects a man who is not afraid to say, 'I was wrong.'"

I had my secretary make some copies of that, and I put it down in a file. I had no idea what I would ever do with it, but anyway I kept it.

Odom: You didn't send it to the judge, did you?

Allred: Well, I'll get to that a little bit later. (Chuckle)

Odom: Okay. (Chuckle)

Allred: Now in the U. S. Trust and Guaranty...I want to go back a little bit. My relationship with Mr. Saunders back in March and April in United Lloyds, we discussed many companies together. Mr. Saunders was talking to me about various and sundry companies such...he talked with me about the Lloyds before it went in receivership. They even sent me out there. He talked to me about the General American; he talked to me about the Pioneer; and he talked to me about the Commercial Security. And sometime in the summer of 1954--and I know it's bound to have been before the July primary--he told me that the U. S. Trust was broke, and it looked like that they'd have to put them in receivership, and "you better get ready."

Now on August 13--in the meantime I'd had this disagreement with them--Mr. Byron Lockhart furnished me with a memorandum dated August 12, 1954, addressed to me from the U. S. Trust and Guaranty Company. And I wrote a letter to the three commissioners and sent them this memorandum.

Odom: This is Mr. Shoemake's company.

Allred: This is the U. S. Trust, A. B. Shoemake Company. And I sent them about another company but whether they ever went in receivership, I don't know, and I don't recall the details about it. But this memorandum of Mr. Lockhart's shows that from the information which he had as of August, 1954, that the U. S. Trust was insolvent and that it had over-estimated its assets by something like \$1,000,000. Now there's a copy of that memorandum. I want to take this letter out because it has another company and I don't know whether it ever went in receivership, so I don't want it to get out. But I told

them that Lockhart had originally lived in Waco, and that he had made an investigation and furnished me with that. And now I wasn't satisfied with mailing that down to the commissioner.

Odom: Do you have an extra copy of this?

Allred: Yes. I have an extra copy.

Odom: All right, thank you.

Allred: So I went down and personally delivered to Mr. Saunders and Mr. Wentz a copy of that memorandum and my letter.

Odom: This was now the time the scheme was already developed. No, this is before or was it after?

Allred: No, this is before the U. S. Trust developed, but it was after my discussion with them and before they had discharged me.

Odom: Yes, that's what I meant.

Allred: And Mr. Smith wasn't there that day so I made another trip. I didn't want that to get in the hands of somebody in the Insurance Department, and I didn't want those three commissioners to later on say, "I never saw it." And I personally delivered it.

Odom: That's right. You wanted to personally deliver it to them. You finally did personally deliver it to them?

Allred: I personally delivered it to every one of them. Now that was after I'd notified Saunders and Smith that we were going to sue Blanchard, and our next contact with anyone in connection with any of these matters was about December 15 when the U.S. Trust was placed in receivership. Now that was December 15, 1955. When I make that statement, I don't want to make it appear that I had not before December 15, 1955, talked to Will Wilson and

J. Byron Saunders in November of 1956. No, well, yes. It was after that time that I talked with him, but I didn't want to forget that contact because that comes into another...that is in 1956. I hadn't had any connection with anything until December 15, 1955.

Now from August to December the board in its records on June 24 of 1955 found U. S. Trust was insolvent, but they permitted it to run until December of 1955. I didn't know it at that time, but Claude Diebel, an assistant state auditor, had told them in May or June of 1954 that U. S. Trust was in trouble. Now that was at the same time that Saunders told me it was broke...looked like it was broke, but I didn't know that Claude Diebel had done that until later on. So I went to the court house, and I went to see Judge Charles O. Betts.

Odom: This is in December of 1955.

Allred: About December 15. It had just broken within a day or two, and I was there on something else. I wasn't there in connection with this. And I went to see Judge Betts, and I said, "Judge Betts, I want to tell you that in August of 1954 I warned the commission of this thing. I want you to know about it." I told him also about this Home company, I think, at that time. And at that time Judge Betts when he got through said he appreciated my coming by, and at that time he apologized to me for what he had done to me. He said he was wrong. He knew he was wrong, and he hoped that I would forgive him. The other two judges had signed this order. Now I don't know what caused him to sign it, but I know during this period of time that I don't think there was ever a time that I went to my

church down here that I didn't pray for Judge Betts. Anyway, I told him to forget about it; it was all right; it was all right, forget about it. I came back to Bowie, and I sent him the original of "I Was Wrong." And I thought I was saying to him that he was a great man for saying that he was wrong. He later told me that he was awful mad at me when he got that.

Odom: Oh sure enough.

Allred: But I told him, "Well, Judge, I thought I was saying that you were a big man."

Odom: He probably read the earlier part and thought you were accusing him _____ (Chuckle)

Allred: I guess so. I don't know. But anyway we became very close and still are. I had a letter from him the other day in connection with the James V. Allred Memorial. I sent him a copy of the program.

Odom: Mr. Allred, maybe you don't want to answer or can't answer, but could you describe your feelings about this thing after the court had told you to step aside? You came back to Bowie and you stayed for nearly a year...over a year here, didn't really have much more to do with this. What kind of feelings did you have after something like this?

Allred: Well, I had a feeling...

Odom: If you can recall what it was like.

Allred: I had a feeling that...I was kind of sick at heart, because I knew that those judges knew that I was right. I knew that they knew what these authorities were, what the law was, what the attorney general had three or four times found was the truth--the law. And

I knew that they knew I was right. And I couldn't understand it, because I had never let anything like that happen to me when I was district judge. I wouldn't have done it.

Odom: Well, they're secure aren't they? I mean they have no way _____

Allred: They could have had an opponent at another election.

Odom: Oh really.

Allred: And pressure...

Odom: I see.

Allred: ...from opponents until they are sixty-five and have served twenty years. They're not immune, see.

Odom: I didn't think about that.

Allred: Anyway, immediately the...

Odom: After you told Judge Betts about this, did anything come of this? Is that what you're going to do now?

Allred: No, I just wanted him to know that...

Odom: You had informed the Commission?

Allred: I wanted him to know about it. So I began to looking for my copy of the memorandum of August 12 from Mr. Lockhart.

Odom: This one I have here?

Allred: Yes, I mean I couldn't find any in my files anywhere back in '56. So I wrote Byron Lockhart a letter. I appeared before the Senate Committee before this. But I wrote him a latter and on January 6, 1956, he mailed me a copy of this memorandum. I couldn't find my copy anywhere. But anyway, in the meantime (I have the original envelope here) the U. S. Senate Investigating Committee met on December 22.

Odom: The U. S. Senate Investigating Committee?

Allred: The Senate Investigating Committee...

Odom: ...of Texas?

Allred: Texas, yes.

Odom: That's what I thought.

Allred: It met in connection with the U. S. Trust and Guaranty. And when I went to Austin (I went there for that hearing), I had already prepared a statement addressed to Searcy Bracewell, chairman of the Senate Committee. And I thought they were going to go into things and so they interrogated Mr. Cavness then they decided they'd postpone it. So before they recessed, I told Senator Bracewell that I had a statement that I wanted to make in connection with it. And I read to the committee this letter addressed to Senator Searcy Bracewell, chairman Senate Investigating Committee, Austin, Texas.

"Dear Sir: According to the Press, your Committee expects to inquire as to why the Board of Insurance Commissioners waited from June, 1955, until December, 1955, to act on U. S. Trust. It is suggested that you might inquire as to why they did not take action in the summer of 1954. They knew at that time of its precarious, if not insolvent, condition. My first information concerning its financial condition was when Byron Saunders, Casualty Insurance Commissioner, told me in the summer of 1954, as Attorney for the Liquidator, 'U. S. Trust is broke. It looks like we will have to put it in receivership. You better get ready.'

"It is suggested that you might inquire of the Board to see a memorandum dated August 12, 1954, from one of my associate lawyers

to me which was transmitted by me to the Board then as to apparent inflated assets of U. S. Trust. You might inquire as to when and why the Board permitted outside examiner Charles K. Leslie to examine it instead of the Board's examiners.

"According to the Press also, the Governor says he hopes no graft or bribery is involved in the U. S. Trust. There was evidence of it in Texas Mutual now in receivership and General American now in receivership. This is a matter of public record. A part of this evidence was uncovered by me and I was discharged. If there should be any graft or bribery in U. S. Trust, it is my belief that unless it is uncovered by some legislative committee or some grand jury it will not be permitted by the Board to be disclosed, since the receiver and his staff are now under complete domination of the Board, and have been since October 11, 1954, and they are not permitted to take any action without Board approval. In fact, the receiver can not get an order signed by any of the receivership courts without first obtaining the signature of at least one member of the Board on the order. I was stopped from getting at the truth because the evidence uncovered by me showed as stated in the opinion in the Texas Mutual Case, Board employees were guilty of 'gross if not criminal laxity in the enforcement of the insurance laws.' Respectfully submitted, Renne Allred, Jr., Bowie, Texas."

Odom: And that's all. You read this...

Allred: I read that...

Odom: ...to the...

Allred: And Mr. Bracewell said, "Mr. Allred, would you be sworn?" And I

was sworn. He said, "Will you read this again under oath?" And I read it again under oath.

Odom: This would've been in January of 1956.

Allred: This is December 22, 1955.

Odom: Oh, the Senate wasn't in session.

Allred: Now I can, by reading into this a few excerpts from the Austin Report, get more information and data which I vouched for quicker than I can try to go into it myself.

Odom: Okay, if you'd like to handle it that way.

Allred: January 1, 1956, Austin Report: "Texas got its holiday well peppered with insurance scandals. Just as the U. S. Trust scandal was beginning to simmer down a bit Josh Groce of San Antonio and Rudy Rice, member of his law firm, walked into the Travis County Courthouse with a 266-page petition bringing suit against officers, directors, and underwriters of defunct General American Insurance Company and its predecessor companies for \$6,000,000. Groce is attorney for receiver J. D. Wheeler, who led to the cause of the conspiracy to defraud the public in General American operations, policyholders, claimants, creditors, and \$2,000,000 worth of stock. Owners had lost that amount. Also sued were two banks which had made loans for the company near the year's end to bolster up its assets' table. But the hot sauce on the General American's enchiladas was a portion of the suit against the surety companies which had written \$10,000 bonds on four examiners for the Board of Insurance Commissioners and against the examiners themselves. Chief examiner L. W. Blanchard, his assistant Robert Butler, two

field examiners, William J. Noad and Lee L. Pfefferkorn were charged with joining in conspiracy by making false examinations showing General American to be solvent when it was actually broke and should have been put out of business. Blanchard and Butler were taken on deer hunts twice by company executives C. B. Erwin, George Cowden, and R. D. Cowden. Noad was given \$135 to pay his rent according to this petition. The petition weaves a startling story of corporate financing, of false real estate valuations, of check kiting. In late December their cash balances looked bigger, over a period of five years during which General American and its predecessor firms were actually insolvent, showing that solvent and profitable in financial statements, luring more and more stockholders. About 500 stockholders outside the officers and directors have \$2,000,000 in the firm. Other debts bring the total deficit to \$4,890,000; the total of liabilities comes to \$6,578,289 and firm assets only \$683,910. Even doubtful assets come to only \$1,500,000, giving a real measure of how broke the company was when the board finally liquidated it. Saturday morning the board had a special meeting and decided to suspend the four examiners without pay pending the investigation and charges. Chairman Garland A. Smith was asked if he recalled the allegation against Blanchard and another examiner since resigning the Texas Mutual case. He said he checked them out at the time and found Blanchard okay. Smith also said he told Renne Allred, Jr., former attorney for the liquidator, that he didn't think Blanchard should be sued in the Texas Mutual case. Allred thinks his determination to sue Blanchard then was the

reason the board fired him a year ago. Groce had told Smith that he might have to sue some board employees but didn't give the board the details until late Friday when the petition was filed. The suit seeks \$10,000 against each of the Surety Companies."

Odom: Did you talk to Mr. Groce or to Rudy Rice in their working out this case anytime afterwards?

Allred: In 1955?

Odom: Yes.

Allred: After the suit was filed or before?

Odom: Before.

Allred: Yes, as I told you before, I participated in some of the interrogation of witnesses.

Odom: Oh, that's right. I recall now.

Allred: Then on January 8, Austin Report, 1956: "As a chorus of demands for special session of the legislature developed from legislators, Shivers had a press conference to renew his endorsement of the board and to plan the change of chairs by Smith and Saunders. In the meantime Smith had resigned as chairman, and Saunders had been appointed. The life commissioner had always been chairman of the board, but he renewed his endorsement of the board. But what made the biggest headlines of the week were revelations of who was hired by U. S. Trust and side bar stories of all kinds that city editors sent reporters digging deeply for news. The Houston Post checked out confirmation from Smith and published that Mr. and Mrs. Smith had gone to Honolulu last spring as guests of Mr. and Mrs. Charles McCormick. The senators were Senator Rogers Kelley, \$4,800 to

his law firm, Senator Kilmer Corbin, \$500, Representative Burt McDaniel, doesn't give any amount. State auditor Caveness has found a \$15,000 and two \$5,000 checks made out to cash and charged against legal expenses in the January-June 1956 period. No checks have been found for Senators Carlos Ashley and Jep Fuller."

Now my brother Jimmie sent me an editorial from the Houston Press dated January 14, 1956, signed by George Carmack, the editor, in which he outlines the story of two men. The two men are Allan Shivers, Governor of Texas, and Harry S. Truman, President of the United States, and he tells about the corruption in the Truman administration. And then he comes down and says, "The Shivers administration has had its veterans' land scandal. It now has its insurance scandal even worse than the veterans' land scandal situation. And Allan Shivers has remained just as silent in Austin as Harry Truman did in Washington. The things that are happening in Texas are a shame and a disgrace." And he talks about the trip to...he says, "The first thing that Allan Shivers should do is call for the resignation of two of the three members of the Insurance Commission. These two men should never have been appointed in the first place. Both were former campaign managers for Allan Shivers, and no political campaign manager should be put in a place as sensitive as the Insurance Commission. 'Chink' Smith admitted it. He collected money for the Shivers campaign. Political campaign managers of necessity have accepted too many favors. That these two men have accepted favors, it seemed to us, indefensible. We can't imagine any man, as one commissioner did, accepting the trip

to Hawaii for his wife and himself from anyone other than a close relative." Then he talks about the trip to Mexico City and the trip to California and...

Odom: This is still in January, I suppose, of 1956.

Allred: January 14, 1956. And they were talking, also, that they needed some new laws. Everybody was saying, "We need new laws." I took the position then and so told the investigating committees of the Senate and the House that we didn't need any new laws. We needed honest enforcement.

Odom: Mr. James has written a sort of summary of the two viewpoints here on that, and I asked you to comment on those, and you did.

Allred: That's all they needed. They just needed honest enforcement. And I read in the letters from the readers which I don't read anymore-- I used to read them pretty regular when we were in politics, when my brother was--dated January 23, 1956. A letter from a gentleman says, "Some are suggesting tighter insurance laws. White-washing the pumps won't purify the water." Now January 19, 1959--I'm getting a little bit ahead of time here--in the meantime Mr. Saunders testified, and he said that he denied the statement made by me that he had told me that U. S. Trust was broke.

Odom: He testified before the Senate investigating committee?

Allred: Yes, yes. He testified before them, and...

Odom: Well, when did you start finding that they delayed putting these companies into receiverships in order to try to save the companies?

Allred: Oh, they claimed that all the time, everybody.

Odom: They claimed that all the time.

Allred: Everybody in the Insurance Department over there says that, but it don't seem to do any good. They all go under eventually and usually lose everything. But the thing that I don't understand is why Mr. Saunders would berate me, talk about my inability as a lawyer, which he did before the Senate, and say that he didn't tell me that it was broke when Clark Diebel was telling them about the same time in May or June of 1954 that it was a serious problem.

Odom: Well, when did that come out now...

Allred: That's...that came out...

Odom: ...the Diebel thing? You said you didn't know at the time.

Allred: Well, I'm sure I knew it later when it came out, but I've got it right here, and I'll get to it in a minute. But Houston Post, December 2...

Odom: Okay.

Allred: Houston Post, December 25, 1955, under the by-line of Tom Martin said, "Mr. Allred testified under oath one of the commissioners, Byron Saunders of Tyler, had told him, 'It looks like U. S. Trust and Guaranty is broke. We'll have to do something about it.' Mr. Saunders, quizzed on this point, admitted that he may have mentioned something like that to Mr. Allred, but he couldn't recall definitely, but he swore positively before the investigating committee."

The Texas Observer issue of December 21: "Saunders, being questioned, replied, 'As I remember, Mr. Allred went to Dallas and stopped in at Waco and wrote a statement more or less in the form of a warning. He may've said the company was insolvent. That was

probably about July or August, 1954.' 'Did Mr. Saunders tell Allred that he, Saunders, believed U. S. Trust was insolvent and would have to be put in receiver?' the observer asked Saunders. 'It is possible that I did say that it was, but I had no legal proof that it was,' Saunders replied. Insurance Commissioner Garland Smith said he'd remembered that Allred did write a memo, but it contained no more than we had surmised before."

Now if they had surmised before what I wrote them in August of 1954 they surmised that the mortgages were excessive by \$1,000,000 and that the surplus and capital was wiped out, and the company was insolvent. Now Mr. Saunders said I was discharged because of my inability as a lawyer which caused me to bring forth his rating in Martindale-Hubbell Law Directory compared to mine.

Odom: So it's caused you to...

Allred: To bring forth what they showed. They showed him as a B. V. lawyer, and they showed me as A. V. lawyer, and...

Odom: What does that mean?

Allred: Well, B. V. means a good lawyer, and A. V. means excellent.

Odom: I see.

Allred: And after I came to Bowie, I wrote Martindale-Hubbell a letter and told him that in view of my experience that I felt like I was entitled to an A rating. I had A. V. rating. And I gave as my reference the three district judges who had removed me, and one of those judges I know got a letter from Martindale-Hubbell and replied to it. And I think that's where I got my reference to Martindale-Hubble. Anyway, they wrote me a letter and said, "We are pleased

to inform you that as a result of recent investigation of your professional standing, a file has been established which will support the publication of an A. V.-5 G. rating for you in the 1956 edition of the Martindale-Hubbell Law Directory.

Odom: I didn't realize that lawyers were rated in this.

Allred: You will be interested to learn, also, if you do not already know it that this is the highest rating published for legal ability, recommendation and promptness in paying bills; well, I just compared that with Mr. Saunders'.

Then Mr. Saunders testified on the 17th, and I testified on the 17th, and incidentally they made me testify at night. And Mr. Fly and some of the committee members would sit and whisper and talk when I was testifying. I'd just stop. Mr. Fly...

Odom: That's William A. Fly?

Allred: William S. Fly of Victoria.

Odom: Of Victoria, yes, Senator Fly.

Allred: Senator Fly'd say, "Go right ahead, Mr. Allred." I said, "Whenever you're through, Senator." And on several occasions I would just stop, and then he said, "Well, you go right ahead. You're making the record." I said, "Senator, you can't understand this when you don't listen. You might have a hard time understanding if you do listen, but you can't understand it if you're not listening. And unless you are prepared to listen, there's no use in me giving it." Anyway Margaret Mayer in the Times...Austin bureau of the Dallas Times Herald wrote an article, January 19, 1956. She said that "Attorney General John Ben Shepperd revealed Thursday that he had

encountered opposition three years ago in attempting to bring suits against insurance companies. He gave partial credit to Renne Allred, discharged as an attorney for state liquidators, for bringing some of the early insolvencies to life. John Ben said, 'Everyone has been referring to this (meaning the recent cases) as a scandal. Is it really?' Shepperd asked. 'We had a scandal in 1953 and 1954 when we started bringing suits. That's where we had the fight and laid the basis for the new law. As Renne Allred could tell you that's where we were encountering opposition.' Where does opposition come from? 'From the only quarter it could come from,' he stated. 'It was overcome by the persistency of our office and Renne Allred.'"

Odom: Which I felt somewhat vindicated you of some of these things, didn't you?

Allred: Yes.

Odom: Did you get much correspondence in that interim after you left Austin and came back to Bowie from people who either thought you were right and lauded you for your stand or who thought you were wrong _____

Allred: Oh I got a few but not too many.

Odom: Not much.

Allred: I got a few letters of commendation, some from people I didn't even know, some from my friends. But you know we were talking once before about politics...my engaging in politics. They had a meeting down in Houston--Senator Yarborough and some others attended--right after the U. S. Trust went in receivership. I was invited and they asked me to go, and I wouldn't go because I didn't want to be in any politics. And that was the very night that A. B. Shoemaker shot

himself. It came out down there and I saw in the paper that it was reported there.

Odom: Your desire to keep this out of politics was because you thought it would perhaps prejudice the case to some extent for doing something about the matters.

Allred: Well, no, I was just trying to stay out of politics myself. I was just trying to stay out of politics myself.

Odom: I'm getting at the reason why you wanted to get out.

Allred: My reason was that I didn't want to have anything to do with politics.

Odom: You didn't want to.

Allred: I was thinking about the principle of the thing. I knew the insurance commissioners were wrong. I knew that they knew they were wrong, but I didn't know how bad that they really were wrong. I found it out a little later on.

Odom: That's what I was suggesting or essentially I thought that's what I was suggesting.

Allred: It was the principle with me. I wasn't even interested in politics. As an example, I think on the 11, they'd postponed this hearing till the 11--that's when Searcy Bracewell the chairman walked out. But a lawyer by the name of Gilbert Adams from Beaumont had called me and said, "Do you expect to be at Austin at that meeting." I said, "Yes." I think it was on the 11. He said, "I'd like to see you and talk with you." I said, "Well, I'm staying at the Terrace Motor Hotel." And he said, "I'd like you to have lunch with me." So when we got out there we were having lunch and he said, "I want

to talk to you about you running for lieutenant governor." I said, "I'm not interested, Mr. Adams. I appreciate your even thinking about me but I am not interested in politics. When I went to Bowie I said I was through with politics and I'm through with politics." Well, while we were sitting there in walked four of the members of the Senate Investigating Committee in the dining hall. We all spoke. Everything was very congenial. They went over at a table. I said, "Now Gilbert I want you to let me have this check." He said, "I invited you to have lunch with me." I said, "Now don't give me any trouble. I know what I'm doing and I want this check. I'm going to pay this check." He said, "All right." So I took the check and I went over and paid it and we walked out. He said, "What was this all about?" I said, "Just as sure as I am on the witness stand before that Senate Investigating Committee, they're going to want to know who's paying my expenses, and I want to be able to truthfully tell them that Renne Allred is the only person that's paying one penny, and I couldn't do that if I had let you buy my lunch." Well it so happened that they asked me that question at a later time. Senator Fly asked me. I said, "You mean my transportation down here, senator?" He said, "Yes." I said, "You mean my food, my lodging?" He said, "Yes." And then I repeated to him, I said, "Renne Allred's paying every penny of it. I am not receiving, will not receive, do not expect to receive one penny from anybody. I'm here on my own."

Odom: I might comment that the fact that you didn't become any more of a martyr in this case than you apparently did, probably is an

indication that you succeeded fairly well in keeping the matter and keeping yourself out of politics.

Allred: Well, as you'll find out a little bit later on here in connection ...I was even accused of things by Mr. Saunders that he knew better and which we'll get to a little bit later on. If I had ever thought of running for any office after I came to Bowie I'd have run for attorney general when Will Wilson was elected. I think I might, with this U. S. Trust, have been elected.

Odom: But you never really ever seriously considered...

Allred: I never considered it. My law partner here wanted me to run, tried to get me to run, but I never considered it.

Odom: Yes.

Allred: And he was wanting me to run. Anyway you asked me a while ago about Clark Diebel informing the insurance commission. From the December 21, 1955 issue of the Texas Observer, I quote one paragraph, "The Texas Observer can report that state auditors first told Texas insurance commission officials twenty months ago in May, or June, 1954 that the company might be bankrupt and that it's investigation in a subsidiary might be illegal." Another paragraph...

Odom: You didn't know this, then, until you read this.

Allred: Until I read it. (Chuckle)

Odom: That's what I was asking you about.

Allred: All I knew was what Byron Saunders had told me. The Texas Observer reported Shoemake's operations last May but the daily press did not pick up the story. Then in May, another paragraph on page three, same issue: "In May or June, 1954, Clark Diebel, a member

of the staff of the state auditor's office began checking into the U. S. Trust and Guaranty. It is understood that he became curious after looking over its financial statement. He was assigned to insurance investigations at the time."

Odom: Excuse me.

Allred: I want you to read this before you go.

Odom: Go ahead.

Allred: I want him to hear this.

Odom: Oh.

Allred: Mr. Saunders was being questioned about why he didn't take some action, and Smith said that they were trying to save the company. He'll never try to save another one. Saunders said on the last page of this same edition of the Observer, "We've had our suspicions for quite some time. Shortly after he became commissioner in October, 1953, everybody warned me about that company," he said. Yet he said he didn't tell me.

Odom: I imagine when we get to a stopping point that'll be kind of convenient, then we probably ought to call a halt.

Allred: Okay, I want to read this.

Odom: Okay.

Allred: In the issue of December 28, 1955, of the Texas Observer they are telling about Judge Betts putting this company in receivership, and they interrogated Judge Betts and said, "Betts with two other district judges, Jack Roberts and J. Harris Gardner, signed an order October 11, 1954, invalidating the original order by which they had hired Renne Allred of Bowie as attorney for the liquidator

in insurance cases. The Insurance Commission had fired Allred on September 15. Allred said it was because he wanted to make a commission official a defendant in a creditor's insolvency insurance suit. Allred had informed the three commissioners in August, 1954, that an associate attorney had found U. S. Trust assets to be overvalued. The Observer asked Betts about this after he delivered his judgment. He would not comment on Allred at first but asked whether the law creates a conflict of interest in that the liquidator is supposed to represent both the creditors and the Insurance Commission which the creditors might want to sue. He replied, 'We (the three judges) didn't fire Allred. We had entered an order. We had entered an August order hiring Allred, and all we did was revoke that. The board (meaning the Insurance Board) then did what it wished: fired him. We asserted our power when we appointed him until we had to back down when we fired him. The legislature has practically taken all liquidation powers out of the hands of the court and put them in the hands of an administrative tribunal,' he said, 'thus giving the commission an ultimate veto over the courts and prosecutor powers. As long as the legislature wants it that way, I guess it's going to stay that way,' he said. There have been reliable reports that pressure was applied to get the judges to make it possible for the commission to fire Allred."

Odom: Well, now, what is he talking about here, Mr. Allred, when he's talking about the legislature taking the powers here?

Allred: By passing the legislative statutes creating the...I mean the legislature creating the liquidator statute.

Odom: That goes all the way back.

Allred: That goes all the way back. It's the same old thing.

Odom: There wasn't any change in it.

Allred: There's been no change. Now that was the main statement that he made that there had been reports of pressure. I hadn't said that.

Odom: Yes, I understand.

Allred: Then on the same page Mr. Cavness described the interlocking of the companies, and Clark Diebel first investigated the U. S. Trust in June 1954, because of doubtful examination methods of V. C. Thompson in the Texas Mutual Case. After a preliminary meeting, he, Diebel, and Grady Starnes of his office, possibly all three of the commissioners, some commission staff personnel, and Shoemake had a conference in late June 1954, at which it was decided to let outsider Charles Leslie look at the books. Now they were even talking to Shoemake about it in June of 1954.

Odom: Mr. James, you had a question a while ago. Maybe you want to pass on that one, but you might have some others here that you might want to get in about most of this material that you were quoting.

James: I was interested in this statement by Judge Betts concerning the Board of Liquidation and in the Insurance Commission. Now I believe you say that the judges had hired you previously before you had gone to Chicago.

Allred: Yes.

James: And that then when they fired you, they said that the Insurance Commission had fired you--that the Board of Liquidation did not have the power to fire or hire. Now they said that they did not

have the power to fire. Does that mean that Betts said that the Board of Liquidation also did not have the power to hire you?

Allred: Well, I know this. Up until I was told by them in late September or first of October that they never took any position other than that the courts had the ultimate power, that the action of the Board of Insurance Commissioners will claim a liquidator was directory to the courts. We recommend to the courts that you appoint our liquidator as receiver. But if they didn't want to do it they didn't have to do it. They took that position at all times until late September or early October of 1954.

Odom: After that time did the courts always appoint the Insurance Commission's liquidator as receiver in cases or do you know?

Allred: They did all...

Odom: Thereafter.

Allred: ...until later in 1958.

Odom: But between '54 and '58 they did. That's what...

Allred: They've been doing it since 1939.

Odom: I know it. I understand that. But this is probably what Judge Betts is referring to there though isn't it?

Allred: I don't know what he had that for. All I know _____

Odom: They were doing it. They were appointing their liquidators other than anybody else's they wanted to appoint.

Allred: Just hold it just a minute.

James: Concerning this use of the independent trial examiner to examine Shoemake and U. S. Trust and Guaranty's books resulting from that meeting, in June, where they hired Leslie to look into U. S. Trust

books instead of using an Insurance Board examiner, was this fairly standard practice or was this...

Allred: No, they never did that before that I ever heard of.

James: In that issue of the Observer that you've been citing, Shoemake was reported to have said he didn't want an Insurance Board examiner because...

Allred: It might be a run.

James: Yes, it might cause undue alarm and a run of the company's deposits. And also that he didn't want a local Waco accountant to be used because of the same reason, that is, he said that the Waco accountant (if you review these books) might reflect, "the animosity there is in Waco towards his operation."

Allred: Ever since the Insurance Commission has been an Insurance Commission, ever since we've had a banking department, state and federal, we have normal examinations of insurance companies and banks. They come in maybe three or four months and have an examination and then come back in three or four months and have another one. The banks do that.

Odom: They could even come back in a month.

Allred: They could come back in a month. They could do it at any time.

The law required them to examine insurance companies at least once each two years. But there's nothing to prevent them or there wouldn't be any reason why they couldn't go back. The only thing that was worrying Mr. Shoemake was his condition, not the examination; he was using that as an excuse and not a reason in my judgment.

Odom: Go ahead if you want to say _____

James: I was just going to say it seems as if, in my opinion, the board was just bending over backwards to Shoemake to give him an accountant that would be sympathetic to his position.

Allred: That might have been what they had in their mind. I just don't know.

Oral History Collection

Renne Allred, Jr.

Interviewer: E. Dale Odom

Place of Interview: Bowie, Texas

Date: September 4, 1968

Dr. Odom: This is E. Dale Odom on September 4, 1968, continuing the series of interviews with Renne Allred, Jr., on Texas insurance scandals. Mr. Allred, I believe you indicated before turning on the tape that you had two or three things you'd like to talk about and that you also wanted to say a few words about a thesis, an M. A. thesis on Texas insurance scandal in 1950's. It was done at North Texas State.

Mr. Allred: Yes. First I think I told you before that I had not been paid by the state in connection with my representation as attorney for the receiver...liquidator. And that is correct. However, I don't want any misunderstanding about the fact when I acted as an examiner for the Insurance Department, I was paid by the state as an examiner, and that portion of my compensation was deducted from the funds that I received from the receiver out of the receivership's estates.

Then I told you about the judges on October 11, 1954, entering the order setting aside the previous orders appointing me, and I told you that I accepted this order and stepped aside. But I noticed in an Austin statement of October 12, where I was quoted

with reference to it, and I wanted to use the words that I used that day in connection with it. And I quote, "I accept the orders of the courts, of course. I do not accept as legal the order of the Board. I have no appeal. I think I should have been given a hearing." Those were the words that I used that day.

Odom: Now a hearing before whom, the judges?

Allred: Before the judges. Because I filed my applications for compensation, and the judges without even hearing those applications for compensation set aside the orders appointing me. Now the Board of Insurance Commissioners then authorized the payment to me of my compensation up to October 11, and it then became moot by reason of that. But the point I'm making is that the judges entered the order without giving me an opportunity to be heard on my motions.

Odom: And I remember you had searched the cases on this, didn't you, and had a great many precedents or some sort that indicated the Insurance Commission could not fire you?

Allred: No, there's no question about it in my judgment even today and even though the Supreme Court of Texas, which I'm going to discuss a little bit later, even though the Supreme Court of Texas at a later time held that the liquidation statute was not directory, but it was mandatory. They backed up, and I'm going to discuss it throughout this...

Odom: I can recall your citing several facts indicating that they couldn't or didn't have the power of firing.

Allred: Now I have read with much interest the thesis "The Texas Insurance Scandal: A Study of Inadequate Regulation" by Dr. Walter G.

Wolfskill, B. A., Denton, Texas. It was very interesting to me and was well done, I must say. I have had occasion to read other theses in connection with my brother's life, and I always enjoyed them. There are two and only two points that he raised that I want to discuss. I don't know just what he meant on page 18 and 19 of this thesis. He referred to "petty bribes" and...

Odom: Can you recall that phrase?

Allred: I do not...well, he made the statement that...he talks about these examiners being suspended and that they'd been entertained at deer hunts and banquets and parties and said, "Even in any event the rewards were this small, the price of bribery seems amazingly low considering the stakes." Also he talks about money that Noad got for a radio and for his wife and his rent, and he referred to it as petty bribes.

Odom: This is in connection with that San Antonio insurance company.

Allred: Yes. Now, of course, that's all we knew about. It doesn't mean that that's all that took place. For instance, I refer again to the \$1,800 check to Dow S. Robinson that was made payable to Dow S. Robinson on the original check, but the check was marked blank and a \$200 check to Mary L. Hendricks where the check was made payable to Mary L. Hendricks, but on the copy in the office it was marked blank. And how many more of those, we don't know. But I wanted to refer to that. Now on pages 4 and 5 the statement is made, "The law requires the Insurance Commission to accept real estate appraisals on land claimed as assets by insurance companies if the appraisals were made by any two local freeholders or land owners."

And he cites a note number 13 as being Article 2.10, Section 2, of the Texas Revised Statutes. Now it so happens, and I better give this back to you right now.

Odom: Okay. If you want to refer to anything it'll be...

Allred: It so happened that a Mr. Tatum, a lawyer in Beaumont, was working with Mr. Byron Lockhart in connection with this proposed suit against the officers, directors, banks, and what have you in the Texas Mutual. And Mr. Lockhart prepared a memorandum on whether or not the commission was required to accept these appraisals. And I mailed a copy of that memorandum to J. Byron Saunders on September 2, 1954, after talking with him on the telephone about it. My idea with reference to the thesis is that this statement is based on a false premise in connection with a study of inadequate regulation. For example, he says that the commission was required to accept these. I want to read Mr. Lockhart's memorandum, and I will give you a copy, so you may know what I'm talking about.

Odom: All right.

Allred: Mr. Lockhart said, "First, it is necessary to consider whether or not the Board is required by law to accept an evaluation of two freeholders on real property being purchased by an insurance company. I cannot find anything in the Insurance Code which requires the Board to accept such an appraisal.

"Texas Mutual was organized under the provisions of Chapter 15. I can find nothing in Chapter 15 which specifically sets forth the method by which the Board shall accept valuation of real property. Article 15.15, however, subjects mutual companies to

the general provisions of law applicable to stock insurance companies transacting the same kinds of insurance with reference to investments. Chapter 8 of the Code lays down the requirements for investments by general casualty companies. Chapter 2 (and that's the one that was referred to and cited in this thesis) lays down the requirements for investments by insurance companies generally. Therefore, it would appear that the requirements for investments by mutual companies are governed by Chapters 15, 8, and 2.

"Articles 2.10 and 8.05 recite that when an insurance company invests its funds in first mortgage liens upon unencumbered real estate, 'the value of such real estate shall be determined by a sworn valuation made by two freeholders of the county where the real estate is situated.'" Now those articles do not refer to purchasing land. I'm not reading now from Mr. Lockhart's quote. That's not talking about purchasing land, but purchasing first lien mortgage note. Mr. Lockhart continues, "Article 8.18, however, which is the only statute dealing with the outright purchase of real estate by a company such as Texas Mutual, makes no recitation at all as to the means which shall be used in evaluating the real estate purchased. Therefore, it will appear that under the authority granted to the Board by Articles 1.15, 1.19, and 1.24, the Board has broad discretionary powers to require any information which would not constitute an abuse of discretion. It would seem further that in the absence of specific directions by the Legislature setting forth the evaluation procedure, the Board is acting properly when it examines and audits such financial transactions in

accordance with generally accepted accounting procedures. In view of the expressions by the Legislature and the Courts concerning the duty owed to the public by the Board, it seems to me that it would not be improper to assert that the Board in such instances is required to demand that such transactions measure up to conservative accounting principles.

"Since I am not an accountant, and neither is Mr. Tatum, we have sought advice as to how the Texas Mutual transaction should have been audited in accordance with accepted accounting principles. I talked independently to one agent of the Bureau of Internal Revenue and two certified public accountants. The information received from all three of these sources was in substance the same.

"These sources advised me that the books of a corporation must always reflect the value of a building at its actual cost value. In the event that there is an appraisal of the building, which reflects that it is worth more than the actual cost value, then the additional value may be carried as an asset, but there must always be an offsetting liability for the same amount. Conservative accounting practice demands that a corporation is never entitled to include as part of its absolute assets a building at its appraised value only. An appraisal surplus is at best a speculative, uncertain, and contingent asset, and the books of the corporation must reflect such fact.

"For example, if a corporation owned a building which actually cost \$50,000.00, but which was appraised at \$70,000.00, the asset side of the ledger should show the following entry:

Building--Actual Cost	\$50,000.00
Additional value--Appraisal	<u>20,000.00</u>
Building at Appraised Value	\$70,000.00

"On the liability side of the ledger, the \$20,000.00 entry must be set forth. It is not entitled, however, to be set forth either under the Capital Stock, the Earned Surplus, or the Contributed Surplus. It should be set forth in a separate account designated 'Appraisal Surplus' or 'Valuation Surplus' or some such similar title which would reflect its true nature. As the building depreciated, depreciation would be charged off the \$20,000.00 entry on both sides of the ledger until finally the account was ameliorated. Until the surplus is depreciated, however, it must stand on the liability side in a separate account, which account has the nature of a reserve to account for any errors in the appraisal.

"My informants stated that in auditing any set of books in which real estate is listed as an asset, one of the following two steps must be taken: (1) The transaction must be traced to its source to determine what was the actual cost of the building; or (2) Information must appear in the certificate stating that this step was not done. Otherwise, the public would be induced to rely upon an asset and upon a surplus which might later prove to be nonexistent." This concludes Mr. Lockhart's memorandum.

And that's just what happened in Texas Mutual. Now, going to the statute 2.10 that is cited in the thesis, I find that the same provision was the law in 1955, 1951, and even back further than that. They had that same provision that provided for first lien mortgages. Now mind you, the Texas Mutual was the purchaser of

property that had a mortgage against it, but this had to be first mortgage notes, unencumbered. And the valuation of the property must be 40 per cent more than the amount loaned on it. Now that didn't happen in this case. You take the appraisals of which I gave you copies, and it doesn't take any consideration any 40 per cent. And they came up with an appraisal of \$436,000. But...

Odom: How much do you think that building was really worth? I've forgotten now.

Allred: Well, they bought it for \$100,000, a \$100,000 note.

Odom: That's right, \$100,000.

Allred: They bought it from O'Fiel and Langham for a \$100,000, and they gave them a note for it. It probably wasn't worth that much. But looking under Article 2.10, cited in the thesis, there are two opinions by the attorney general, one written in 1939 and one in 1941. Attorney general's opinion of 1939, #958, states, "Real estate may not constitute all or any portion of the capital stock of the casualty insurance company at the time of its incorporation. Nor may any part of the capital stock of such a casualty insurance company be invested in real estate at any time after incorporation." And attorney general's opinion, 1941, #3924, says, "An estate or lease for years outstanding in the third person is weighted against the lessors' interest in the land, and constitutes such an encumbrance as to prevent an insurance company from investing its funds in the lessors' interest in the property." Now this property, Texas Mutual Building property, was under lease for five years to another insurance company who had subleased it to still a third

person. And that's the reason why I say the thesis and that phase of it is based upon a false premise, as to what the law is.

Odom: Inadequate...

Allred: Yes. Now Article 8.05 that Mr. Lockhart refers to also was in effect during all of this period of time. And article 1.19 that Mr. Lockhart refers to says that "the Board of Insurance Commissioners for the purpose of examination authorized by law, has power in person or by one or more examiners by it commissioned in writing: (paragraph 1 #1) to require free access to all books and papers within this state of any insurance company or the agents thereof doing business within the state; (paragraph #2) to summon and examine any person within this state, under oath, which it or any examiner may administer, relative to the affairs and conditions of any insurance company."

Odom: I believe you had cited that or mentioned...

Allred: I had mentioned it before but I hadn't gone into it in detail.

Odom: But you hadn't actually quoted it. Now might I ask you here, do you know whether there has been any change on the statutes in relation to this question of accepting the appraisal?

Allred: The appraisal? No. Those were the appraisals back before 1949, 1951. The same law was in effect during the same period of time. This article, 1.19, was the only change made in 1955--changing the name from Board of Insurance Commissioners to the Commissioner. It was the same law and had been the same law at all times. I don't mean to be critical of the thesis, but as I see it, it was based on...

Odom: I knew there seemed to be something of a conflict between your

interpretation of the insurance scandals of the 1950's and that authored by Mr. Wolfskill in the thesis.

Allred: Then, on page 27 in the thesis he says, "Although the Insurance Commission apparently used every method within its power to close U. S. Trust, the law imposed limitations which severely hampered its efforts." Did they try the subpoena route? With reference to Mr. Shoemake, he was afraid to have an investigation made by the Insurance Department. He was the owner of and controlled the U. S. Automotive. They would have had the same power. All they would have had to have said was, "Say, listen. You let us examine U. S. Automotive or we're going to close you down on this. We're going to hold it's not admissable." That's all they'd have to have done...

Odom: ...have to have done...

Allred: ...and they'd have had them stopped a long time ago.

With reference to bribery, petty bribery, you know a thief's a thief whether he steals a dollar or a thousand dollars. But I have found amongst some of my papers a talk that I made to the Bowie Rotary Club in 1958 in which I had at that time a newspaper article of a poll taken showing that one-third of the younger generation thinks it's perfectly all right for people in public office to take gifts and handouts such as in the Sherman Adams-Goldfine affair. Of course, I don't agree with that. And Mr. Adams stayed on quite a while after that, you'll recall, but they sent Matthew Connally and Lamar Caudle, lesser lights, to the penitentiary for doing less than Adams and receiving less than Adams had received. Here in Texas I saw a picture and I had it at that time, of one of

the governors showing his wrist watch that had been given to him. That's not a very good example for lesser lights and employees in the government as I viewed it. One of the former presidents of the United States--somebody gave him a bull, a \$4,000 bull, and somebody gave him a tractor. But yet when they get some of these little fellows, they send them to the penitentiary. But it's all right?

Odom: I notice where Senator Hall, who was governor for a day, you know, had a quarter horse given to him.

Allred: I...

Odom: ...this past session of the legislature.

Allred: I hadn't seen that. I haven't read the papers much lately.

Odom: Well, that was not the latest session. It was the regular session last summer.

Allred: Now I told you that Mr. John Ben Shepperd made a remark concerning General American. And I found an advance sheet written by one of the newsmen--December, 1955, on the Texas industry--and I checked two or three little excerpts. But I'm not going to take time to go through all of that because nearly all of it is in the papers that you have over there anyway. But I noticed that George Butler was complaining that the department didn't have adequate laws to protect the public. On May 18, 1954, I guess it was, Governor Shivers issued a statement saying when he appointed Smith as Life Commissioner and J. Byron Saunders as Casualty Commissioner in the fall of 1953, he "knew they would recognize, as I did, that the fast growth of the insurance business in Texas had caused some weak links to appear," and further stated "I have full confidence in the

leadership of the young insurance commissioners." Attorney General John Ben Shepperd is quoted in this press release: "Attorney General John Ben Shepperd, who first moved into the state political scene as Secretary of State by appointment from Shivers, disagreed from the start that Yarborough's statement had any effect on General American's chance of survival. 'I think they (the General American officials and Smith) were looking for a scapegoat to put the blame on,' Shepperd told me. 'That company was permeated with bloated stock, and bad risk written on military people, automobile insurance. They were given ample opportunity to raise the money. They couldn't have sold that company anywhere.'" And that's quoting from John Ben Shepperd. And that's what I had reference to...

Odom: Yes...

Allred: ...that I mentioned to you once before. Now we went into the U. S. Trust Senate hearings, and I don't know whether I mentioned it or not but they had quite a time after the first hearing before they had the next hearing. And most of the members of the commission wanted to hold these hearings in secret. Searcy Bracewell, the chairman, later said that he had been tendered employment by Shoemaker and he had refused it, as had a senator from Tyler, Warren McDonald, who, I think, got about \$350.00 on a real estate title examination but said that he had been offered \$3600.00 per year. I know they called all of those senators on that, but Searcy Bracewell was on that committee. And William S. Fly was appointed to succeed Bracewell. Bracewell got up that morning when they voted to hold secret sessions and he said, "I give it to you, gentlemen," or "I

hand it to you" or something of that sort. Anyway he walked out and immediately tendered his resignation, and the lieutenant governor appointed William S. Fly as chairman. And Jarred Secrest was on that committee, and Johnnie B. Rogers was on that committee, and also Ottis Lock.

Odom: The Texas Observer had a story on that part of it--on his attempt to hire the senators in December of 1955.

Allred: Now, Mr. Saunders testified before that Senate committee up there, that on June 24, 1955, about an order which was open to the public, to the press, and anyone wanting to see it, on the Shoemake Company, U. S. Trust. Yet, on July 5, 1956, in a hearing down at the commission he said, "I haven't told anybody about this so-called order, and we were trying to keep it, I thought, very quietly as between Mr. Shoemake and the board." That is in conflict with his...those two statements are in conflict. Now, after I had testified and Mr. Saunders had testified, they had another meeting down there, and I didn't know they were going to have it, and I wasn't there. So, a piece came out in the paper about Saunders' testimony, and I wired all of the capitol press correspondents at the state capitol in connection with it, and the only paper that I ever saw it in was in Ronnie Dugger's paper, but I had the court reporter read to me on long distance the testimony of Mr. Saunders which I tried to take in shorthand.

Odom: You didn't remain down there for his testimony...

Allred: No, I...

Odom: You came on back to Bowie.

Allred: Well, he testified...I was there when he testified the first time, but they had another hearing...

Odom: Oh, this was after the...

Allred: ...but apparently they didn't notify...I would have been down there if I had known it.

Odom: Oh, I see.

Allred: But the court reporter read this testimony to me, Senator Fly said: (this was after Senator Fly got in) "Mr. Saunders, you know what we want to talk about--a man by the name of Renne Allred. Renne has made some charges relative to bribery, fraud, and corruption, and various other and sundry things on the part of the commission. This committee, of course, is interested in hearing a reply from your commission in that regard."

Mr. Saunders: "If I understood his charges or remarks, generally they were with reference to fraud in the incorporation of Texas Mutual Insurance Company of Beaumont and one of its affiliates--a fire insurance company at Ennis, and possibly the General American at San Antonio, and I believe the Commercial Security Insurance Company of Waco. As I recall, all of those companies were organized anywhere from 8 to 10 years prior to my service on the board, or that of Mr. Wentz, who formed the present Board of Insurance Commissioners."

Senator Fly: "Let's see, when did you take office?"

Mr. Saunders: "In October, 1953...Well, among other things was in this Texas Mutual case on the matter of assessments which he lost in the appellate court. There was over...right at \$7,000

spent, \$6,975 of which he drew \$4,800 and the fact that he goes to California and is shown by photostatic copy to take a deposition, and he was gone 42 days, in a car belonging to the receivership. I am told it was later sold for \$75. Took his wife with him on that occasion, and other things all indicated to me..."

And Senator Secrest said, "Did he just take one deposition out there?"

Mr. Saunders: "That is all, according to this photostatic copy."

Senator Secrest: "And gone how long?"

Mr. Saunders: "42 days."

Senator Secrest: "How much money did he spend?"

Mr. Saunders: "According to this, \$552.05 expenses and \$188.22 of that was mileage for 3,137 miles. He was gone, according to this, from May 31, 1950, to July 12, 1950, and on the back, which he wrote, it says 'Deposition' and checking records, Pacific Finance Corporation, Los Angeles, to Knox vs. Pacific in 53rd District Court, Travis County, Texas, that is the case he lost."

Senator Rogers: "If ya'll have a deposition to take out there, I'd like to take it for you."

Mr. Saunders: "Just a series of things like that, Senator Secrest."

Senator Secrest: "That mileage--the car wasn't his own, didn't belong to him?"

Mr. Saunders: "No, sir, the receivership, so I am told."

Senator Secrest: "Did he charge so much a mile that went to him on it?"

Mr. Saunders: "Yes, sir, it went to him."

Senator Secrest: "How much did he charge a mile?"

Mr. Saunders: "I believe at that time they operated on the same theory and according to this, that the state does, according to this, it was 6¢ a mile."

Mr. Saunders: "Well, that's what it shows and he swore to it."

Senator Secrest: "Now wouldn't the proper way in that case, would that not be the proper way to charge the actual gas and oil."

Mr. Saunders: "Again, I wasn't here in 1950, but that would be my idea, yes sir."

Senator Secrest: "If you were traveling in a state car you wouldn't charge mileage because usually you make a little profit on that mileage." That concluded that part of Mr. Saunders' testimony.

Now, when that took place, in addition to writing that telegram, I wrote a letter, dated March 3, 1956, to: The Honorable William S. Fly, Chairman of the Senate Investigating Committee, Victoria Texas, and I quote this so that you may understand it, and I have a copy to give you in order to aid your secretary.

"Dear Sir:"

"The last time Byron Saunders appeared before your Committee, in response to a statement by you that the Committee was interested in hearing a reply from the Commission in answer to some charges

which you said I had made relative to bribery, fraud and corruption and various other and sundry things, on the part of the Commission, Mr. Saunders said that as he understood my charges or remarks, they were with reference to fraud in the incorporation of Texas Mutual and one of its affiliates, a fire insurance company at Ennis (which was the Texas Fire Insurance Company) and possibly the General American at San Antonio and he believed the Commercial Security Insurance Company of Waco, and Mr. Saunders said that as 'he recalled' all of those companies were organized anywhere from eight to ten years prior to his service on the Board, which was in October, 1953.

"If the Committee wants to know the true facts, without relying on his recollection which apparently isn't very good, you can, of course, check to find when these companies were organized and you will find that none of them were organized anywhere near eight to ten years before Mr. Saunders went on the Commission."

"With reference to one of the Companies, Commercial Security which he mentioned, it was first licensed by Saunders and Smith on April 14, 1954 (which date was after Saunders went on the Board) and if you will read the order of the Board dated July 15, 1954, which should be on file in the Commission's office or a copy is attached to the State's original petition in cause No. 98,974 in the District Court of Travis County, you will find out that the affidavits I said (and which the Commission

found on July 15, 1954) were false, were executed on December 14, 1953 (which date is after Saunders went on the Commission) and you will find that the qualifying examination was made by the Examiner in April, 1954, (which date is after Saunders went on the Commission) and you will find in that Board order that it is stated that the Board issued its certificate of authority to the Commercial Security on April 20, 1954 (which date is also after Saunders went on the Commission)."

"The Board order is signed by Mr. Saunders and it shows that the Board made specific findings of the above and found fraud in Commercial Security in its organization, and that was all after Saunders went on the Board.

"If you will look to the records you don't have to listen to such statements as were made by Mr. Saunders about 'As I recall' and 'I was told.'"

Odom: What about the charges on the other things he made?

Allred: On March 3, 1956, I wrote Senator, The Honorable Jarrard Secrest of Temple, Texas, this letter:

"Dear Sir:"

"The last time Byron Saunders appeared before the Senate Investigating Committee he gave certain hearsay and conclusion testimony about a trip made by me in 1950 to California without giving, or for that matter without being asked, the name of his informant or informants, and since you interrogated him concerning that trip I address this letter to you.

"As I interpret his testimony he was trying to leave the

impression that I had spent 42 days taking one deposition and checking some records of Pacific Finance Corporation in Los Angeles, and that he was told that I charged \$188.22 mileage at 6¢ per mile for 3,137 miles while driving, so he said, a receivership car. From your questions of Mr. Saunders you seemed to have been a little astonished at that, and I wouldn't have blamed you if it had been true.

"In the first place he did not correctly analyze my expense account for the committee, and apparently you did not look at my expense account, because if you had you would have seen that he had not correctly analyzed it. A proper interpretation and analysis of my expense account will show that I did not spend 42 days going to and from Los Angeles from Austin, and the taking of a deposition and checking records of Pacific, and it will be shown that I did not charge the receivership expenses for 42 days, and if you had looked at it and checked it carefully you would have so found.

"Of course, Mr. Saunders' examination of my expense account was just as careless (or deliberate?) as some of the examinations of the insurance commission examiners in connection with the incorporation and operation of the companies about which I testified. Mr. Saunders was trying to read into my expense account fraud which did not exist, just like some of his examiners have tried to read out of their reports fraud which did exist.

"I spent two weeks checking the records of Pacific Finance Corporation working, and I mean working, every day except Sunday and the 4th day of July. These facts can be proven by at least

four witnesses besides myself.

"With reference to his hearsay testimony that I charged mileage of \$188.22 on a car that belonged to the receivership, I likewise brand that as absolutely false.

"The facts are that I drove my own personal car to California, and I charged six cents per mile as mileage on my own personal car, and I personally paid all of the oil, gas and other car expenses out of my pocket which included about \$25 or \$30 storage for the car while in Los Angeles. There are at least three witnesses by whom I can prove that I was in my own personal car at that time.

"Mr. Saunders also said that he was told that the car belonging to the receivership (which he says he was told I drove to California) was later sold for \$75.00. What difference did that make in your investigation except his implication that I wore out a car that they had to sell for \$75.00. If I did wear out a car on that trip, it was my own personal car because I wasn't driving a receivership car and I think he knows it.

"At any rate, so far as I remember, the only automobile that the receiver ever sold for \$75.00 was sold, according to the State Auditor's report on the Liquidating Division as of March 31st, 1955, in May of 1954. See page 11 of the Auditor's report. He just remembered reading about that sometime and I guess he thought it was a good thing to throw in against me. Ho Hum.

"Incidentally, Mr. Saunders seem to be mad at me because I took my wife with me out to California in 1950. Why should he have any objection to that unless it was to try to leave the impression

and inference that the receivership was paying her expenses? That, of course, is not true, as is shown by the expense account and the receipts attached thereto.

"Don't you think, Senator, that in order to get the true facts about that expense account, the person to ask about it would be the person who signed it, rather than rely on hearsay testimony. I remember when I testified Senator Fly asked me to comply with the Court rules of evidence. Did he ask Mr. Saunders to do that or did he object when Saunders was giving this 'I was told' stuff?

"And if the Committee doesn't want to ask me about that expense account, don't you think at least the Committee should have Saunders swear who told him and then find out from that person or persons the true facts?

"I would like to call your attention to the fact that this trip to California was made by reason of a sworn application by the then Receiver, and was made on orders of the 53rd District Court that it be done, and this expense account which Mr. Saunders didn't see and didn't even know about until 1956, was approved first by the then Receiver, next by the then Board of Insurance Commissioners and later by the Judge of the 53rd District Court of Travis County, Texas.

"I must give Mr. Saunders credit for being more efficient than some of his examiners when he can uncover these things five or six years after they were supposed to have happened, when the then Receiver, the then Insurance Commissioners and the District Judge didn't and couldn't find anything wrong with my expense account.

"The three district judges at Austin are again referred to by me as to my integrity. I have asked the Senate and House Committees to call them and to ask them about my service as attorney for the receiver for some fourteen years."

I wrote a letter to Wade Spillman at the House of Representatives and told him in substance that if--and sent him copies of these letters--told him that if Mr. Saunders made any statement like that, I'd like for him to have the facts. The only person that even acknowledged any part of that was Jarred Secrest who said that he appreciated my letter and that he was pleased to pass it on to the committee, the information contained in my letter.

Odom: This is a regular meeting, then, of the other Legislative Investigating Committee?

Allred: Of the Senate, yes. I didn't know it was there...

Odom: You didn't know they were going to have it? How did you find out--did you read it in the paper or something?

Allred: I read it in the paper about the statements he made about me. Now here are copies of each of those letters. Now I wrote those letters from my recollection of what took place and, of course, the expense account was down in...the bills and all were down at the receiver's office.

Odom: I imagine that you made several trips like this, not many to California though, did you, over the years?

Allred: No, I didn't to California. But going through my files the other day, I found copies of my 1950 expense accounts, and I keep back in the files here expense accounts for each year, but I couldn't

find 1950. And I looked, and I looked, and I looked, and I looked. Finally, I looked into a big envelope for my 1950 income tax data, and there were all of my 1950 copies of my 1950 expense account. I haven't made copies of these, but I want to discuss them. I want to take first the expense account that Mr. Saunders had before the committee. In making out expense reports, we tried to put--not in detail--but an item of what we were doing. And this expense account has on the back of it (and I think it's about four pages, you can see) "Depositions and Checking Records Pacific Finance Corporation, Los Angeles with M. N. Frnka and Attorneys for Pacific in Knox vs. Pacific Finance Corporation in the 53rd District Court of Travis County, Texas." Now, he didn't say anything about Mr. Frnka being out there with me, and he didn't say anything about the attorneys for the Pacific Finance Company being there, and as a matter of fact, all the time that I was checking those records there were two attorneys for the Pacific Finance Company, a man by the name of Foster who lived in Los Angeles, and M. R. Irion, a lawyer in Dallas who spent the same period of time that I was there. Now I want to...

Odom: How did they go out there? Did they go out there with you or did...

Allred: No, Mr. Foster was already there. And Mr. Irion, of course, went, I think, by plane, and, incidentally, he took his wife along, too. And Mr. Frnka met me in Los Angeles and you'll see what actually happened. Now my expense account starts out here on May 31. Oh, incidentally, before that, however, Norman Bering, a lawyer in Houston who had employed Ralph W. Yarborough to assist him in this

specific case--Norman Bering was the attorney for the Pacific Finance--and he and Mr. Yarborough agreed that they would furnish all of the records without a court order. And finally they changed their lawyers and got Irion, Cain, and Bergman, whom you may have heard of. Mr. Bergman was a state representative, and, I think, drew some \$30,000 representing Joe Erwin, American Atlas, or something.

Odom: Yes, I may have heard of him. It does ring a bell, anyhow.

Allred: But anyway it's in some of this data that I've already skipped over, I think. But what happened was that I had to go to the court and get an order of the court to take the depositions of some twelve people in the offices of the...not knowing who I would need, I had to just get everybody that I could. And I got an order from the court to take those depositions, an order requiring them to produce their records for our inspection. And what we were trying to show was that the Pacific Finance Company, on all of the policies, that it was the policyholder along with the insured--the person who owned the automobile. And we had to tie those policies in Texas General Underwriters into the Pacific to show that the Pacific was an insured and therefore tie both of them for that additional premium.

But after the court entered its order, and this was sometime in May, Mr. Knox said, "Judge, while you're in California, we've got a \$10,000 judgment against K. K. Elliott, who we now understand lives at Bakersfield, California. And why don't you go out ahead of time--let Frnka meet you there--and you go and see if you can collect that judgment. And you see if you can..." The question had come up about whether or not the judgment was barred by the

statute of limitations in California. It was not barred in Texas. The judgment was obtained, I think, in Houston before Elliott left. So I told Mr. Knox, "Well, I believe I will, and while I'm at it, I'm going to take a few days off and just try to get a little rest along with it."

Now the reason we traveled a great deal by automobile was we had to carry a lot of records with us, and you couldn't carry them on an airplane. But, anyway, I left on the afternoon of May 31, 1950. That was on a Wednesday. And I spent the night in Brownwood, had dinner in Brownwood, and spent the night there and went to Santa Fe, New Mexico, the next day on June 1. And I charged the receivership for June 1 and for a night and a dinner for the 31st. But my expense account then jumps from June 1 to June 5. I spent the 2nd, 3rd, and 4th, which was Friday, Saturday, and Sunday, around Santa Fe and up at Los Alamos where I had a nephew. But I didn't charge for those three days. I had to pay it out of my pocket. I had to pay my hotel bill, and I had to pay for my meals. Then on the 6th I went on to the Grand Canyon, and I skipped the 7th because I wanted to see the Grand Canyon, and I didn't charge them for the 7th. And then I went on around to Las Vegas, which probably was a mistake, and I spent the night and didn't charge anything for staying for the night. And then the next date, as you can see on this bill, goes from the 10th to the 22nd.

Odom: I see.

Allred: See? All right now, that puts me into Bakersfield, California, on the night of the 10th of June. Then on the 22nd I come back to...

I'm in Los Angeles during that period of time from the 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, July 1st, 2nd, 3rd, 4th, 5th, 6th. Now there were two Sundays and the 4th of July. We worked on Saturday, which ordinarily we didn't do at the office, but we worked on Saturdays. And, I think it took me four days, five...four and one-half days to go to Bakersfield going out. Coming back I got back in three days just driving like "Old Billy." I remember I stopped one time at Las Cruces in the middle of the afternoon so my wife and I could take a little nap so we could continue to drive on home, and I didn't even charge for the hotel bill. I paid that myself. Well, anyway...

Odom: Did you file expense accounts like this for all the trips for these receivers?

Allred: For every trip that I made, I had an expense account just like this.

Odom: Went into the receivership files.

Allred: It went into the receivership files, and the original of that is down there, and I kept copies of my...as you remember I told you, my brother Jimmie told me, "Don't ever throw anything away." But anyway, this is the expense account. Now Mr. Frnka and I worked out there, and finally we got an agreement with the attorneys for the Pacific Finance Company that Pacific would turn over to us their checks and their copies of their checks for us to bring back to Austin to have them photostated and return the originals to them and also to furnish them with a photostat, which we agreed to do. Well, we were saving \$1,000 or more by doing that because it was an enormous job.

But in the meantime before I get away from that, I've got a letter, and I want to get back to this. When I got to Bakersfield, Mr. Elliott said that he just wasn't going to pay nothing. However, before I went out there I had mentioned to my brother Jimmie that I was going to Bakersfield. And he gave me the name of a lawyer in case I needed one. When I got out there--I knew it was Fresno, but I either misplaced it or I forgot it--and I called my brother Jimmie from telephone number 33834 in Fresno, California, to Corpus Christi, Texas, and asked him for the name of that lawyer. He gave me the name, and it was Snell and Avery, and I worked with them. We were trying to figure out some plan or scheme that we could overcome the five-year statute limitation in California which was not barred in Texas, and finally we just gave up. I spent quite some time at Fresno with those lawyers. Sometimes it was on Saturday and Sunday, which I didn't work with them, but I was up there ten or eleven days altogether. We finally ended up by collecting \$1,000 in settlement from K. K. Elliott, although he wouldn't have had to have paid a dime. And while I was out there...

Odom: Now who would this be charged to? This was...the courts had ordered you...oh, this was judgment for Pacific Finance or for...

Allred: No. No, the judgment against K. K. Elliott was a separate...it was United Employers receivership.

Odom: I see. It was another receivership.

Allred: Another receivership. I put in my bill for that period of time. Now Mr. Saunders didn't get that bill out. He made it appear in his testimony that all during that time that I was out there at

Los Angeles, all during that 45 days. And for some reason, I don't know whether it was my stopping in Las Vegas or what, but Mr. Frnka came out there, and I met him on the 22nd which was on Friday, 23rd and 24th, which was on Saturday and Sunday, and we worked the next two weeks through the 4th of July. We didn't work on the 4th of July. I remember this very distinctly because the Korean War hit while we were in California. But Frnka and I got to where we were a little bit short of money, fixing to get a little short of money, and on ~~June~~^{July} 3, 1950, I wrote Bill Knox a letter, which is marked "Received: July 5" in the Insurance Department, Liquidation Division. And this is what I said: "Dear Bill: We are still plucking. We hope to get through here this week but don't know for sure." And Mr. Knox knew all the time what I was doing...what we were trying to do. "Frnka and I plan on going to Bakersfield to see Elliott to see if we can make a collection. I'm convinced our judgment, while still good in Texas, is barred here." Now I got that after I'd been to Fresno. "Pacific Finance is turning over to us all of their records that we want that we can find. These are original checks and copies with a list of policies covered, and we're having to check them policy by policy to see that we've got all of the records. Frnka and I are having to do the checking and locating of the records, but they have been pretty good in turning us loose since we were going to take a bunch of depositions and had their men tied up. We have had a court reporter standing by which causes them to know that we are in earnest. We are to take the records and have them photostated in Austin, returning to

them the original and one photostat, and this will save about \$1,000, as we will have more than 2,000 instruments to photostat. These are the same records Ralph Yarborough and Norman Bering were going to let us see without the court order. Meteor and I both need a little extra money. He wants \$150 more advance on expense, and I want \$200. Please put it in a cashier's check to him and to me, and mail to one of us airmial in care of the Biltmore. And on July 5, Mr. Knox sent a Fidelity State Bank check #18355 to Mr. Frnka and myself for expense money.

Odom: Mr. Saunders knew you were above reproach when he made these charges didn't he?

Allred: Well, I thought so, for he had shown great respect for me and my ability up till the time I told him that we were going to sue his chief examiner.

Odom: He hoped to take the heat off himself by making these charges?

Allred: Well, in view of that question I'll just now make this statement. During the hearings before the Senate, when he and I were both on it, both of us testified, and we were testifying directly opposite; he and I (Saunders and I) were in a restroom, and we were the only ones in the restroom. He apologized to me for his conflicting testimony with me, and said he had to do it to protect the administration. And I said, "Judge, forget it. That's all right. I'm not mad at you about it at all. Just forget about it." Because I knew what he was having to do. He was trying to protect the Shivers administration.

Odom: This was just before the 1956 donnybrook. Of course, Governor Shivers

was not going to run again that year, but he was trying to carry the state for...

Allred: I thought '56 was when Daniel and Yarborough ran. I've forgotten. Now that's another thing that I want to be straight on. You know we were talking about politics, and these people said that I was involved in politics. Don't you know that if I had given Ralph Yarborough--and I voted for Ralph Yarborough, and I think I was one of the few people with him on all those nights that he lost--but if I had wanted to play politics and had given to Yarborough the information I had on Texas Mutual, on the Insurance Commission, on General American, it would have elected him governor of Texas.

Odom: I wouldn't have been surprised.

Allred: But I didn't do it because I was a lawyer. My duty as a lawyer was to my client and to those creditors and not to Ralph Yarborough, a candidate for office. And...

Odom: As I commented before I think you would have become a much more cause célèbre in this case if you had involved yourself in politics.

Allred: I would have what?

Odom: Become a cause of some sort for liberal Democrats in Texas had you involved yourself, but you didn't get involved.

Allred: I refused. When the U. S. Trust went in they had a big meeting down in Houston, a bunch of the creditors. Yarborough was down there, and Jimmy Phillips, who was thinking about running for governor, was there. And they sent me an airmail, special delivery letter inviting me to come. I didn't go. I wouldn't go. I didn't want to have anything to do with it. I stayed completely away,

and I wasn't even holding office. I was living up here practicing law at that time.

Now a lawyer is not supposed to be guilty of self-praise, but I had a letter written to Will G. Knox, dated January 29, 1949. A copy of it went to George Butler, Chairman of the Board of Insurance Commissioners. This was in connection with the Allied Underwriters Assessment suit. Unless Mr. Knox--Mr. Knox gave me the original letter--unless he told somebody about it or unless George Butler told somebody about it, nobody else knows anything about this except my immediate family. My father died on January 27, while we were in the trial of this case, and we finished it after his burial. This letter was from Dean Moorhead of the firm of Looney, Clark and Moorhead. Ed Clark was a member of that firm.

"Dear Will:

"Occasionally I believe in bestowing bouquets where they are due, and this is one of those times. As you know, we are now engaged in trying the Allied Underwriters Assessment suit, and I strongly suspect that Renne Allred is about to hang my hide on the fence. However, regardless of the way the case turns out, I want to say that Renne has done the most beautiful job of preparing a difficult suit that I have ever seen.

"At least a dozen times during the trial of the case either Cecil Rotsch or Judge Perry had leaned over and whispered 'hasn't Renne done a darned good job on this?' I fully concur.

"In a case like this there is the mechanical task of obtaining

the dozens of exhibits, assembling them, and being able to get them in rapid fashion when needed. Renne has done this to perfection, but it is a task that any meticulous person could perform. Quite apart from this sort of mechanical task, he had showed a most remarkable degree of ingenuity in the sources to which has turned in obtaining his proof. For example, in the Texas Fire and Casualty case I almost had you whipped on the ground that you failed to prove that the defendants were subscribers, and, despite the opinion of the Court of Civil Appeals, I am inclined to think that as a matter of pure law, I was right. In the present case, Renne would have me whipped on this point even if I were right on the law that I argued in the other case, for he was resourceful enough to draw upon the testimony of payroll auditors, statement filed with the Railroad Commission, the Industrial Accident Board, etc., and there is no way of getting around such proof.

"All this adds up to the fact that there is absolutely no comparison between the way that the Allied case has been prepared and tried and the way that the Texas Fire and Casualty case was prepared and tried. It also adds up to the fact that I don't see any conceivable way by which the Allied case could have been prepared and tried in better fashion, and I think that it is only fair to Renne that you and the Department know how I and the other defense attorneys feel about this.

"With kind regards, I am

"Very truly yours, R. Dean Moorhead"

Now Dean Moorhead at that time was a part-time instructor at

the University of Texas, and he'd written a number of articles for the Law Review. This suit that he was talking about--and I've written it on the bottom of this letter which I'm going to give you --"was the class action suit against all policyholders, and in February, 1949, the Trial Judge rendered a judgment finding all policyholders liable for one additional premium, approximately \$800,000. The case was appealed and opinion October 25, 1949, sustaining the judgment. Motion for rehearing was overruled November 16, 1949. Archie vs. Knox, 224-SW-2nd 504. (Later the Supreme Court refused the writ of error.) This is the case in which creditors were paid 100% over and above all expenses."

Odom: I remember you referring to that case.

Allred: Now I'd rather have that kind of a letter than to have what Mr. Saunders had to say about me in connection with this. My wife took that letter and made copies and sent it to my mother and to my brothers and sister. This is the letter that Jimmie wrote in connection with it, and I thought you might like to have it.

Odom: He had a funny signature.

Allred: Yes, he did.

Odom: I never saw a "J" made like that.

Allred: Ed Clark and I could almost write his signature, though, at that time back in those days. Ed wrote lots of instruments while he was secretary of state and was an assistant to Jimmie. Now that's about that, and I'm through with the U. S. Trust investigations--Senate investigations--and I'm ready to go into--if you are ready for me to do so--my first dealings with Will Wilson.

Odom: Okay.

Allred: Will Wilson was a member of the Supreme Court. Then he resigned and ran for attorney general.

Odom: John Ben Shepperd didn't run against him, did he?

Allred: No, Tom Moore from Waco ran against him.

Odom: That's right.

Allred: And Will Wilson had pictures on television showing him going into and out of U. S. Trust. He had nothing to do with it, but he made it appear that he was really after U. S. Trust. On October 5, 1956, Will wrote me a letter and said, "I appreciate your support during the campaign this summer. The state campaign really turns on the effectiveness of local support. I want to thank you for your work and effort. Sometime when you are in Austin I would like to have a general conversation with you about the affairs of the liquidator. I know your background in this field, and would like to have the benefit of your ideas on that work. Thanks again for your help." I didn't answer that letter. On November 8, he wrote me another letter with reference to a man he was considering for assistant attorney general. The man used to work for me, and he wanted my views as to his ability and his personality and what-have-you. And he said, "I sure do appreciate your support in my campaign this last summer. Be sure and come by to see me when you are in Austin."

On November 12, I wrote Mr. Wilson, "Please pardon my delay in acknowledging your letter of October 5 in which you said you would like to have a general conversation with me about the affairs of the liquidator. I held up writing you as I have been intending

to make a trip to Austin for some time, but have been delayed. It now appears that I'll be in Austin sometime Tuesday afternoon, November 20, and I also expect to be there on the 21st and 22nd. At that time I'll be glad to talk with you at your convenience and give you as much time as you desire and such information as is in my possession. At that time I will talk to you concerning the young man you wrote me about. Please advise me."

Odom: This was in 1956.

Allred: This was in 1956. Did I give another date?

Odom: I don't know, you may have given...

Allred: This was November, 1956. Now on November 13 he wrote me, "Dear Renne: Thanks for yours of November 12. The 21st will suit me fine."

Odom: May I interrupt you just a minute here? I can't recall whether I asked you this question or not, but it seems that the failure of U. S. Trust and Guaranty generated a great deal more publicity than any of these previous failures had. Why was that--a much bigger company or what?

Allred: Well, I guess that, and together with the fact that for the first time the Senate supposedly was going to look into it, and further the fact that Shoemaker finally shot himself, and all of that together. In addition to that, Drew Pearson was on television "You can put your trust in U. S. Trust." And he made a trip down...

Odom: It was a better known company probably, too, wasn't it?

Allred: Well, yes, I guess it was a bigger company, too.

Odom: Okay. I didn't remember, so I intended to ask you that question, and I...

Allred: Now I spent about two hours on the morning of November 21 with Mr. Wilson. We discussed various matters involving the Insurance Department, the liquidator, including the Texas Mutual and the General American cases, my appearance before the Senate and House Investigating Committee in December, 1955, and January, 1956. I didn't write what I'm reading from here for the purpose of this thing. I found it among my papers--my two years' experience with Will Wilson.

Odom: Oh, really? (Chuckle)

Allred: And (Chuckle) I wrote it. He told me that he thought the liquidation statutes should be clarified. He thought the statute requiring the appointment of liquidator as receiver was directory, and if mandatory it would be unconstitutional. He said he was going to talk to the three district judges in Austin concerning a bill placing the responsibility on the court without question where it belonged. Now this is Wilson talking. And on that day he was having lunch with Senator Charles F. Herring and intended discussing the matter with him. Before I left Mr. Wilson I told him that since he had twice written me thanking me for my support in his campaign for attorney general and since I did not fly under false colors, in order that he might properly appraise what I had told him I wanted him to know I did not support him for attorney general.

Odom: (Chuckle) I didn't think you did for some reason or other.

Allred: He seemed surprised at that but said it made no difference and that he appreciated my friendship anyway, and he'd call upon me later in connection with matters. I told him I'd be glad to assist him in any way. That day at noon I saw him having lunch with Senator

Herring in the Driskill. On that same day I saw J. Byron Saunders having lunch with Vestal Lemmon, who is the general manager of the National Association of Independent Insurers of Chicago, the association that I was with for a while as general counsel and could have stayed except the judges got me to come back. I never heard anymore until I read in the paper that a liquidation bill that had been introduced.

Odom: By Senator Herring?

Allred: By Senator Herring. I read about that and I wrote Senator Herring and asked him for a copy of it, and he sent me a copy and told me that there was a hearing set for February 6, 1957. On January 24, Josh H. Groce of San Antonio sent me a copy of the bill, also. He's the same man who was in the General American.

Odom: Josh Groce.

Allred: On January 28, 1957, I wrote Senator Herring suggesting three corrections and citing to him the opinions of the attorneys general, Galveston courts, and Supreme Court of Nebraska, all of which was later ignored by the Supreme Court in the last mandamus opinion against Judge Betts. Now this is a copy of the letter which I wrote to Senator Herring. And I quote from those cases in that letter that I have.

Odom: Okay. May I have this copy?

Allred: I had no intention of going down to the hearing on that bill. They had that hearing on the morning of February 6. And on February 6, Judge Charles O. Betts called me from Austin to Bowie and told me that he needed help in the U. S. Trust and Guaranty cases and would

I help him. And I told him I had to go from Bowie to Breckenridge the following day, and I'd come on to Austin, and I'd be glad to help him in any way I could. On the 8th day of February he entered the order appointing me as attorney in U. S. Trust and that's a copy of the order.

Odom: Now had the liquidator's staff been serving as attorney for the receiver?

Allred: Well Mr. Cecil Rotsch (and this man had bragged on me in the Allied case) had become general counsel, and he'd been serving, but Emmett Shelton in the meantime had resigned. He had been appointed to succeed me. He had a knock-down-and-drag-out with the Insurance Board, and he said that they wanted to make a clerk out of him and he wasn't about to do that.

Odom: Is Mr. Shelton still living or do you know?

Allred: I guess so. Anyway, I went down there on the 8th. Now I was informed at that time before this hearing on the 6th--Judge Betts was there, Judge Roberts was there, Josh Groce, John Osorio, who had become insurance commissioner, and Will Wilson--and I was told by Judge Betts by Judge Roberts and by Josh Groce, that Wilson had reiterated to the Committee his opinion that the Liquidation Bill was directory, and if he were called upon to write an opinion he would hold that if it were a mandatory bill it would be unconstitutional. On February 19, 1957, Judge Betts appointed me as attorney for the receiver and the I. C. T. and on November 16 appointed me as Master in Chancery. In the meantime I was furnished by Byron Fullerton and Joe Carroll, two assistant attorney generals, a letter signed

by Will Wilson to various and sundry banks, hotels, what-have-you, authorizing me to check their records as his agent.

Odom: His representative?

Allred: That's right, same thing.

Odom: Same thing.

Allred: Now...

Odom: Do you intend to give me this?

Allred: You can have it if you want it. Five hundred creditors intervened in the U. S. Trust case, and they were trying to get a preference on their money which they had loaned to U. S. Trust at 5 per cent, and we had a trial. We tried that case down there and the court refused to grant intervention.

Odom: What was the basis for their attempt to get preference?

Allred: I don't recall now. It's been so long. But anyway they failed to get their record up in time, and Mr. Ned Fritz, a lawyer in Dallas, was trying to raise some money. And the court finally sustained the trial judge by refusing to submit the filing of the records, in Douglas vs. Wheeler, 306 SW2nd 956.

Odom: How long did you continue as attorney for the receiver in U. S. Trust and Guaranty?

Allred: I was there until I resigned in '58. But in the meantime Judge Betts also appointed me in all receiverships in his court.

Odom: Oh, in his court.

Allred: In his court. The other two judges did not. And...

Odom: Go ahead and tell that in the way you wanted to say it.

Allred: You can see that I had quite a bit of business.

Odom: Did you consider this considerable vindication, or not?

Allred: Well, I thought so. And I never will forget what Ralph Yarborough said. He was elected to the United States Senate in 1957. And he said that if it hadn't been for this he'd never been elected to the United States Senate. He said this is a vindication to you, and I thought it was vindication.

Odom: Do you want to take a short break?

Allred: Yes. I told you about this meeting with Wilson on the 21st, I believe it was, of November, and I told you that I had seen Byron Saunders with Vestal Lemmon. My wife and I were there. And, of course, we had known Mr. and Mrs. Lemmon for a long time when they lived in Austin, been associated with them in Chicago; and they were very good friends of ours. I hadn't seen or spoken to Saunders since the time we were up there in that men's room

Odom: Yes.

Allred: But I wasn't about to let the fact that he was sitting there having lunch with Mr. Lemmon intervere with my wife and I seeing, speaking, talking and shaking hands with Mr. Lemmon. So we walked over, and I introduced Mrs. Allred to Mr. Saunders and Saunders to Mrs. Allred. We talked a little while, and we were fixing to leave. And Byron said, "Well, I'm glad to see you, Renne. Come by and see me sometime." I said, "I'd like to, Judge. You just set the time and date." And I think it kind of surprised him (chuckle). And he said, "Well, I've got an appointment this afternoon. How about in the morning?" I said, "That's fine."

The next morning I did go up and visit with Judge Saunders on

this--but on December 30, 1953, I learned that Ben Jack Cage of the ICT was guilty of illegal rebates by paying back part of the premiums to selected customers. I was taking a testimony before a Master in Chancery. And the fellow said that he was doing this in that particular case and said it was just like he had done with Ben Jack Cage.

Odom: Yes.

Allred: I knew that Saunders and Smith were with Cage down in Miami. One of them, I don't remember which one, told me about flying over to Havana. And I was trying to put, particularly Saunders, on notice because I had always had high regard for him, and I wanted him to know about it. Of course, I didn't know he'd go into Ben Jack's employment shortly, but anyway I furnished him with a copy of that.

Odom: Of what you were learning...

Allred: What I was...

Odom: ...in the chancery?

Allred: ...in chancery in December, December 30, 1953.

Odom: You furnished it at that time back in 1953 or January 1954?

Allred: Yes, yes. And I took it up there and delivered it to him. That was one thing I wasn't going to be sending through the mail; and maybe they'd see it. I wanted to be sure that they saw it. I wanted to be sure that they saw it, and I gave it to him. We talked about the old Senate Investigating Committee, and we...I guess we were there for three hours. Apparently he had notified his secretary that there would be no calls because he wouldn't talk to anybody. And I guess you would have called it a kind of

love feast. I told him that I didn't blame him for what he'd done; but in the course of that conversation he told me that I was right in connection with that matter. He was sorry for what he'd said. He hoped that I'd forgive him.

In the course of that conversation, also, we got to talking about ICT. And he told me that the ICT was in bad condition. Now he still had a lot of confidence in me even at that time. He told me that he was resigning and he told me he was going to Dallas as vice-president and general counsel for Republic National Life and made the statement to me at that time. And I felt sorry for him. He said, "Renne, I wish to God I'd never come to Austin." And I said, "Judge, so do I."

Odom: Do you mean that you wished that he...

Allred: ...that he hadn't come to Austin.

Odom: I wanted to make that clear because I thought...

Allred: Because I never have regretted not going.

Odom: Okay.

Allred: Here is a copy of the order of the court appointing me as attorney for the...

Odom: ICT.

Allred: ICT receivership. And the Senate had started another investigating committee. The only three senators that I now recall that were on that committee were Senator Charles F. Herring of Austin, Abraham Kazen of Laredo, and Senator A. M. Aiken of Paris. Senator Herring and Gene Fondren, who was a special counsel for that committee, asked me to have lunch with them one day. And...

Odom: This now is in 1957.

Allred: This is in February...this was in...actually this was in March of 1957.

Odom: And this is during another session of the legislature.

Allred: Yes. We went out and had lunch together. And they asked me how, if I were them, how would I go about investigating the affairs of the ICT? And I said, "Well, if I were you, I'd start with the very beginning of the old Texas Lloyds, I believe it was, and the organization of the ICT." And they said, "Well, where can we get the information?" And I said, "What do you think I've been doing since February 19?" (Chuckle) And so they said, "Well, will you testify?" And I said, "Well, if you subpoena me, I'll have to testify. But I have no objections to testifying anyway." And we went back up to the capitol and, incidentally, they wanted to buy my lunch that day, and I wouldn't let them. (Chuckle) I was (chuckle) just as afraid of all these people as I could be. I didn't want somebody asking me where my expense money came from. So we went back up there and met with Senator Kazen. And I went over in detail, what I had uncovered up to that time in the ICT. Now Senator Aiken wasn't...

Odom: ...wasn't there.

Allred: ...wasn't there and wouldn't have been there because I was there and he didn't care for me.

Odom: Oh, really?

Allred: Yes, he was...

Odom: What does that go back to?

Allred: Well, it went back to the fact that he thought I was responsible for Senator Bill Moore being involved in the Texas Mutual.

Odom: Are they good friends?

Allred: ...they were senators, anyway.

Odom: Members of the club?

Allred: And Senator Aiken made the statement right after this...You see, Judge Betts went to that meeting on the morning of February 6. He called me that afternoon as soon as he got back to his office. I don't know whether it was afternoon or morning, but anyway he called me and he later told me, "I made up my mind from what I heard there that they were not about to do anything about it, and I just had enough, and I decided to call you." But Senator Aiken made a statement, so I was told, that this was just an attempt to set up a bill to give Renne Allred a job, and he wasn't going to vote for anything that would give Renne Allred a job. So anyway, I testified in some detail.

Odom: This is now before the committee?

Allred: Before the committee. But first...

Odom: First, you had this in private.

Allred: We had it in private, and I showed them what all I had so that they would know what to ask about. And then in open session, I testified to what I had uncovered, and you will find it in detail in this plaintiff's original petition which my wife found at my house--a different copy, an extra copy which I have marked "Contributed to North Texas State University, Denton, Texas," by myself of this date which I give to you.

Odom: Thank you. We'd be glad to have it.

Allred: I might state that without going into detail because it's all in here, but you can look at pages 118-124 and you will find the \$500,000 loan by the Republic and also page 127, part of paragraph 122; and the \$920,000 loan, pages 131-138; \$250,000 Republic loan pages 139-142; and another \$500,000 Republic, pages 177-180; \$400,000 loan Republic, pages 180-185; another \$400,000 loan, page 220; \$518,000 loan Biggers Allstate loan; and \$200,000 loan Republic, June 30, 1954, and repaid the following day. I haven't been able to find that one in here, and this is the suit in which we asked for \$15,000,000. Now this is not the petition on which the receiver went to trial. Apparently, they filed another case--Clay Cotten--and that was filed and later on the court held that Mr. Taylor was not the receiver which we will get into, but while I've got that, there is a case of Clay Cotten, receiver of ICT, vs. Republic National Bank of Dallas, 395 Southwestern 2nd 930 Dallas Court, error refused, no reversible error. Now the original suit was filed by Rudy Rice and myself on June 26, 1958, and the Cotten suit was filed on November 6, 1958, by receiver Langdeau. Now the court in this opinion, which I've talked about up there, held that there was no liability on the part of the bank. It said, "the statement of the receiver through his counsel at the hearing on the bank's motion for summary judgment, that he made no implications concerning the honesty and integrity of three of the officials of the bank certainly tends to negate the receiver's charge of fraud, misrepresentation, and conversion on the part of the bank."

Odom: Well, when you sue a bank this way, can't you sue individuals in connection with it, or not?

Allred: I imagine they were sued. I don't know what finally happened. I don't know what happened in this last suit at all. And now in connection with this ICT, and while we've got it before us, Charles T. Ramsey, an assistant chief examiner, said that he was assigned on September 20, 1956, to examine the ICT. He commenced his examination on October 15, 1956, and he began to suspect the ICT was insolvent about the middle of December, 1956. Now that indicates one of two things: (1) that Saunders didn't tell me in November, 1956, that the ICT was in trouble, or (2) Saunders knew more than his examiner knew about ICT. Because the examiner didn't find it out until December.

Odom: Sounds to me like he knew more than the examiner. Wouldn't he have been getting reports from the examiner earlier?

Allred: He might have, but this fellow said he didn't find out until about the middle of December. He didn't suspect it was insolvent until about that time.

Odom: He probably wouldn't have examined the company before.

Allred: No, I don't think so. I don't think so. Noad and others were examiners before. That's all set out, before I forget it, also, I want to take out these pages in there. I think that's with reference to some of those examiners. I'm not going to contribute this to North Texas, but I'm going to loan it to North Texas State University until such time as I call for it, if I do. If it's not called for during my lifetime then I'll give it to the university.

I don't know that I'll ever have any use for it, but that's in the General American case.

Odom: All right. I remember the case. You were referring to it earlier.

Allred: I thought that might be of some value. And I have here some clippings--a testimony before the Senate Investigating Committee. Really it isn't of any necessity for me to repeat it because it's all set out in that petition, and all we'd be doing would be citing...

Odom: Be repeating? Better just leave it in the records there...

Allred: I believe I'll let that go for the time being.

Odom: Let me ask you this question about ICT while we're talking about it. Did the fact that the Texas State Federation of Labor controlled ICT have any bearing on the political aspects of the thing? Did any of these people, you know, that had something to do with ICT mention that fact that they had cognizance of it?

Allred: No, I don't know much about what the labor people had in connection with the ICT itself, but they did have the ICT Life Insurance Company, and after the receiver was appointed for Ict, the receiver and V. F. Taylor were appointed directors of the ICT Life Insurance Company. And they wanted to appoint me, but I refused to be appointed, although I appeared at all of the ICT Life Insurance Company's directors' meetings and discussed with them and talked with them about it. I think they finally made that life company--it changed its name--and I think it finally made a very fine company. I don't know exactly how to answer...nobody ever talked to me about the politics about it at any rate.

Odom: Could you draw any conclusions about any of the actions taken or

not taken that might have been the result of that?

Allred: Well, I don't guess I did, because the thought had never come into my mind until you just now asked me the question. I hadn't thought about it. I do recall that--this whole thing has gotten pretty hazy to me--I haven't even thought about it in a long, long time until you started talking to me about it.

You know we have talked about Cecil Rotsch. One time he was an assistant attorney general, and he went to Houston. And he represented the receiver in the original Knox vs. the Pan-American case, and I don't know whether he was released by that firm or whether he quit or what, but anyway Charlie Bell took it over. And then Cecil Rotsch is the same person who with Judge Perry, the former county judge of Harris County that Dean Moorhead, who was representing these people, was talking about, and then Rotsch was appointed to represent the liquidator-receiver, in the 53rd and 126th district court cases. I found this in my files, and I never had noticed it; I remember seeing it once before, but I never had noticed it. It's cut off there, and I don't know who wrote this to me. It's a memo to Judge Allred, and has James M. Willismson, liquidator-receiver, and Cecil C. Rotsch, general attorney, post office box 13, Liquidation Division, State Board of Insurance, and I never had noticed it until this last week. It looks to me like it's just a letter being written, but when you get to reading it, it's in poetry.

Odom: Poetry? (Chuckle)

Allred: And when you break it down into...it looks like prose, but when you

break it down, it sounds something like this:

"MEMO TO JUDGE ALLRED:

Our printer, Mr. Haskett
brought us a basket
of this letterhead,
whereupon we kindly said,
pleasantly we trust,
it might be unjust
to accept what we certainly will not be amusing
ourselves by using,
at least for the purpose intended
hoping you are not offended.

"Then too, where store
except upon the floor?
That would be a reproach
to 'General Attorney' Rotsch,
who might admit
that he is eager to transmit
far and wide,
with unbounded pride,
his title supreme
with every available ream,
declaring his Generalship
apparently in every receivership."

(Chuckle) That's just an amusing thing I thought you might enjoy.

I don't know whether you want it in this record or not. Now...

Odom: Who is this from?

Allred: My guess is...

Odom: You don't know?

Allred: I don't know, but I can guess. And my guess is that V. F. Taylor wrote that, but I never had realized that it was written...

Odom: Well, you don't notice that it rhymes like that. It's just prose, really, just prose.

Allred: Yes. Now in the meantime, going back to ICT, the House Investigating Committee started investigating, but at the same time that the Senate did. I never did appear before the House, but Will Wilson told me that he had called Byron Saunders and told him they wanted him to appear before the House Investigating Committee, and he said he would come without a subpoena. And Mr. Wilson said that he had invited Mr. and Mrs. Saunders to come out to his home to have dinner with them. He did have dinner with them, so Mr. Wilson told me. And it seemed at the time that I was getting this information that Wilson was making it appear to Saunders that he had a friend in court.

Odom: Really?

Allred: And Saunders went out there and took his briefcase with him and left his briefcase with his files, his income tax returns, in Wilson's home.

Odom: Why did he leave them there?

Allred: Wilson wanted to look at them. He thought he had a friend, I think. And then Wilson went in there and found some stuff which he later

used to rip Saunders up and down before the House.

Odom: Oh, really?

Allred: I wouldn't have done it; I wouldn't have done anybody that way.

Odom: Like Mr. Wilson did?

Allred: Like what he told me he did. Now I wasn't out there; they didn't invite me. But anyway he caught Mr. Saunders making some false statement before the House...

Odom: Based on records he'd left there...

Allred: Part of it. In particular part of it was that which showed he was receiving some oil runs, and he (Saunders) claimed, I believe, that he had received some \$6,000 from Jack Cage or one of his companies, or something, and that he had sold him that oil run. But yet, he was receiving the oil runs, and that showed up in his income tax. I remember that very distinctly. Now later on, J. Byron Saunders and Mr. "Chink" Smith, Garland Smith, were both indicted, and Saunders was convicted of perjury and for falsely testifying before the legislative committee in connection with certain checks received by him from the ICT discount corporation while insurance commissioner and was sentenced to two years in prison. And the court held that his testimony in certain particulars was false and deliberately given, but the court held he was not guilty of perjury but of false swearing. They indicted him for perjury, not false swearing; they reversed the case and never did try him anymore.

Odom: They never did try him again?

Allred: No, so far as I know.

Odom: What about in Mr. Smith's case. Did they indict him for perjury, too?

Allred: I'm not sure. You know, Smith's son-in-law, Max Rychlik was on a \$700 a month payroll with ICT.

Odom: Yes, I know.

Allred: And, of course, he was life commissioner when that started, and he could get more money than Saunders. As I recall, Saunders' income tax is rather a peculiar thing. Some of his income tax records showed that he had been making about \$12,000 a year--he and his wife together. His wife was teaching school. Incidentally, she is a lovely lady and has charge of the Kilgore band, you know.

Odom: Oh, is that right? The Kilgore Rangerettes?

Allred: Yes. Mrs. Eva Saunders.

Odom: They live in Kilgore now?

Allred: They live in Tyler.

Odom: In Tyler. I knew they came from Tyler.

Allred: And he...

Odom: Is it the Apache Belles--the Tyler Apache Belles...

Allred: I don't know which one it is.

Odom: It must be the Tyler Apache Belles.

Allred: My wife would know, but I don't recall. [Later Mrs. Allred told me it was the Tyler Apache Belles] But, anyway, when Mr. Saunders went down as casualty commissioner, it just wouldn't do for the wife of a man who was casualty insurance commissioner to have to teach school. He was only making \$8,400 a year, and he had to supplement that with income up to what he had been making in Tyler which was about \$12,000 a year. And I think that's where he finally got into trouble. He needed...

Odom: He needed more money.

Allred: He needed more money, and so on. I've always felt sort of sorry for Byron, because I know how he really felt about me judging from our conversations which were just contrary to what he had said and done.

Odom: You never had that kind of regard for Mr. Smith?

Allred: No, I never did have much regard for Smith. He was a kind of a politician. Saunders had been assistant district attorney. He had been county judge and a reputable lawyer who had gotten involved in this thing. That could have happened to just anybody.

Now during March, April, May of 1957, I had numerous calls, local and long distance, with Will Wilson. I had personal conversation with him. I had three. One was at his home when he was ill. One was in his office which, I believe, was on Saturday, April 27. And one was in Mr. Wheeler's office. On one occasion he told me that he had no objection to my appointment by Judge Betts, but he'd like to be consulted in connection with the appointment of attorneys to represent the receiver. I told him Judge Betts had instructed me to discuss with him before any attorney was appointed by Judge Betts to see if he had any objection to the appointment of any attorney, and that Judge Betts didn't want to appoint any improper person. In one of these conversations, Mr. Wilson asked me if the receiver was going to file a fraud case against the officers and directors of U. S. Trust and Guaranty. I told him no, because we didn't think we could make a recovery other than in connection with the Shoemake case because of the inability of the

parties to respond in damages if we got a judgment. And we didn't want to spend the money unless we could collect the judgment. Will Wilson stated to me that he would like to assign two of his assistants to file such a fraud suit and that he thought it ought to be filed as a matter of public policy. And he requested me to ask Judge Betts if he would appoint two of his assistants to represent the receiver for this purpose. I discussed it with Judge Betts, and he told me that he would appoint them for that purpose to act under my direction and supervision.

Odom: Under yours?

Allred: Yes. I reported back to Mr. Wilson, and he assigned Bryan Fullerton and Dick Wells, two nice young fellows so far as I know. We made an office and an auditor available to them. They were in and out of the office in May and June and apparently abandoned the project.

Odom: Abandoned it?

Allred: Yes, they never did do anything about it. And on one occasion--it was in Mr. Wilson's home or in his office but I think it was his office--I told him that I'd uncovered evidence showing, in my opinion, that the Mercantile and Republic Bank had participated in fraud perpetrated by Ben Jack Cage against the creditors and stockholders. Wilson said he would hate to see the Republic Bank involved or sued in connection with the matter, for they were heavy contributors in his campaign for attorney general. At or about that time I discussed with Mr. Wilson the appointment of Josh Groce and Rudy Rice. And at or about that time he asked me to take C. K. Richards into the investigation. He said he would release him if

Judge Betts would appoint him to work in the investigation. I told him I would rather have Mr. Rice because of his experience in investigations while he was assistant attorney general of the United Lloyds, the Lowry companies, General American.

Odom: Who was Mr. Richards, now?

Allred: C. K. Richards was an assistant...

Odom: ...attorney general.

Allred: ...attorney general under Will Wilson, had been under other assistants, and later was on the Court of Civil Appeals.

Odom: What did you think about Mr. Wilson's statement about how you perceived Republic...

Allred: Well, I began to see his attitude toward me change.

Odom: You did?

Allred: Yes, sir, I sure did. I sure did. I have some notes I made here: "It was at or about this time Mr. Wilson's attitude toward my appointment by Judge Betts changed." (Chuckle) Now I was informed by Judge Betts that Mr. Wilson had been over there, and some of his assistants and talked to Judge Betts about how they could get in to the Courts the Trial Court's authority to appoint attorneys for the receiver. Judge Betts said, "Well, I'm satisfied. I think Mr. Allred's satisfied. So that's up to you."

Odom: How did you get the court...

Allred: How they could get the question of the right of the receivership court to appoint the attorney before the...

Odom: Oh, before the court, so they could...

Allred: ...before the court, so they could...

Odom: ...rule on it, I see...

Allred: ...rule on it...

Odom: ...before the court so they could rule on it, I see. I didn't understand that...

Allred: He wanted to back up on his original statement that if it was mandatory it would be unconstitutional.

Odom: I see. He wanted the court to rule on it.

Allred: I don't think I talked to Mr. Wilson but one time after these three conversations in which he told me that.

Odom: That was in the summer of '57.

Allred: Well, he wanted me to go to Cuba with Joe Carroll and see if we could find some ICT records. And I told him I wasn't about to go down there with him attacking my authority. And he said, "Well, the Judge has appointed you as Master in Chancery and he could pay you under that procedure."

Odom: This is at that one time that you saw him he...

Allred: No, this was at a later time.

Odom: At a later time.

Allred: This is at a later time.

Odom: Yes.

Allred: The Board of Insurance Commissioners sued Judge Betts and sued me in the Supreme Court by way of mandamus.

Odom: About what?

Allred: To set aside the orders of Judge Betts appointing me as attorney for the receiver.

Odom: I see. When was this filed?

Allred: That was filed in...

Odom: Or about?

Allred: Oh, it was...well, in late '57.

Odom: ...late '57.

Allred: I guess. Anyway, it's reported in 308 Southwestern 2nd 846, page 849. I'd like to get that because I want to quote from it. The Supreme Court refused the Board of Insurance Commissioners' petition they used to file mandamus holding that the Court under the circumstances outlined by them had the authority to appoint me. The Supreme Court made this statement: "The respondent district judge in his answer to the application for the writ takes a somewhat extreme position, which is supported by respectable authority, that the liquidation proceedings pending in his court are essentially judicial receiverships, and consequently he, and he alone, is legally authorized to appoint a receiver and to determine who shall represent the receiver as an attorney."

Odom: I think he's right, in that...

Allred: Now those are the authorities that I have shown and talked about, the former attorney general's opinions, the two Galveston courts' opinions, and Nebraska and New Mexico; and I've got the copies of all of those here. They...

Odom: I have your letter citing these.

Allred: Citing the results of them. Now, later on...

Odom: Here's the other one over here.

Allred: Yes, sometime later the Insurance Commission requested J. D. Wheeler to resign as liquidator-receiver. I don't know just exactly when

that took place.

Odom: He had replaced Mr. Shelton?

Allred: No, he had replaced Will G. Knox. Shelton had resigned. He took my place.

Odom: Oh, that's right, Shelton is the attorney.

Allred: He's the attorney, yes.

Odom: I'm sorry. I just got confused for a minute.

Allred: And they appointed James M. Williamson as liquidator. And before Judge Betts would appoint Mr. Williamson as attorney, he had him before the court and in some detail went into the fact as to whether or not he would obey the orders of the court. Williamson assured him that he would. And finally he appointed him, and he put him under bond, I think, in all receiverships which had not been the usual custom. And so Mr. Williamson took over and his principal job, as I now recall, seemed to be the supervision of the changing of the printing on the front door and the fact that he was going to change the law library into a ladies' restroom. (Chuckle) Of course he did considerable more than that, I'm sure, but at any rate the Board of Insurance Commissioners took C. H. Langdeau who had been an assistant state auditor and sent him down there as assistant liquidator.

Odom: I see. He's the one who did the work.

Allred: He was the one who was doing the work. And Langdeau and Williamson and Cecil Rotsch got into a row. And here one morning, here come the commissioners, whoever all the commissioners were at that time, and Mr. Langdeau and Mr. Williamson and Mr. Rotsch, and they all

went back in the law library. They didn't invite me or anybody representing Judge Betts. But I have testimony on each of those people, Langdeau, Rotsch, Harrison, about what took place in there. And Rotsch was going to quit, and Langdeau was going to quit. Finally they agreed to give Mr. Williamson another chance. I asked Mr. Harrison why he didn't call somebody representing Judge Betts in there. This was in the hearing before Judge Betts. And he said, "Well, you weren't having any difficulties with them." But, nevertheless, we were the ones that got fired. (Chuckle) Well, at least I was. And so it got into the press about this hearing. And it seems that Harrison had gone to Chicago, and before he left he had appointed C. H. Langdeau as liquidator; and he discharged Williamson and put Langdeau in.

Odom: Well, when was this now--about when?

Allred: That was in '58, early '58. Judge Betts said he'd had a belly-full of it--he'd had enough of it. And he wasn't going to appoint Mr. Langdeau, and particularly in view of the fact that Mr. Harrison told him in his office that Langdeau wasn't qualified. And...

Odom: Now, let's see...Mr. Harrison. I get lost on things. Now he's...

Allred: William H. Harrison was the Insurance Commissioner working for the three board members.

Odom: I see...administrative office.

Allred: Administrative office. So then Judge Betts appointed V. F. Taylor as receiver in all of these receiverships. And they filed another mandamus. And the Supreme Court in 315 Southwestern 2nd 279 held that the liquidation statute was not directory, that it was mandatory,

that it was not unconstitutional, but it failed to cite any authority for that statement, and it failed to discuss the "respectable authority" that it had mentioned in the previous case.

Odom: Now how do you explain this?

Allred: I don't explain it.

Odom: You don't?

Allred: I think I made the statement that somebody had said, "This is not the law of the land. It's the law of the case."

Odom: I see. This was in '58?

Allred: That was in '58.

Odom: So this meant that Judge Betts could not appoint anyone as receiver, other than the liquidator? Is that right?

Allred: That's right. They had to appoint the liquidator. That was the effect of it. All of those articles there are in connection with it. And so I appeared with Mr. Taylor at the request of Governor Price Daniel in his office to tell him what this trouble was all about. And I told him.

Odom: You appeared with Mr. Taylor?

Allred: Yes, before Governor Price Daniel. I told him about it. I told him about Wilson's statement to me that he didn't want the Republic sued...would hate to see them sued. I told the Insurance Commissioners about it.

Odom: What did Governor Daniel say about it?

Allred: Well, I don't recall, now, what he did say. But, at any rate he was wanting information and I was giving it to him, or giving it to him to the best of my ability.

Odom: Do you feel that Wilson was primarily responsible, then, for this whole thing as it developed into in '57 and '58?

Allred: Yes, I do.

Odom: Well, that was sort of the implication of what you said.

Allred: Yes, I think he was responsible for it. He wanted to control the lawyers in the Liquidation Division. He told me one time, "Maybe I don't have the legal authority, but I've got the moral responsibility to see what they do is right." At any rate, so far as I know, most of the cases have gone by the wayside. Texas Mutual--I don't know finally what happened on it, but Mr. Shelton, the attorney that filed the suit, asked the judge to find against the receiver...

Odom: I recall that and...

Allred: ...so that the receiver could appeal so he could find out if there was any liability. He's the one who permitted the suit against Senator Moore and Tom Taylor and others to be transferred up to Bryan. I think I went into some detail on that, didn't I?

Odom: Yes, earlier.

Allred: This is the testimony of Judge Betts' interrogation of Williamson when he was...whether or not he would appoint him as receiver. And finally on July 30, 1958, I had discussed with the chairman of the board, Penn Jackson, who was the district judge at Cleburne, my withdrawal. I didn't want any question to come up about my compensation in the future. I wanted to make a clean break and I recall the judgment which I presented to the court. And on July 3, I appeared before Judge Betts and made this statement: "May it

please the Court, this is on an oral motion by myself to the Court for permission to withdraw as Attorney for the Receiver in the insurance receivership cases, and also as Attorney for the Receiver in all suits growing out of those receiverships. The Commissioner of Insurance today has entered an order, the subject being considered as Compensation and Expenses of Renne Allred, Jr., as Attorney for the Receiver in the 98th District Court. The order of the Commissioner is approved by the three members of the State Board of Insurance. It recites the various orders of this Court appointing me as Attorney for the Receiver, fixing compensation and allowances of fees, and it provides specifically that the payments by the Liquidator-Receiver, J. D. Wheeler, James M. Williamson and C. H. Langdeau, during their tenure in office, as well as the payments by V. F. Taylor during the period from June 10, 1958, to and including July 16, 1958, of the receivership funds to Mr. Allred are all hereby approved, confirmed and ratified as being the full and final compensation due him as allowances, fees and expenses for all legal services rendered by him as Attorney for the Receivers in each and all the above described receivership estates."

Now this was at a time when the court held that Mr. Taylor was not a valid receiver--the order appointing him was void; and I was trying to see that he was cleared out because his paid expenses wouldn't have been paid by anybody else. But I told the Court also, "It also provides that it is further the order of the Commission that this order is irrevocable and the Liquidator-Receiver is hereby instructed not to seek to recover any of the funds paid to the said

Allred by said Wheeler, Williamson, Langdeau and Taylor.

"A judgment has been prepared which has been signed by myself as Attorney for the Receiver, by C. H. Langdeau, Liquidator-Receiver, and by Cecil C. Rotsch, Attorney for the Liquidator-Receiver, and by William A. Harrison, Commissioner of Insurance, and by the three Board Members in which the substance of it, which I will present to the Court, is to the effect that the compensation heretofore paid to me and to be paid by the terms of the order are affirmed and, in connection with that, I would like to state to the Court that the orders of this Court appointing me as Attorney for the Receiver provided that I should have complete access to all books, records and papers of the various receiverships, and should be subject only to the orders of this Court. The Supreme Court in the first mandamus proceeding against this Court held that this Court had the power to enter that judgment.

"In the recent opinion the Supreme Court held that the provision of the Liquidation Act requiring that the Liquidator be the Receiver is not directory and is not unconstitutional. In view of the last opinion of the Supreme Court and the apparent attitude of my client, the Receiver, and those who control his actions by having the power of dismissal over him, I find myself in an untenable position.

"I have never stepped out of a battle when I had one side of the forces on my side, but to have both sides against me, is more than I can expect to be successful, and I therefore respectfully request this Court to permit me to withdraw as Attorney for the Receiver in these receiverships, as well as Attorney for the Receiver

in causes of action arising out of these receiverships, and that I be relieved of all duty and responsibility as Attorney for the Receiver therein. This is the judgment which has been prepared."

"THE COURT: Mr. Allred, I have reviewed this proposed judgment with you prior to this time, and I must say that I appreciate the attitude of the Commissioner and the Board in entering the order which has been reviewed by you in this presentation. I will reluctantly and regretfully allow you to withdraw as Attorney for the Receiver in these various cases.

"In accepting that resignation, which I will term it, I want to tell you that I appreciate both personally and as the Judge of the 98th District Court your loyalty, your extraordinary work in so far as time and effort is concerned that you have expended upon these matters since I asked you to come to Austin and assume these duties--when was it?"

"MR. ALLRED: February 8, 1957."

"THE COURT: February 8, 1957. As you know, and I know, the conditions of the receivership estates in my court at that time were in practical chaos. I could not find out what the situation was except to know that it was in bad shape. Causes of action were passing by the Board because no one could keep up with them or was in position to do anything about them that knew how to do it. Limitation was running and did run on quite a number of lawsuits during the time that you were absent from these receivership matters, and there were matters immediately impending, especially in the I.C.T. receivership and the U. S. Trust and Guaranty receivership

at the time that I requested you to return and assume these duties, that were of utmost importance and which I do not believe could have been successfully taken care of except as you did take care of them.

"Your work, in so far as this Court is concerned, has been extraordinarily meritorious and worth vastly, vastly more to these receivership estates than you have drawn as compensation. I know from personal knowledge of your spending up to eighteen hours a day on these matters and largely due to your diligence and work and ability the affairs of these receiverships are in my opinion, especially in the I.C.T. and U. S. Trust and Guaranty cases, in excellent shape at this time and on a current basis.

"I think the other receiverships are also, and from my knowledge of what you were doing in them, they were being brought around to the place where they were in a position to be closed, which should have been done years ago in most of them. I hope that those efforts that you have placed in these matters will not be entirely wasted, and that the litigation which you have begun under the direction of this Court will not be allowed to die or fizzle out. It is extremely important to the creditors and stockholders of these receivership estates.

"Under the decision of the Supreme Court, I agree with you that the situation would be untenable for you to continue from a personal standpoint. You mentioned not being supported by either side. I presume you also in that statement considered me in the middle with you?"

"MR. ALLRED: Yes, sir, I did."

"THE COURT: I am not even in the middle any more. I have nothing to do with these matters, no authority, and therefore I consider no responsibility and must so treat it in the future, but I did want you to know that you have my deep gratitude and a great sense of respect for your integrity and honesty and fearlessness in maintaining the position you believe to be right and for the benefit of the creditors and stockholders of these companies involved in these cases, thank you very much."

Odom: They just took all discretion away from him in that. I would have to agree that he didn't have any responsibility left in the matter.

Allred: That's the position he has taken.

Odom: Does this still stand the same way...in the same kind of interpretation that the courts still have to appoint the liquidator?

Allred: As far as I know. Now here's a cartoon of a young man and girl going in to see a man inside of a house, and she says, "Now in your conversation don't mention the Supreme Court. Mr. Snodgrass is the exploding kind." So (chuckle) I ought not to be mentioning it.

Now the Lloyds of London, according to the Dallas News, April 10, 1959, paid \$100,000 into the I. C. T. receivership, I found out I don't know anything about it.

It was quite a to-do going between Judge Betts and Mr. Harrison from Chicago when this changeover was made. The Fort Worth Star-Telegram, Friday evening, August 1, 1958, has an article that "State Insurance Commissioner William A. Harrison, Friday, said the state receiver's attorney in the 98th District Court, Renne Allred,

resigned by mutual agreement, 'It was between Mr. Allred and me,' Mr. Harrison said." I never discussed this matter with Mr. Harrison one way or the other. And that statement is not true.

I wrote Senator Herring after that time and furnished him with some of the proceedings in connection with that, and I'll give you this copy.

Odom: You were still involved in continuing the investigations at that time?

Allred: Yes. On December 1, 1954, I received a letter from Ralph W. Yarborough, and he said, "Dear friend Renne:"

"You have been offered up on the altar as a sacrifice because of your courageous stand for good government, by your proven intention of continuing in your efforts to give some protection to the holders of insurance policies in Texas.

"About ten days ago, I met Emmett Shelton on the sidewalk. He came up to me, smiling, for the first friendly greeting he has given me in more than two years, and said: 'My God, if you had known last summer what I know now, you would have been elected hands down. I never dreamed that the thing was that crooked.' That from a Shivers campaign manager!"

(Chuckle) Then Yarborough says: I'm going to give you copies of these.

Odom: Okay.

Allred: Mr. Yarborough said: "After the big money, the big smear, and the big lie had defeated my campaign for decency and honor this past summer, a rancher up at Hereford wrote me that he supposed I had

memorized the poem 'Invictus' and had made it my guide, after the experiences of this summer. I wrote him that Kipling's 'If' was in a little book handed me by the YMCA when I was a Cadet at the Military Academy more than 30 years ago, and that it had been my stay in time of adversity. However, I bought a little book of famous poems a few weeks ago. 'Invictus' appears at page 95. Now, I have learned it too. Kipling's 'If' is at page 108. Since they are both in the same collection, I trust that you will not think it presumptuous of me to forward you this little copy that I have. I am mailing it by separate mail."

And this is the little book that he sent me. And I had a copy of each of those attached to that one. I hope I'm not overburdening you with these.

Odom: No, these can go in the file.

Allred: Now, two lawyers that I worked with in connection with the receivership, Byron Lockhart and W. G. Walley, Jr., wrote me on August 4, 1958, and August 13, 1958, about my leaving. And I want to give you copies of these because of something that may happen in the future on this...and will happen I'm sure. And so you might know, I'm going to read this Lockhart letter, "Dear Judge Allred:"

"Of course, I am the last person to find out anything that is going on, and it was not until I read it in the newspaper on August 1 that I learned you had resigned as attorney for the Receiver.

"It was almost exactly eight years ago that I received my first taste of insurance receivership matters. Since that time, both of us have worked almost steadily in lawsuits and on other

matters affecting these receivership estates. Most of the time we worked separately, but some of the time we worked together. I am sure that more than anyone else I have had an opportunity to observe consistently the amount, the character, and the quality of your work and to become acquainted with your attitudes and your method of operation.

"I do not believe, either, that there is anyone who has been in a better position to understand and appreciate the sometimes fantastic complications which have attended the receivership estates upon which you have worked and the legal difficulties which consequently stand in the way of recoveries for the benefit of the creditors.

"Under these circumstances, I do not believe that it would have been possible for the Receiver to have found a more effective lawyer than you have been. I have watched you work around the clock when you were not paid to do so; I have watched you cut through red tape to get to the heart of a problem; I have seen you stay on the road for two or three weeks at a time when the occasion demanded; I have watched you cross-examine witnesses and extract the truth from those who did not want to tell the truth; I have watched your careful and meticulous preparation; I have seen your 'horsetrading' ability; and I have seen your sharp and able presentations in the trial courts and in the appellate courts. I cannot say that I have seen you operate in good times and bad, because there have never been any good times. All of the times have been difficult ones, the odds have always been over-powering against you, and there has

always been more work to do than one man can get done. I have never seen you swayed or deterred by these obstacles, and many more, from an unflagging adherence to your duty as you saw it at all times, or from bringing out the truth wherever you might find it.

"I hope it will not be too long before we may have the opportunity again to work together on something. In the meanwhile, I wanted to record the above comments for whatever use they may be to you or to anyone else.

"Sincerely, Byron Lockhart"

And the letter from Mr. Walley is somewhat similar to that.

Now, I guess you knew from the Texas Observer that it had quite an article "Allred vs. Wilson on the I. C. T. Bank."

Odom: I don't believe I have that copy.

Allred: Well, you oughta have.

Odom: I should have that copy.

Allred: What?

Odom: I should have that all right, but I don't much think I have it.

Allred: Well, I'll just give you that one. I've got one more, and that's the last one I've got.

Odom: I should read this before I ask you about some of this.

Allred: Well, you can come back to it. I'm going to discuss it a little bit right now.

Odom: Are you going to get to it now, perhaps...

Allred: When that paper came out, I started...before that paper came out...

Odom: This is December, 1958.

Allred: Yes. Ronnie Dugger was writing quite a bit of this paper, as you

know, in Texas Observer. And I started writing him as I would pick up things from his paper. I wrote Ronnie on October 29, 1958.

"I quote from editor's note, Vol 50, page 30, Texas Observer, October 24, 1958, column one...'less is known about Will Wilson's opinions on public issues than those of any other leading public man in Texas. Accordingly the Observer this week interviewed him, in effect, on his convictions. Ed'

Underscoring supplied."

"After reading the reporting of the 'in effect' interview, it strikes me that less is still known about Mr. Wilson's opinions on public issues. You realized this in your statement that his frequent response to questions was that he did not have a position, and you quoted numerous of those responses. I thought the most positive statement he made was on the two-party-one-party system and even Lynn Landrum, an advocate of Wilson's ordinarily, apparently doesn't understand him even on that issue, according to his 'Thinking Out Loud' in the Dallas News this morning, October 29th, when he said 'It is perhaps easy to misunderstand what Attorney General Wilson is driving at' and 'it may be that Mr. Wilson has in mind, etc.,' and 'But if Mr. Wilson feels that the affairs of the State ***(etc.) then he is surely wrong.'"

"I thought Larry Goodwyn's article this week was interesting and particularly that part where he quoted the lobbyist, whoever he is, as follows:

'You take a guy like Will Wilson. A politician's dream. Never says a word about anything controversial if he can help it. Tell

me now, what do you know about Will, what do you really know?
Nothing, (he said emphatically). Had a guy ask me just the other
day, smart fellow too, did I know whether Wilson was fish or fowl?
Course I don't know. Wilson ain't said**'"

December 9 I wrote Dugger a letter.

"From a reading of the quotes of Attorney General Wilson,
Commissioner Harrison and Legal Advisor to the Board Davis it would
appear that they contend that the reason for the filing of the
mandamus suits was to determine who had the authority and respon-
sibility for the appointment of attorneys for the receiver.

"That is shown by the statement he brought the suit at the
request of the insurance board--as their attorney; that the commis-
sion told him that the statute put the responsibility on them, if
they didn't have it, they wanted a ruling to that effect; if they
did they wanted to know that.

"The statement of the Attorney General as quoted in the third
column of page one belies that statement when he said with reference
to Allred 'I don't know what his motives were. But the fact was
that the bringing of that lawsuit terminated some very lucrative
employment for him.' (Allred)

"The attorney general refers in one place that upon my appoint-
ment 'the fat was in the fire'. When he made the statement about
the bringing of the lawsuit terminating some very lucraticce employ-
ment for him, the attorney general 'let the cat out of the bag'
so to speak.

"The Supreme Court had already held that the Court had the

authority to appoint. My orders of appointment were never set aside except at my request (your statement in the second column that Wilson subsequently instituted a successful suit to have Allred removed as attorney in the ICT, was in error. In his suit against me, the attorney general was not successful, but in a later case, because of the ruling of the Court, I felt my position untenable)."

On December 9--this is after the date of his...

Odom: Yes.

Allred: That was December 5.

"US Trust--what happened to his investigation of the suit Wilson thought should be filed.

"These facts:

1. Receiver and Allred were not going to take action for fraud and conspiracy against officers and directors of US Trust because we did not feel we could get any money if we obtained a judgment. Particularly was this true in view of the Shoemake homestead case in Waco where we were suing the only parties we thought had any money.
2. Wilson thought they should be sued as a matter of public policy and was willing to furnish two assistants.
3. Bryan Fullerton and Dick Wells were selected and spent two or three months in and out of the receiver's office (1957) with Joe Caviness being assigned to help them.
4. Without ever advising us why they just quit coming around.
5. Why did the attorney general quit his work on that case.

Why did he quit about the time he took after Allred.

"I notice you left out of the December 5th story the change of position of Rotsch I gave you on the phone--that he testified good cooperation from Betts attorneys--then changed. Why?"

On December 10 I wrote Mr. Dugger.

"In your editorial you say the argument cannot be resolved on the most obvious question--did Wilson say that about Republic?"

"In resolving a question as to the guilt of a defendant, this may be done on circumstantial evidence, and the facts must exclude every other reasonable hypothesis than his guilt, and circumstantial evidence is where you have no eye witness (but you have an 'eye' witness in Allred's positive statement).

"Of all the things Allred says about the matter only one thing is ultimately denied by Wilson and that was he says he didn't say that about the Republic Bank and his contributions."

Now you will find in reading this thing how he backtracks.

- "1. Allred says Wilson's attitude toward him changed? Wilson does not deny that--the facts and circumstances show it did.
2. Allred says Wilson first favored the theory of the state law under which Allred was appointed Attorney for the Receiver of ICT.
Wilson first denied that, then admits it.
3. Allred says Wilson wrote him in October and November, 1957, and they had a conference re: liquidation division; and Allred says Wilson told Allred the statute was directory,

and unconstitutional if mandatory, and Wilson told Allred he was going to see if he could put those receiverships in the courts where they belonged."*

*That was in November of '56 instead of '57.

"Wilson does not deny the letters and the conference, but at first said my statement that he told me he favored the courts was not true, then says on reflection he does not have any clear-cut memory on the constitutional question, and he had rather not say he did not express what Allred said Wilson did say, and there may have been a time when he agreed with Allred's position on that law. In addition he promptly saw Herring and the three District Judges and prepared a bill that Herring introduced providing what Allred said Wilson favored.

4. Allred said Wilson appeared before the Senate Committee on February 6, 1957, and 'testified that in his opinion that statute was direcotry.' Wilson first said that was not true, that he took the position that it should be either the Board or Courts, then he admitted that at the time he testified before the Senate Committee 'on these two bills' and 'I think in the preparation of them with Charles Herring I then said I favored the one which would give the exclusive job to the Courts but that one or the other ought to be passed'.

In the first place at the time he testified there was only one bill and that was the Herring bill, when Lane asked

him to prepare another, and I doubt that he ever discussed that bill with Herring.

Of course, he had to back up on what he told the Senate Committee because there were too many people present that heard him--that had told me what he testified such as Herring, Betts, V. F. Taylor, Josh Groce, maybe others, so since he had to admit that, he might just as well admit he might have told me that; he hasn't a clear-cut memory or a good enough memory really to know (but when nobody present except him and Allred, he can be positive he didn't tell Allred about Republic Bank).

5. Allred says Wilson told Allred that he had no objections to my appointment by Judge Betts or my relationship to Betts, and that he thought my experience with receiverships was valuable.

Wilson did not deny that.

6. Allred said Wilson told Allred that to some extent Wilson felt he would be charged, even if he didn't have actual responsibility as attorney general, with the conduct of the liquidation office, and would like therefore before any other attorneys were appointed by Judge Betts to be conferred with, and Allred told him Betts planned for Allred to do that anyway.

Wilson did not deny that, and the facts are Allred talked with him about Groce, Rice, Jim Hart, W. G. Walley, Herman Jones, Tiny Gooch (All of whom were appointed by Betts

except Hart who would not accept, except by approval by the Board too.)

7. Allred said Wilson appointed him as agent to check records in Republic and Mercantile Bank, by written authority. Wilson does not deny that--and can't because I have the letters or copies thereof signed, with the originals in the possession of the banks.
8. Allred said Wilson asked him to have Cap Richards appointed on ICT, that Wilson would release Richards if Betts would appoint him.
Wilson admits he did.
9. Allred said Wilson agreed to furnish two lawyers on UST&G if Judge Betts would agree.
Don't know if Wilson admitted or denied this, but the facts are he did furnish Byron Fullerton and Richard Wells for work on UST&G in May, June, and maybe July, and they withdrew without any consultation with Allred or Betts, and Wilson would have to admit it.
10. Allred said Wilson asked him, and Wilson and his assistants made inquiry of Judge Betts later, about how they could get the question before the Court.
Apparently he doesn't deny that.
11. Allred said Wilson suggested Allred and Joe Carroll go to Cuba on ICT.
Wilson admits he made the suggestion.
12. Allred said Wilson's attitude changed toward Allred and

by implication at least Allred says that Wilson was the power behind the throne in the withdrawal of Allred and Rice.

Wilson in effect says no, it was the Board (see memo concerning the July and August letters between the Board), but

1. Wilson put Will Davis in the Insurance Board.
2. Wilson wrote the opinion by which Harrison retains his job.
3. Wilson recommends Rotsch as attorney for the liquidator.
4. Wilson admits contributions from officials of the Republic Bank. 'I've got a lot of friends throughout all those banks'.
5. Wilson said 'But the fact was that the bringing of that lawsuit terminated some very lucrative employment for him (Allred)'.

Do not these facts exclude every other reasonable hypothesis than that he said 'Republic?' At least do they not sufficiently corroborate the 'eyeball' witness Allred?"

Odom: Here's a copy of your letter to...

Allred: Ronnie Dugger.

Odom: ...Ronnie Dugger.

Allred: These will be of some value later on in typing them.

Odom: Do you recall your feelings in the fall of 1957 or summer, 1957, when Will Wilson told you about the Republic National Bank?

Allred: Well, I quit telling him--Mr. Wilson--anything that I learned...

Odom: You did?

Allred: ...from any of the banks from that time on.

Odom: He didn't revoke your authority to look at the...

Allred: Not that I know of.

Odom: He didn't do that.

Allred: Anybody want a coke?

Odom: I don't believe I care for one now.

Allred: Want one?

Marcello: No, thank you.

Odom: Did you confer with anybody else about that matter at the time?

Allred: About the time...

Odom: Any other lawyers you were working with?

Allred: I told Rudy Rice about it, and somewhere later I have something from Rice to that effect. I don't know where that is at the moment. Any question like that.

Odom: Does this include your chancery interrogation of Ben Jack Cage and so on?

Allred: No, it doesn't. Ben Jack Cage came to Dallas, and everybody was wanting to subpoena him, and everybody was wanting to take his testimony. He appeared before these truth machines. They never could get anything out of him. And I went to the Republic Bank, and they let me see some of their records, but they wouldn't let me make copies. And I got the court to appoint me as Master in Chancery. Then I subpoenaed the banks that produced the records and got them.

Odom: They were uncooperative, I take it.

Allred: No, they just wanted to protect themselves, they said. I talked to Neth Leachman, a lawyer who represented the bank, and from his attitude his only position was the "I just don't want to give you records that belong to somebody else. I don't want to pass on whether they belong to somebody else or not." Anyway, for two days the attorney for the receiver, Rudy Rice, and I, acting as Master in Chancery, interrogated Ben Jack Cage in the offices there in Dallas. And...

Odom: Who else was present?

Allred: His lawyer, M. R. Irion, and court reporter and, I believe, the former secretary of the ICT who was assisting us in connection with it. I always regretted that I didn't keep a copy of the transcript. I left it in the file, but I don't have it.

Odom: What kind of man was Ben Jack Cage?

Allred: He was the nicest fellow you would want to know.

Odom: He was? Really nice?

Allred: He was the most suave, genteel man that you nearly ever saw. He was so different from his father. His father was a rough, tough fellow by the name of Jack Cage. Jack Cage and Company is where the name JACCO came from. I had a lawsuit one time against him, (the father, Jack Cage) and his lawyer produced him for me to take his deposition. And when I was interrogating his father, why, Jack Cage on one occasion I was asking him questions, told me it's none of my damn business. So I proceeded to get ready to take his deposition down at the courthouse under subpoena to have an officer

present because I wasn't going to let anybody talk to me that way. I tried to be a gentleman myself, but Ben Jack was just a direct opposite from his father. I'm sure that Mr. Cage was a very fine old gentleman, but he was a rough, tough one. But Ben Jack was just as genteel as you'd want and the nicest, most congenial fellow you ever saw.

Odom: Did he answer your questions directly?

Allred: Well, his general, overall answer was that he just didn't know too much about what was going on, that he was hitting the high spots. And we had a little recess one time, and I asked him, "Ben Jack, why didn't you know what was going on?" He said, "Well, I was just too busy." He said, "I was about like the fellow that went on a bear hunt. One bunch went bear hunting, and when they got out there everybody wanted to play poker except this one, and he wanted to go hunt bear. And these other fellows got around a table in a room in this place and playing poker. And the man went out hunting a bear. Instead of him finding the bear, the bear found him, and the bear took in after him. And he started running. Ran back into the house, started running around the table, the bear right behind him. And after he ran around the table two or three times, he said, 'Catch him and skin him, boys, while I go find another bear!'" So I asked him, I said, "Well, would you tell that in the records?" And he said yes he would. And he told that story. I remember that.

Later on after Ben Jack was convicted and while he was out on bond and I had resigned as attorney, my wife and I were in San

Antonio. Ben Jack left his party--his wife, and I don't remember who all--and came over to the table where my wife and I were and sat down with us. He began to tell me how sorry he was the I'd had this difficulty. I don't know whether that was before he'd been convicted or whether he'd had all those troubles. But, anyway, he said if there's anything he could do to help me, just to let him know, and he'd be glad to do anything. He said, "Course, that's just like a gnat trying to help an elephant." (Laughter)

Odom: (Laughter) I guess so. Did you believe him?

Allred: Well, (chuckle) I don't know whether I did or not. You mean while he was telling it?

Odom: Yes, that he didn't know what was going on.

Allred: Well, I just don't see how a man could know all of the business that that fellow ran, how he could keep up with it. It was just the most massive thing that I believe I ever saw.

Odom: Really?

Allred: Yes.

Odom: Of course, JACCO was this management corporation, wasn't it? He had all these different concerns that he managed.

Allred: Yes. The name was JACCO but pronounced like Jack-O.

Odom: And there's just no way that he could keep up with all of that.

Allred: I always liked Ben Jack. He told me one time...he was a major, and he told me about being assigned to Washington in the Pentagon. His superior officer was a general, and he learned that this general liked a certain brand of cigar. It was very difficult to get those cigars, but he went out and got those cigars for that general. The

general hadn't been able to get them. He got those cigars for that general, and Ben Jack could do most anything he wanted to do after getting those cigars. (Chuckle)

Odom: He's still down in Brazil, isn't he?

Allred: I guess so. I don't know. I've never seen him or heard anything from him since I saw him in San Antonio whenever that was.

Odom: Well, we may have some more things to talk about on the ICT. I didn't know what you were about to proceed to there.

Allred: Well, I'm going to proceed to something that may shock you. You may know about it, I don't know. But do you remember that I told you a while ago that I told Will Wilson that I didn't fly under false colors and that I wanted him to know that I did not support him for attorney general as he had indicated. Well, I don't fly under false colors here in this interview. Here is another list of witnesses whose names are going to appear in this segment. Do you know anything about what I'm talking about?

Odom: These names sort of look familiar, and yet I can't place them exactly enough of them to get into what you're going to deal with.

Allred: Well, I don't want it ever to be said of me that what I've said are only the good things that might try to help me without telling the things that were bad in my life. On January 12, 1956...I have known along in the course of this conversation that I was going to tell you about this, but I wanted it to go into a sequence, and I hadn't told you. You asked me in the first interrogation if anybody had said anything bad to me by reason of my relationship, and then I told you, "No, I didn't think anybody would be that unkind."

They hadn't said it to me, but they've said it elsewhere.

And on January 12, 1956, J. Byron Saunders issued a press release. Now this was after the first appearance before the Senate committee and before he and I testified. He said: "I have been asked for comment on statements allegedly made by Renne Allred today. I do not feel it necessary to comment on any vague charges that he might make. If he has any evidence of the type he claims, it should be offered by a Grand Jury.

"Renne Allred's own record can be found by reference to the records of the United States District Court for the Southern District of Texas, Houston Division, under Indictment No. 7354; and in Cause No. 23605, in the court records of Travis County, Texas.

"He was dismissed as attorney for the State Liquidator because, in the opinion of the Board, he failed to discharge the duties of his office satisfactorily."

I don't know whether you ever knew or heard of that, but I did not want somebody else at a later time to make some comment about my defense. Had you ever heard of this?

Odom: No, I haven't heard of this particular case.

Allred: Have you heard of any case against me?

Odom: I don't think I've run across one.

Allred: You may keep that...

Odom: When was this case?

Allred: The first one was back in 1938; the second one was in 1941.

Odom: No, I haven't anything like that. I don't think it was in any of these things that I've read.

Allred: Well, somebody may do it, and I...

Odom: I would like to get the facts in...

Allred: I want the facts known. Byron Saunders testified before the Senate Investigating Committee. I have quoted from him various times. On January 17, 1956, after this, he testified on page six of this little transcript that I have here: "I never made that statement to Renne Allred or anyone else, and he knows it. I would have been prevented from doing so by the law.

1. I wouldn't have told that to them because of my obligation and duty as I view it and interpret it [and that statement is untrue].
2. We already had the company under investigation as this record reflects and knew more about it than he did. He knew what the law was, if he was any kind of a lawyer. And I doubt it in view of him criminal record which is declared by the record of this state and which record I have and I'm willing to rely upon my reputation as against his."

Well, in connection with that I produced the Martindale-Hubble letter that I told you about. I prepared a statement which I submitted to the Senate Investigating Committee. This is a matter of record down there, and you young fellows don't know about it, but the older ones do. This is my statement, which I quote:

"I realized when I came before the Senate Investigating Committee in December of 1955 that an effort would be made to smear me, but I felt I had to appear in the public interest regardless of the

effect it would have on me. This smear attempt was first demonstrated to me when I learned that on January 6, 1956, someone representing himself to be from the Department of Public Safety appeared at the District Clerk's office in Austin checking on me. These indictments were old political indictments of fifteen years or more ago where I was acquitted of both felony charges. These indictments would not have been returned against me had it not been for the fact that my brother was and had been Governor and his enemies were trying to strike at him through me.

"I was appointed Attorney for the Liquidator and Receiver in all Receivership matters after my acquittal on both of these felony indictments by an insurance commission majority controlled by Governor O'Daniel's appointees, although I had represented the Receiver in one case prior to the last indictment. Most of the Governors and insurance commissioners under whom I served for fourteen years, and I am sure all of the District Judges, knew of these matters.

"This is now being brought out against me as a smoke screen to try to hide the negligence of the Insurance Commission and some of its employees and has nothing to do with the FACTS which I can show to the Committee of such negligence. They are following the tactics suggested by the old lawyer to the young lawyer 'When the law and the facts are both against you, just give the prosecuting witness hell.'

"I prefer to let the District Judge and District Attorney who tried this Travis County case tell you and the Committee their

belief as to my innocence as they did by letters written in October, 1952, copies of which are attached and signed originals being in my possession.

"District Judge J. Harris Gardner, who presided at the trial, said that I 'was completely innocent of this charge' and that 'Mr. Allred is an able and honorable member of the bar of Travis County and the State of Texas and since his vindication in this case he has conducted himself with honor and dignity as a practicing attorney at the bar of this Court.'

"Austin Congressman Homer Thornberry, the District Attorney at that time said: 'I became convinced that he (Renne Allred, Jr.) was innocent of this charge and that the indictment should not have been returned against him.' and 'I cannot too strongly emphasize that, in my opinion, Mr. Allred was innocent of this charge' and 'In my opinion, Mr. Allred should not encounter difficulty in any way because of this indictment.'

"I shall answer from the witness stand any other charge that may be leveled against me."

Now...

Odom: This is the statement you gave the Senate Investigating Committee?

Allred: Yes. After both of those took place, I applied for admission to the Travis County Bar Association in 1941. I was endorsed and recommended for membership by J. D. Moore, who was district judge; Homer Thornberry who was district attorney; J. Harris Gardner, who was district judge; and Roy C. Archer, who was district judge. And my admission was approved by Jack Roberts, who was later district

attorney, district judge, and now a federal judge; Henry H. Brooks and Marion Fowler, lawyers of Travis County. And that's a copy of this.

Odom: Are you going to get around to the gist of the charges in those cases?

Allred: If you want me to.

Odom: Could you give us briefly the gist of it or not?

Allred: I was charged with conspiracy to transport in interstate commerce oil produced in violation of the proration laws of Texas.

Odom: This is the first case?

Allred: The first case.

Odom: 1938.

Allred: The other case was an outgrowth of that and was instigated and sponsored by the Department of Interior.

Odom: In Washington?

Allred: In Washington, D. C. Mr. Harold Ickes was the secretary, and his representative, his employee, was one James R. Lewis. And my brother Jimmie defeated the federal control of the oil industry which Ickes tried to...

Odom: Fought for.

Allred: ...fought for. And he gave an interview...Jimmie gave an interview to Jim Clark a few days before he died. That interview was published, and it tells about the fact that he and Ernest O. Thompson, J. R. Parten, and others went to Washington. The reporters told them that "You're just wasting your time. The committee's going to hear you courteously, and then Friday the President's going to

send a message to Congress and ask them to pass that bill." Jimmie went to Senator Morris Sheppard and said, "Senator, I know you have come out for this bill, but I want to request you, as a personal favor, to come and hear my statement against it." "Always the soul of courtesy and fairmindedness, Senator Sheppard agreed. With the help of Jack and Myron Blalock I had prepared what we thought was an unanswerable argument." Then he went on to talk about Supreme Court decisions and the Thomas-Disney Bill. And he said, "At that time I was at the height of my political popularity and was full of justice of every cause I espoused with more than average confidence of my abilities to 'cope' with every problem. And when I appeared before the committee I was 'right.' At least I made a good impression on myself," he said laughing. At the conclusion of the testimony Allred said he could see that Sheppard was impressed. He invited Allred to have lunch with him. And Senator Sheppard said, "Governor, you've convinced me. I'm against this bill. I promised the President I would vote for it, but I'm going to tell him I'm going to have to vote against it." Allred stopped him and said, "Senator, I'm glad to hear you say that, but it's not enough for you to vote against the bill. You're going to have to beat it." Sheppard said he didn't know what else he could do. He said the President was going to send a message to Congress and that the bill would be passed in spite of all that Sheppard and Connally could do. Allred assured him he could beat the bill if he really wanted to.

"'Senator,' Allred said, 'let me preface what I am going to say with this. There is a lot of politics in this bill. You have

heard I might run against you. I would be lying to you if I told you I didn't want to come to the United States Senate. But I'd rather defeat this bill than go to the Senate. If you vote against this bill I won't run against you, but somebody else on the side of federal control will. And he will be well-financed. So either way, if you vote for or against, you are going to have strong opposition. I don't think you should have to and I don't want you to have to vote on the bill at all..."

"Sheppard answered that he had never dodged a vote in his life and he saw no way of doing so in this case. Then Allred reminded Sheppard that he had voted '1,000 per cent' with everything the President had asked. Sheppard admitted it.

"Then don't you think it's about time he did something for you,' Allred asked. 'You go to the President and remind him that you have voted for everything he has asked in spite of the fact that sometimes it has taken the hide off, but you have always stayed with him. Then tell him if he sends up that message he is going to put you on a spot. Tell him that however you vote you will draw opposition, well financed and strong opposition, and that you don't think you deserve that. Tell him you are now at a political cross-roads and that as a personal favor to you to not send the message to Congress.'

"Sheppard told Allred he would see McIntyre, the President's secretary. Allred again shored him up with the admonition to see no one but Roosevelt.

"You're entitled to,' Allred said. 'You see him when he

sends for you.'

"Sheppard did exactly what Allred suggested. Later that afternoon he received a call in his Mayflower Hotel room. It was Sheppard.

"'Allred? Sheppard,' he said. 'You can go back to Texas. I have just come from the White House and the President is not going to send up that message.'

"For a man who made such tremendous contributions to his state and nation, that might have been Allred's greatest. I think of it when someone refers to him as a New Deal liberal. Jimmie Allred was my kind of liberal and he did more for states' rights than any conservative I have ever known."

"In his book, The First Thousand Days, Harold Ickes, in speculating on what happened to his bill, makes the statement that the 'oil crowd' got to Roosevelt and the President didn't follow through on his promise."

Now that was the beginning of it. He was responsible.

Odom: So that the case against you was actually pushed by the Interior Department.

Allred: James R. Lewis of the Interior Department. And I'm not going into too much detail on it, but I have here something that shows a little bit of what's behind this. There are two letters. One of them is a letter written by J. R. Lewis, senior examiner for the Department of Interior to Mrs. Nola B. Randolph. She said that she worked for Bennett Oil Company down at Houston, and that Lewis had gotten her to say that she had seen me in Bennett Oil Company's

office in Houston, which was not true. I never was there in my life but she said that. And one of the letters he wrote, and I'm going to give you a copy of that letter, enclosed a subpoena to her and telling her that if she would check a few leads she might be able to earn a \$2,000 reward. That's the implication there. Then on August 2nd, she wrote a letter to Willis Gresham, an attorney in Austin, Texas, telling about getting the letter from Mr. Lewis. She said, "Willis, they have made life a Hell for me the past year. We have damn near starved to death--every time I get a job some of them appear and naturally people out here are suspicious anyway and so I am 'out' and have to start looking for something else. They have intimidated and coerced me into making statements that will fit their desires in this particular case [I take it this is some more Bennett et al]. Mr. Lewis has stated to me that inasmuch as I was near so much fire if I did not cooperate with them they would intimate to the Grand Jury that I might be 'slightly singed', etc. They have taken advantage of my daughter, worried my old parents in Oklahoma until they are nearly frantic, bombarding them with fake death messages, phone calls, telegrams, etc. This isn't my idea of what is meant by 'life, liberty and pursuit of happiness.'"

Odom: Who was Nola Randolph?

Allred: She was a secretary for Bennett Oil Company of California, with offices in Texas. Then she wrote a letter on October 7 to Mr. Gresham in which she said: "It was my understanding charges had been dismissed against Powers and Allred," and that she'd been notified to appear. "I am not a friendly witness and I would do

more good for the defendants," meaning that she testified that she hadn't seen us and that Lewis had...

Odom: Did they ever get the case to court?

Allred: Oh, yes.

Odom: How does it feel to be a defendant rather than an attorney?

Allred: Well, I've been a prosecuting attorney, a defendant. I've been a plaintiff. I've been a defendant. In several cases I've been on the jury. I've been on the Grand Jury. I've been a court reporter. I've been a district judge. I've been it all, now.

Odom: What about anybody in Texas. Was there anybody in Texas politics connected in any way with this thing that you know of?

Allred: Not that I know of. After this Houston case was over, James R. Lewis got Neal Powers, who was a co-defendant with me in Houston, indicted in Lockhart, Texas, in connection with this. What it was I don't know. And on March 1, 1941, Neal Powers, Elbert Hooper, who'd been an assistant (Neal Powers had been an assistant under my brother Jimmie) and one of my brothers and I were indicted in Travis County, and charged with conspiracy to commit perjury. And it made the Sunday papers. They always indicted me on Saturdays so it'd make the Sunday paper. They charged that Neal Powers had falsified a motion for continuance for a witness by the name of Russell Berry, who they said was dead at the time he was supposed to be subpoenaed. And they alleged that Elbert Hooper and I on February 7, 1940, had directed the deputy sheriff to a hotel room where one of my brothers was posing as Russell Berry and was served with a subpoena.

I was in East Texas when this happened, and I went immediately to Austin, appeared in court on Monday, the 3rd day of March, 1941, and demanded a trial for the earliest date, and the judge set it for the following Monday, March 10, 1941. I immediately left for Dallas, and within three days time I had 32 witnesses and written legal instruments proving that on February 7, 1940, the time this deputy sheriff swore I was in Austin, that I was in Dallas, Texas. Now I had just gone to work in January, 1941, as attorney for the receiver of American Agency Lloyds. And fortunately I suggested to Will G. Knox that each of the matters that I handled for him be put in the form of a memorandum, so that he'd have a record of what I said and what he did. He knew that I had this difficulty in Houston. He said, "That's a good idea." Well, within three days time from March 3rd I had contacted everyone of these witnesses. I went to them and I had the records and memorandum that I wrote that day, letters I wrote, telephone calls that I made. I was living in Fort Worth and driving back and forth to Dallas every day. The American Agency Lloyds was in the Praetorian Building.

And my sister told me, "Renne, in the early part of February, Jeff and I called you one night. We came to see you in Dallas the next morning." I said, "Let's go to the telephone office. We went to the telephone office and found the call from her phone (the record of it) on the night of the 6th in which they called to see if I was going to be in. They wanted to come see me. And they did come to see me the next morning on a personal matter of his.

On that day I was in court at Dallas. My brother Ben and his

wife picked me up at the court house with my wife, and we had lunch together out on Preston Road. I had a letter written by Burt Barr, a Dallas lawyer, that fit into the date and a letter from L. D. Ratliff at Spur, Texas. Now my brother and Elbert Hooper didn't have as good a defense as I had, but I wanted this fellow Lee to positively identify me. I didn't want him to try to hedge on me because I knew if he ever committed himself definitely...if he tried to hedge on me...maybe that would leave the others in trouble. So all my witnesses agreed that they would appear without me having them subpoenaed except at the last minute. So the only witnesses that I had subpoenaed to appear on the 10th were my wife, my sister and her husband, my brother and his wife, Burt Barr, and L. D. Ratliff. I knew they couldn't find out from Burt Barr and L. D. what they didn't know.

As a matter of fact Gerald Mann was the attorney general, and, incidentally, Gerald Mann had been an assistant attorney general under my brother and had worked with Elbert Hooper and Neal Powers. He'd been appointed Secretary of State. He'd been appointed Texas Planning Commissioner. He got to be attorney general, and I can see ole Jerry now, "The Little Red ^{ARROW} ~~Error~~." They used to call him "The Little Red ^{ARROW} ~~Error~~" when he was playing football. We called him "The Little Red ^{ARROW} ~~Error~~." "The Little Red ^{ARROW} ~~Error~~," I can see him now saying: "Why I'm so good I even prosecuted my benefactor--his brother." So he called out at Spur, Texas, to L. D. Ratliff and said, "What do you know about this?" And Ratliff said, "I don't know anything about it." Jerry said, "Do you know Renne Allred?"

Ratliff said, "I didn't meet him till March of 1940." Jerry said, "Oh, well, that's immaterial because it happened in February." He called up Burt Barr and he said, "I don't know what you're talking about." What I wanted them to do was to identify two letters... wanted each of them to identify a letter that they'd written. So they tried me first. Evertt Looney and others were my lawyers and Evertt interrogated N. E. "Speedy" Lee, the deputy sheriff.

Odom: The one that made the claim.

Allred: The one that swore that I was there. I said, "Now Everett I want him to positively swear that I was in Austin the morning of February 7. And I don't want you to let him hedge to get away from it. I want you to ask him these questions in this manner: 'Is the man that you say was Renne Allred that you saw in Elbert Hooper's office, did he have his leg in a cast?' He'll say no. 'Did he have his arm in a sling?' He'll say no. 'Did he have a breaking out on him of any kind?' No. You're getting him saying no, no, no, no. If you just ask him, did the man have breaking out on him, the man will say, 'Maybe so, I don't recall.'"

But I wanted him to get that no, no, no. By that time he realized he was trapped. And he turned to Judge J. Harris Gardner, the man who later recommended me, and said, "Judge, could we have a recess?" And the judge had a recess. Well, there are five stories in that court house. He went out of there trying to find J. R. Lewis to find out what to do next. And there was somebody on every floor of that court house, (who were my friends) and he'd go from one floor to another. Finally the judge called the court

back into session. And Mr. Looney said, "Mr. Lee, when you left here for a recess, where did you go?"

He said, "I went to the fifth floor."

"Where did you go next?"

He said, "I went to the third floor."

"Where'd you go next?"

"I went to the second floor."

"Where'd you go next?"

"I went to the first floor."

"Who were you looking for?"

He said, "Judge, they were after me. They were following me."

Judge Gardner said, "Who was following you?"

He said, "Judge, I couldn't see them. I could just feel them. Even Ben Allred followed me into the toilet."

The judge said, "Well, let's proceed, gentlemen."

My brother was one of my lawyers. He got up and said, "Now, your honor, this man said I followed him to the toilet. This court had a recess. I had a natural urge to go to the toilet, and I went to the toilet. Everytime I'd go to a toilet somebody was in there. Finally, I went into one where this man was. I didn't want to be in the same toilet with him and I backed out. And, Judge, I didn't get to go to the toilet, but when you recess at noon, I'm going to the toilet."

So...he couldn't be mistaken...he swore he couldn't be mistaken that it was me, that I had no breaking out on me. I had my list of subpoenas for witnesses in Fort Worth, in Dallas. And one of

my brothers immediately went to Fort Worth; the other one went to Dallas. And we had them subpoenaed instanter (meaning immediately), and the attorney general or district attorney didn't find that out until the next day, and my witnesses were all on their way to Austin. I had Dr. Carter with his records. I had my secretary. I had two or three employees from the liquidation division. On the 6th day of February I was in the doctor's office with a breaking out all over my hands and all over my face. And the doctor sent me that day to a clinic and had them check my blood and had me come back, and his records showed it. On the morning of the 7th I was in this doctor's office. I had seven memoranda that I had dictated the morning of February 7, dated the 7th, signed by me the 7th, okayed by Mr. Knox on the 7th. I had my secretary, and they said, "Well, isn't it possible Mr. Allred could have dictated that on the day before?" She said, "No, sir, and I'll tell you why. This is the first time I'd ever worked for a man who got in and did his dictating early in the morning where we could get it out. Usually they wait 'til three or four o'clock in the afternoon. And Mr. Allred was the first man I'd ever worked for who did his dictating in the morning." I had telephone calls that I had placed to a lawyer in Fort Worth by the name of Frank Massey, who now is a Judge on the Court of Civil Appeals in Fort Worth. With reference to a case that was in court, and I wrote him a letter that day. He received it on the 8th. I went to the courthouse in Dallas, and the judge made a notation on the docket on February 7th that the case had been passed. I had a letter from this lawyer at Spur

that came into the office. And I called John Gano trying to make a settlement and then wrote him a letter. And John Gano wrote a letter and said, "I have just this day talked to Renne Allred in Dallas." And I had him as a witness. I had the records.

Odom: You had plenty of witnesses.

Allred: I had Mr. Knox. I had all of these records. And in addition to that, when I started going to Dallas from Fort Worth, I went to the same garage on Pacific Avenue just off of Akard. The automobile entrance was on Pacific, and there was a walkway into Elm. And every morning when I'd bring my car in, they would make a record of it--the time I came in, and the time I came back. And they had a mirror, and they could see me coming in from Elm Street. By the time I'd get there they'd have a boy bring my car down by the time I reached the front. On the 7th I took my car in at 8:40 in the morning, and my wife and I took it out at 4:00. We had the man who owned the garage and his clerk, and both of them testified that nobody except me had ever driven that automobile into and out of that garage. They tried to intimate that my wife had done it, because she's got a driver's license, but I wouldn't let her drive an automobile at all. That morning I took my Schick razor to the Schick people. I had my receipt when they'd given it to me. I had it fixed and picked it up. I took my wife to the beauty parlor, Paul's Beauty Parlor, and we had them down there with a record showing that she was there. And so at any rate, though, there were 32 witnesses.

Homer Thornberry on Wednesday night went to Gerald Mann and

told Gerald Mann that I was innocent. And Gerald Mann said, "Well, that's for the jury to pass on, not for you." And they went ahead and tried me. And on Friday night after a week's trial, the jury took one ballot. I was acquitted, and we were there Saturday morning then, ready for trial in the next case. And Homer Thornberry said, "Don't rush me, boys. Give me 'til Monday morning, and I'll dismiss each of the cases." On Monday morning, then, they announced they were ready for the Elbert Hooper trial. And I'd already let my wife and other witnesses go home. Incidentally, I never did put my brother and his wife on the witness stand. I didn't put my sister on the witness stand. I didn't put my wife on the witness stand except for one thing. We later found out that when my sister and I went to the telephone office that they were following me at that time. And J. R. Lewis was in that telephone office right behind me.

Odom: Sure enough?

Allred: And he had gotten the name Maurine Christian and had turned it over to them, and they had intimated that I was living with a woman in Fort Worth by the name of Maurine Christian. And they put my wife on the witness stand and brought in my sister, brought in Mrs. Christian. Mr. Looney asked: "Do you know this lady, Mrs. Allred?"

"Yes."

"Who is she?"

"That's Maurine Christian."

"Who is Maurine Christian?"

"Renne Allred's sister."

Now Lewis knew better, but these prosecutors had gotten mixed up.

Odom: Oh, sure enough?

Allred: My wife and I were living in the home of Mr. and Mrs. Lee Portman in Fort Worth. And they had Mrs. Portman subpoenaed down there as a witness. And, of course, we didn't talk to her. Finally, they asked me when I was on the witness stand if I didn't tell Mrs. Portman I had a friend who died in Illinois. And I said, "No, I never told Mrs. Portman that because I never had a friend to die in Illinois." So my brother Jimmie in the meantime had come into Austin. And he and Everett Looney were talking, and they called me at the motel where I was staying and said, "What will Mrs. Portman say?" I said, "She'll tell the truth." They said, "Well, we need to know what they've got her down here for."

I said, "Well, Everett, go ask her."

So they went and asked her, and we put Mrs. Portman on the witness stand. After he'd talked with her, she said that J. R. Lewis had come to her ~~office~~^{home} and had intimated to her that I had a friend who died in Illinois and was trying to get her committed to that fact. And she said, "No. No, Mr. Allred never told me that."

He said, "Well, I'll come back later."

About two weeks later Mrs. Portman said Lewis called her and said, "Have you thought about that?"

She said, "Yes, Mr. Allred did have a friend who died, but it was a Mr. Hale in Dallas who died, and they went to the funeral. And it wasn't anybody in Illinois at all."

But what they were trying to do was put pressure on me. Now I had had this breaking out on me. I had had something to bite me

on the ankle, and it caused me to have this breaking out. I was in a terrible shape. All the people in my office up there knew the condition I was in. It'd just have been an impossibility, see, just to have...

Odom: Well, why did they get so fouled up on this? It seems strange that they could make such a mistake.

Allred: Well, I don't know. I don't know. I guess it's just about like some of these insurance company examiners. They did their investigating work just about as good as these investigators...these examiners did.

Oral History Collection

Renne Allred, Jr.

Interviewer: E. Dale Odom

Place of Interview: Bowie, Texas

Dr. Odom: This is E. Dale Odom on September 5, 1968, in the fifth of a series of interviews with Renne Allred, Jr. in his law office at Bowie, Texas.

Mr. Allred: Did you give the date?

Dr. Odom: Yes, I did.

Mr. Allred: Okay, good enough.

Dr. Odom: Perhaps you've said, and maybe you've said you didn't know. I couldn't recall because I didn't go back and listen to the tape. But do you know what finally happened in the suit against Republic National Bank of Dallas in that I.C.T. case? Did they finally drop it out?

Mr. Allred: Well, I don't know what finally happened with reference to all the defendants, but I read to you a quotation from one of the cases in which the court held that Republic Bank was not liable. And they quoted in there that the attorney for the receiver had stated that he did not charge these officials of the bank with fraud, did not even impugn their motives or integrity. The court said that within itself showed or indicated that there

was no fraud or conspiracy.

Odom: I knew you said something like that, but I thought it was in connection with another case, for some reason.

Allred: I believe it might have been the Mercantile case that I had reference to, rather than the Republic. I don't know whether they were both in the same case or not.

Odom: Yes. Well, yes, that's right. They were both in the same case, but . . .

Allred: Originally. But in this opinion I don't know whether they went up on both of them or not.

Odom: I should have gone back and listened to that, but . . .

Allred: Those two cases are cited by volume of the Southwest Reporter, and page.

Odom: Okay. I knew we had talked about it several times, but I couldn't recall whether they had actually continued the suit. Was your appointment in 1957 by Judge Betts's court as receiver for I.C.T. and U.S. Trust done without the advice and knowledge of the Insurance Board as alleged, I think, by Will Wilson in that matter or not?

Allred: I'm sure that Judge Betts did not discuss it with the Insurance Commission or the Commissioner. When he first called me on the telephone, he told me that he would like to know if I would help him in the U.S. Trust. And I told him that I would. And he said, "Well, let me call you back." He said, "I want to talk to J. D. Wheeler." And he called J. D. Wheeler, the liquidator-receiver, to his office, according to Judge Betts's statement

to me. And he told Wheeler what he was going to do. Then Wheeler left, and whether Wheeler went to the Insurance Commission and told them, I don't know. But Judge Betts then called me back and said, "I want you to come on."

When I first got there--on a Friday afternoon, I believe it was--Judge Betts was in his office, about 3:30 in the afternoon. And the Judge told me he wanted me to start helping Byron Lockhart on this case of Douglas vs. Wheeler, which I cited yesterday; and he suggested that no information be put out about it for the time being. He said Mr. Wheeler was hoping to be appointed as one of the insurance commissioners. And Mr. Wheeler had wanted that. And I told him, "Judge Betts, I've had to defer to everybody else all my life. Now I'm ready to help you if you want me to help you. But I don't want to defer my activities for the benefit of J. D. Wheeler, or the Insurance Commission, or anybody else. If you're ready to enter an order appointing me as attorney for the receiver of the U.S. Trust, I'm ready to accept it." And he said, "Well, I'm ready." I said, "Now, here is what I'll do. I will file this order, which won't be filed now until Monday morning. And I won't disclose it to anybody except to Byron Lockhart, myself. I will not go out and show it, tell anybody, get any publicity on it. But if the press finds it out, that's their business, and I'm not going to disclose it." And I did not disclose it. I went over and talked to Byron Lockhart Saturday morning, and we started to work on this case.

On Monday morning I filed this order. And about Thursday Raymond Brooks of the Austin Statesman had gotten wind of it--someway, somehow--but not through anything that Mr. Lockhart or I said or did. And he began calling Judge Betts about it. And the Judge said, "Well, you can just go and look at the record." And that's what happened . . . what actually happened. I'm sure Judge Betts did not talk to the commissioner or any of the insurance commissioners.

Odom: Well, I'll just ask you something. I just want to find out about this. You probably said at the time, but I happened to notice that in the suit, you know, they named only you when there were other attorneys for the receivership that had been appointed by the court.

Allred: Well, now, at one time they had the other four lawyers . . .

Odom: There were four of them.

Allred: . . . V. F. Taylor and three other lawyers were all named. But they dropped them from the mandamus suit and left just me. Why they did that I don't know.

Odom: Well, that's what they cited as one of the things, according to the Observer there. They cited as one of the things that your appointment had been done without the advice and knowledge, I believe, of the Insurance Commissioners.

Allred: I'm sure that's correct, unless Mr. Wheeler told it, which I don't know.

Odom: I just wanted to ask you about that. Would you like go to on record by giving your estimation of the new insurance commissioners

since you had some little association with them, anyway, during '57 and '58. I believe Mr. Harrison, Penn Jackson, and Joe Gibbs. Now, is there some estimation or judgment or idea you might have of their part in the whole affair, because . . .

Allred: Well, Jr. Joe P. Gibbs was commissioner twice. He was commissioner at one time and served a number of years. And I had a very high regard for Joe Gibbs and still do. One of his top men was Vestal Lemmon who later became head of the National Association of Independent Insurers. And it was Mr. Lemmon, while Mr. Gibbs was Casualty Commissioner, who tried to get a copy of the annual report of some insurance company and was refused by the Life Insurance Department. They refused to let him have it. Now Mr. Gibbs at one time employed me, and I don't recall now exactly what it was, but he employed me on a personal matter to represent him and paid me a fee for it--I've forgotten how much, it wasn't much, a few hundred dollars. The second time Mr. Gibbs was there, he took a different position, I thought, than he had taken in the beginning--the first time he was commissioner. And he seemed to go along with Mr. Jackson and . . .

Odom: Mr. Harrison.

Allred: . . . Mr. Harrison, and there was another . . . maybe Dr. Strain was on the commission. Now I didn't know Penn Jackson until he came to Austin. I knew he was a district judge. I knew who he was; he was a district judge at Cleburne. And he talked with me about my appointment by Judge Betts and made a suggestion to me that the Board appoint me also and fix my compensation, and let

Judge Betts supplement that at whatever he felt it ought to be. And I said, "Now Mr. Jackson, I don't want to get in the position that I was in back in 1954 of having to have loyalty to the court and to the board." I said, "As far as you gentlemen are concerned I'm sure there won't be any difficulty. But I just don't want to get myself in that position again." And I rejected his suggestion that the board appoint me. If the board had appointed me, I probably would never have had any difficulty about it at all. I started to say I thought that I knew what the law was (chuckle). The Supreme Court later said that I didn't (chuckle). But so far as I know, Mr. Jackson is a very honorable gentleman, fine lawyer, and a fine judge.

Odom: Do you think there was anything at all to Mr. Wilson's contention that he brought the mandamus suit that resulted in this thing, because he was the attorney for the board and the board wanted him to.

Allred: Yes, but you know there is one thing I haven't covered that might have a very fine bearing on that point. Will Davis, who is chairman of the Democratic Party today was an assistant attorney general under Will Wilson. He was assigned to the Insurance Department. And it's my understanding, I may be in error about this, but it's my understanding that Will Davis is a nephew of W. W. Heath. Now that might have had some bearing. Mr. Wilson was getting his lawyers in the departments where he wanted them--his assistants. He got Rotsch over in the liquidation division. And I don't think Will Wilson's ever cared for me--I mean Will Davis has ever cared

for me. And my thought was that his being related to W. W. Heath and the mere fact that W. W. Heath was the one who worked out this Texas Mutual appraisal, might have had something to do with it. Now, that's all I know about it. And I know that the Board of Insurance Commissioners said they asked the attorney general to do it. But I think all behind the whole thing was Will Wilson. And I think it all started after I discussed with him about the Republic.

Odom: . . . National Bank.

Allred: You asked me the other day if I blamed Wilson for my situation in 1958. And that's what we've been discussing. And I said I did, that I thought he was responsible for it. Of course, he had nothing to do with the 1954 dismissal, but the man I blame for that is Allan Shivers. And, of course, I never voted for Allan Shivers in my life. But I thought I was a pretty good supporter of his when I failed and refused to give information I had in 1954 to Ralph Yarborough who almost beat him. And I think if I had done it, he would have defeated him. Yarborough didn't know that I had the information. I just didn't do it because I didn't want my lawsuit involved in politics. But I wanted to distinguish the two different times. And of course Shivers was only repaying my brother Jimmie, for what he did for Shivers's father. My brother Jimmie appointed Shivers's father as a district judge. And Allan repaid it by having his Insurance Commissioners kick me out (chuckle). Now I think he appointed R. A. Shivers; I tried to find something. But I think Jimmie appointed R. A. Shivers,

who I believe was Allan Shivers's father, as a district judge at Beaumont or Orange.

Odom: Do you think that your getting into these controversies was due simply to your attempting to "rock the boat" down there, or to your position in politics, or what?

Allred: No. Now my getting into them was not an attempt to "rock the boat" or to become involved in politics. I was trying to stay out of politics. I was trying to keep from "rocking the boat." But I did my duty as I saw it. I looked at my duty as I saw it. And I was going to do what I thought was right, especially when the judges were telling me to do what I was doing. I was going to do that regardless of what effect it might have on my future.

Odom: And then the motives generally, in both cases, would be to try to protect themselves from the effects of what, now?

Allred: The motives were coming from the Shivers's administration or, later, from the Wilson group. The motives were flowing from them to me because they didn't like what I was doing or fixing to do.

Odom: Okay. I suppose the remainder of the questions I had would be more appropriate after we more or less complete the tale of the story that you have been developing here of your life and some general questions that I might ask you to reflect on later.

Allred: All right. Well, I imagine that I have gone into too much detail with reference to these charges that were made against me. But there are three or four things with reference to the matters that we were discussing yesterday when we quit that I want to finish

this with. First, somebody was tapping my telephone, and the reason I know that is that when I was on the witness stand, one of the assistant attorneys general asked me who Miss Frances was and if I knew a Miss Frances. Well, the only person they could have referred to was Miss Frances Pflueger, who later became Mrs. Frances Dikeman, and who I always referred to as Miss Frances even after she was married. And I never had occasion to refer to Miss Frances except in the office, or at some time on the telephone, when I would call her with reference to somebody. I know from that that that's the only place that they could have gotten the name of Miss Frances. In addition to that, my mail was being opened. My wife's sister's mail and her father and mother's mail was being opened. My wife is very meticulous about neatness and what have you. And we had letters sent to us where an envelope had been sealed, and torn apart, and then taped back on. My wife never taped an envelope like that. I attribute that to the Department of Interior.

Odom: Was this in '40 and '41 you're talking about?

Allred: That was in the '41 . . . in connection with the '41 trial.

Odom: What about any time later? Did you ever have any other suspicion about this or anything like this?

Allred: Well, I don't think so. After that I don't believe that I ever thought that there was ever any action taken of that sort. I kind of wondered when I was down there at that Senate Investigating Committee if . . . since the Department of Public Safety was over checking the records on me, if they might be checking on me. And

And I know I wouldn't go into a motel room in Austin without the porter going with me. And I looked in the closets (chuckle), and I looked under the bed. I didn't want them to plant something on me . . . to plant some woman on me in the room. And I watched that very carefully. I never saw anything, but I was just being careful.

Now, I told you about this deputy sheriff, N. E. (Speedy) Lee, who positively identified me. The state had what they thought was some corroborating evidence, and that was a couple of telephone calls between my brother Raymond and myself during the week after February 7, 1940, and on February 12th, which was on Monday. Now February 12th was the day that Neal Powers was supposed to go on trial at Lockhart. And that was the day that he made the affidavit asking for a continuance. And their theory was, as they explained to the court, that these calls between my brother and myself were admissible as showing the fact that he and I were in cahoots with reference to the transaction and the trial, and that I had called him on the 12th to find out if everything was going along all right. That was their theory. But the problem with that was that Ray had called me and asked me if I would purchase his interest in our law books. We agreed upon a price. That was sometime in the latter part of the week of February 7th, February 7th was on Wednesday. I told him that on Monday I'd get a cashier's check and mail it to him. Well, Monday morning I got ready to get a cashier's check on February 12th, and I had overlooked the fact that the bank wouldn't be open on February 12th.

That was a holiday, Lincoln's birthday. Boy! So I called Raymond to tell him that he couldn't expect a check before Wednesday. On Tuesday morning, on the 13th, I went to the Oak-cliff Bank and Trust Company and got a cashier's check, payable to him for my purchase of those law books. And I had that check, and I had the banker that I purchased that check from as witnesses. Now that would overcome their contention that that was a collaboration. Besides, other than that they had no corroboration of Mr. Lee.

Odom: Where was your brother Raymond, then?

Allred: Now, he was at Longview or Tyler.

Odom: I see.

Allred: I've forgotten.

Odom: Yes, in East Texas?

Allred: Yes. Now the question might arise, what was the motive of N. E. (Speedy) Lee.

Odom: Yes.

Allred: And, I gave you yesterday, and there is attached to another instrument, which I'll give you today, a letter from Nola B. Randolph in which she said, "Mr. Lewis has stated to me that inasmuch as I was near so much fire if I did not cooperate with them they would intimate to the Grand Jury that I might be 'slightly singed', etc." Now if a man would do that to a woman, he might just as well do that to a deputy sheriff who had made a return that he had subpoenaed a certain man. To have said, "Listen, you're . . ." I wasn't there and I don't know what took place

between Lewis and "Speedy" Lee, but I can conjecture. "You made this return here now. Here's what actually happened. That was Raymond Allred there, and this was Renne Allred up there that sent you. You're so close to it, if you don't cooperate you might be 'slightly singed' yourself." That's the only motive that "Speedy" Lee could have had was to try to protect himself. Well, at any rate, he didn't see me in Austin; no question about that.

Odom: Was he a deputy sheriff in Austin?

Allred: Yes. Now just as we recessed yesterday I mentioned the fact that Homer Thornberry, district attorney, had told us on Saturday morning, after I had been acquitted, to give him until Monday morning and he would dismiss the other cases, and that he wanted to tell Gerald Mann what he was going to do. It so happened that that Wednesday night that I have mentioned to you, I think, off the record that we had put a number of witnesses on the witness stand and court went to 7:00. We had six, seven, or eight witnesses that afternoon and evening. We were informed later by a source close to Mr. Thornberry that Thornberry, James R. Lewis, and the two assistant attorneys general--one of them is a district judge now in Houston, (Ben Woodall) and the other one was Pat Coon (I'm trying to think of the Houston judge's name, but anyway they were assistants)--had dinner together that night. And those four men agreed that Wednesday night that I was innocent after having heard the evidence of only six, seven, or eight of my witnesses. And Homer Thornberry went to Gerald Mann and told him that I was innocent. And Gerald Mann told him that that wasn't for him to

pass on, that it was for the jury to pass on. And the jury might believe "Speedy" Lee as compared to all of my witnesses.

Odom: Renne, I don't recall asking you to explain Gerald Mann's position in this.

Allred: I think that James R. Lewis went to Gerald Mann and prevailed . . . maybe one of his assistants to start with . . . and prevailed upon Gerald Mann to start with and got him interested, got him convinced. And Gerald Mann called over to the district attorney and said that he was sending two of his assistants over to present a matter to the Grand Jury. Now this was hearsay and came through two or three sources to us. And he got the district attorney to promise that he would not disclose what the matter was about, that it was some prominent people, and if they found out about it they might try to prevent an indictment. Well, of course, he had been an assistant under my brother--Gerald Mann had. He had been Secretary of State under him, and as I mentioned the other day, Gerald Mann had a sign up there over the door of his office or in his office reading: "I sacrificed no principle to obtain this office; I will sacrifice none to retain it." Well, a woman doesn't have to go around saying she's a virgin when her virginity hasn't been challenged. And there's some people who get the idea that "I would prosecute my benefactor's brother and I would prosecute anybody and that it didn't make any difference how big they are or anything." When I was a district attorney, I wanted the defense before the Grand Jury. I wanted to know what they were going to say. I wanted to know if they had a defense. I wanted to find it out

ahead of time. I didn't want a man indicted unless I knew I could convict him, and even then you don't always get convictions even when you get them indicted. But I always tried to do that.

Odom: He made the race for U. S. Senate didn't he not long after that?

Allred: After Morris Sheppard died, and Gerald Mann was defeated for the U. S. Senate.

Odom: Do you think that Mann might have been attempting to make political capital out of that?

Allred: Well of course none of us knew that Senator Sheppard was going to die but Mann was looking forward to the future of course. Anyway, after Homer Thornberry went over there he told him that and Homer came back and they had the trial. I was acquitted. Then on Saturday Homer told us . . . we were up there insisting on trying the next case and Homer said, "Give me till Monday morning. I'm going to dismiss these other three cases, but I want to tell Jerry Mann that I'm going to do it." Monday morning, they announced ready in the Elbert Hooper case, and they started putting on their testimony. Based upon his statement, on Saturday my wife had gone back to Gainesville where I was living at that time. I had to send for her to come back. Other witnesses we had permitted to go home. They had to come back because all of the witnesses that I had used would be admissible witnesses in the Hooper case, because we knew "Speedy" Lee would testify exactly as he had done in the other trial, that I was in that office and we wanted to be able to show it was not true. So they put on the same proof, identical. The state put on the same proof that they had put on against me, and the defense

filed a motion for instructed verdict. Judge Gardner granted it and said, "The jury has acquitted Renne Allred on this evidence. I would not permit the same character of evidence to go to the jury against another one of the defendants." Therefore, he instructed the verdict and when he did, Homer Thornberry then got up and asked for dismissal of the other two cases. And the two assistant attorneys general announced to the court that they did not agree to the dismissal of these cases. They were taking their defeat pretty hard, it seemed to me.

Odom: They had prevailed on Homer Thornberry to continue with the Elbert Hooper case.

Allred: Yes, there's no question about it. And later on Elbert Hooper went up to see Gerald Mann and wanted to talk with him about this case. Jerry said he was sorry it happened, and as Elbert got ready to go Jerry said, "Elbert, if I can ever help you, let me know." Elbert turned on him and said, "Jerry you can help me now. You can appoint me as assistant attorney general." Well that floored Mr. Mann. He said he'd have to take it under advisement. About a week later he called Elbert Hooper up and appointed him assistant attorney general under Gerald C. Mann. Now Gerald Mann either appointed a man as his assistant, that he believed had been guilty of conspiracy to commit perjury or he appointed a man he knew to be innocent or believed to be innocent of that charge. One of the two.

Odom: You can't win for losing that way.

Allred: No, you can't get around it. He had to do one of two things. And

Elbert Hooper remained as long as Gerald Mann was attorney general and stayed on with Grover Sellers and died in that office. One Saturday night he was going back to his office and had a heart attack. They found him slumped over his desk on Monday morning. Now mind you all of this took place, everything that I've told you about these two indictments took place in March, 1941, or before. And it was after that time, with full knowledge by everyone in Texas that was in politics at that time that knew about it, that I was appointed by the Insurance Board as attorney for all the receivers and all the receiverships. And it was after that time that I was admitted to practice in Travis County as a member of the bar and recommended by those judges. All of that took place after those cases.

Odom: What about your relationship with the attorney general in the 1940's, and the attorneys general prior to Mr. John Ben Shepperd? Did you have any kind of contact there with them on any of the cases you were working on back in the '40's, do you recall?

Allred: Well, Gerald Mann you see was . . . I don't know when he went in office as attorney general.

Odom: 1938 I suppose. He was elected in '34 wasn't he?

Allred: I just don't recall. Bill McCraw had been attorney general before him, and I never had any dealings with Bill McCraw. I may have had a case with some of his assistants. I don't recall right now. I knew Bill McCraw, and he and Judge Tom Clark, who later was on the Supreme Court, tried a case before me when I was district judge over in East Texas. I never had any matters with Grover Sellers.

Odom: Then Price Daniel?

Allred: Price Daniel. I don't remember; I've forgotten. And I don't remember who . . . oh, Jimmie was attorney general before Bill McCraw. Jimmie was attorney general up until January of '35, and McCraw was in there during '35, '36, '37, '38, and then, I guess Gerald Mann was attorney general in '39, '40, '41. Then it was Grover Sellers.

Odom: Back in the '40's, though, you didn't go to the attorney general and get the authority to examine . . .

Allred: No, no. I never had occasion to back in the beginning. We never saw anything that looked like there was any chicanery going on other than rebating, kickbacks, and things of this sort. I was able to get all the information I had, if that's what you had in mind.

Odom: This is a pretty general question too, but how do you account for the fact that you didn't have anything like this going on before this big flare up in the '50's? Could it be the supervisory commission's fault here or is it the new . . .

Allred: I don't know. It might have been that some of it was going on. In fact I have told you heretofore about the Josey matter. Now Judge Daniel was Life Insurance Commissioner at the time of the organization of the United Employers Casualty Company that took over the Southern Underwriters which was already broke. It was agreed that that charter would be approved while they were out on Mr. Josey's houseboat in the stream, and I imagine everybody was imbibing a little. Some of the commissioners were along on that trip. And that was the one time that I told you, I believe, of the

\$200,000 loan from the Mercantile National Bank to organize that. And I couldn't remember the other day the name of the man who made that loan, but his name was Owens. That's all I recall. It just now came to me.

Odom: Do you think perhaps it just got progressively worse?

Allred: I don't know. I really don't know. Aside from that United Employers I hadn't seen anything like this until I got into the Texas Mutual. What caused it I wouldn't know, and it would be pure speculation.

Odom: Okay. Well, go ahead with what you were talking about when I interrupted you.

Allred: Now I'm through with that phase of this unless you have some other question.

Odom: Something did occur to me. Did you get much mail or any communications after the trial in 1941 from people who stood by you or never did think you were guilty and that sort of thing?

Allred: Oh, I got some. I don't recall how many. I don't recall now from whom, but I'm sure I got some. But I think that the greatest thing that I received came from the three district judges who recommended me for membership in the Travis County Bar Association. It was particularly gratifying because of the fact that the Insurance Board controlled by O'Daniel appointed me in all receiverships immediately after that. The others really didn't mean too much, and I never really thought about it, and I hadn't gone back.

Now incidentally, I do want to make a statement. In the beginning of this insurance matter I made the statement, which you said you were glad I did make because somebody might make inquiries

about the records, that I had the records, and I told you I had the records for things that I stated. Things that I am telling you are in reference to these indictments with the exception of the Nola Randolph letters which I got from Willis Gretcham, a lawyer, out of his file. I had a box of all of the records involving that trial. I had the records, for instance, from the garage where I parked the car. I had the records from the beauty parlor where my wife went that day. I had the records from the doctor's office. I had them all in a box at my house out on Tom Green Street in Austin. Our plumbing went bad and the water got into the floor and got into the bottom of the box, and those records were nearly completely destroyed. When we got ready to leave Austin, my wife found that water had seeped up into those papers, and I told her to destroy them. What I'm telling you in reference to these things now are purely from my memory, but I don't have those records and I wanted you to know why I didn't have them.

Odom: Okay. Well, were there any further repercussions from these cases, oh, back in '40, '41, that you mentioned a little bit to me off the record when I was leaving yesterday. Is that what you're planning to take up now?

Allred: Yes. I told you one time in the beginning, that I didn't engage in politics. I had in mind at the time and I thought we were talking about the charges made by the insurance commissioner in connection with the Yarborough-Shivers matter. I have some correspondence here with Lyndon Johnson when he was candidate for Congress. I supported him very actively. I supported him later

for the United States Senate. I didn't take any active part then. The only thing I did when he was running for Congress was to write him letters making reports of what I would hear with reference to his campaign. When Homer Thornberry ran for Congress and was elected, I opposed Homer Thornberry very vigorously, and I found in my files that I'd forgotten all about letters that I'd written to some of my close personal friends. I very bitterly opposed him for the reason that he later said in a letter in 1952 that I was innocent. He determined early that I was innocent and yet he continued to prosecute me and argued the case to the jury. And I didn't feel very kindly toward him. I don't have that feeling now and haven't for a number of years. As a matter of fact, I have no ill will in my heart toward anybody about anything. And things that I say here now . . . I'm not even mad at Will Wilson. I don't think he treated me right, and I don't think "Speedy" Lee treated me right . . . James Lewis. I'm not mad at anybody. But during the years we have been reasonably close--my brother, Jimmie, has, of course, with Lyndon Johnson. I have here an example. When he had a heart attack, my wife wrote a letter to him or to his wife, and we have a letter here from Lady Bird thanking us for the letter back in 1955.

Then in 1959 I was invited to appear on the program with Mr. Johnson at Iowa Park, and that was to happen on the 29th. That was right after Jimmie died. And I was on my way up to Iowa Park wearing my old jacket--some people call them hunting jackets but it was a driving jacket to me--and I had my coat to my suit hanging in the car. And we went out and put Joe Betsy (Mrs. Jimmie Allred) and

her family on the plane--they were going back to Houston--and somebody picked up my coat out of my car and loaded it on that airplane and took it down to Corpus Christi. So I had to write Senator Johnson and remind him that I had promised him at the Governor's Mansion on Sunday--it was the day they had the funeral services for Jimmie--and that I would be at Iowa Park on Tuesday morning. And then I explained to him why I couldn't, and I have a letter from the senator with reference to that. Then in 1960 Cliff Carter, who was an assistant to the senator was here in Bowie, and I met with him and some of the supporters down here in the cafe and have a letter from them. Now I preface these for some future things that come, and I'm going to give you copies of those letters. I'm not going to go into detail.

Odom: Are these both the ones I have?

Allred: Yes, Lay those flat down the other way because then you'll have them in order.

Odom: Oh, this way?

Allred: Yes. On March 27, 1961, Senator Ralph W. Yarborough wrote me a letter marked "confidential" in which he stated that he had been asked by the attorney general to submit a panel of several lawyers for the nominees for the United States District Attorney's office for the Northern District of Texas, and that he had placed my name on that list. He said, "You were, of course, top on the list." And then he wrote on the bottom of the letter that I was not to make this letter public knowledge because people who get publicity don't get the nomination. (Chuckle) And then he sent me a copy

of the letter that he wrote to Robert F. Kennedy recommending me for that post. And this was all just out of the blue to me. Had he ever mentioned it to me, I would have told him not to do it because I would have told him what would happen, and in fact eventually did happen.

Odom: Yes. Did you want to be district attorney or not?

Allred: Well, I never had given it a thought until I got these letters. Of course, both United States District Attorney or United States District Judge are powerful places. But I wasn't even looking for anything. I had a good law practice here in Bowie, and I still do. But in this letter he again reiterated on the bottom of the copy of the letter that I was not to get into any publicity.

Odom: Did you write him then or not?

Allred: I wrote him and thanked him for the letter. And that was all-- thanking him for the letter. I made no comment about it. And my letter was very short. Then he sent word to me that Ramsey Clark, Assistant Attorney General of the United had been over at his office and was very shocked at the fact that the Senator would recommend a man that had been indicted.

Odom: Did Senator Yarborough know about this, or had it slipped his mind, or what?

Allred: Oh, no, he knew about it.

Odom: Well, I thought he must have . . .

Allred: Yes, he knew about it. You see, my brother had appointed Senator Yarborough to a half dozen posts. He'd appointed him district judge, assistant attorney general . . .

Odom: Yes, I thought he had . . .

Allred: Half a dozen of them. No, my guess is, he didn't want any publicity about this, but I think he was just trying to make me feel good. I don't think he ever thought that I would have a chance in the world of getting it.

Odom: I see.

Allred: But anyway, he sent word to me . . .

Odom: He knew they would investigate if you were seriously considered.

Allred: Why, sure. And if he had mentioned it to me . . . but it had already been done, and I could not stop it. I couldn't do anything about it. So after he sent me word that Mr. Clark was surprised and shocked, I wrote a letter to Robert F. Kennedy, Attorney General, Washington, D. C., May 15, 1961. And I said,

"Dear Sir: The writer has been informed that the Department of Justice has, in effect, tried and convicted me, in absentia in connection with the recommendation of Senior Senator Ralph W. Yarborough of me for appointment as United States Attorney for the Northern District of Texas, the department holding, so I am informed, that my name could not be considered because of the fact that more than twenty years ago indictments were returned against me, which most Texans know to have been politically inspired. This fact is probably unknown to you, but surely your file reveals that a Court and Jury acquitted me of both felony indictments and of all matters involving moral turpitude.

"It seems to me that it would not be improper for me to use the words of the PRESIDENT OF THE UNITED STATES when he appeared

before the Ministerial Association of Houston, Texas, September 12, 1960, as a candidate, when he replied to the charge made against him that he had refused, on orders on direction of the Cardinal, after first accepting, an invitation to participate in the dedication of a Chapel - this charge being known in the campaign as the POLING incident.

"The then SENATOR KENNEDY, after denying that he had refused upon order or direction of the Cardinal, and after stating that this took place in 1947, two months after he had taken office, asked:

"'Is this the best that can be done after 14 years?'

"'Is this the only incident that can be charged?'

"Using his words in so far as they apply to me, 'Is this the best that can be done after 20 years? If this the only incident that can be charged?'

"On other occasions, particularly when standing alone, I uncovered the gigantic insurance company frauds in Texas in 1953-54, frauds in which insurance Commissioners and employees, as well as certain Texas State Senators, participated, facts uncovered by me, for which I was discharged by the Shivers administration, the fact that the indictments were returned against me was thrown in my face. I knew they would be, but I did my duty.

"While there is no hope on my part that I will be appointed as United States Attorney, but in fairness to the Senior Senator from Texas who submitted my name, with full knowledge of most of my adult life, and in fairness to myself, may I present to you some

facts about those indictments, my acquittal thereof, and my life since that time, with a hope that you will read these facts and let the record be set straight? Yours truly, Renne Allred, Jr."

So I attached to that letter the fact number one that Senator Yarborough had made the recommendation without consulting with me directly or indirectly. I referred to the indictments, and that it was sought and obtained by one J. R. Lewis of the Department of Interior. And most of the people in Texas knew about it. I'm going to furnish you a copy.

Odom: Thank you.

Allred: And I referred to the Randolph note and attached it (a copy of which is attached here, also). And then I said, "The question arises 'Why Politics?'" And then I discussed the federal control of the oil industry and Jimmie's part therein. And then after acquittal of both of these charges, I moved to Austin and was recommended by the district judges and the district attorney for membership in the Travis County Bar, and my application, a copy of which is attached and which I have heretofore furnished you. I also mentioned the fact that I'd gone to Chicago as General Counsel for the National Association. Having the thought in my mind that somebody up there might raise the question, I asked Harry Wear, a former court reporter of mine, to talk to Judge J. Harris Gardner and Homer Thornberry with reference to the matter. And as a result they wrote the letters of which I have given you copies or quoted from. At least there are copies that are attached to this. Three months after that time the three district judges asked me to come back.

And the Texas insurance scandals came to the surface and I referred to Moreland vs. Knox. I made it clear that Judge Gardner had instructed me to bring this suit and to include the Chief Examiner and that I wouldn't kowtow to their wishes. As a result I got fired. And then I moved back here where I'm practicing law. That was when I got my rating with Martindale-Hubbell, the highest rating that can be given to any lawyer for integrity or ability. Then I told about the hearing of the Senate Investigating Committee before which I appeared, and the charges made against me about these indictments. And then I quoted the statement, of which I've given you a copy and which is attached hereto also, that I gave to the Senate Investigating Committee concerning it. And it referred to the fact that no action was taken by the Texas Senate so far as I knew with reference to it, since some of the members of the Senate were on the payroll. I also pointed out the fact that during fourteen years only four or five cases of any importance were lost by the receiver represented by me. Then as evidence of confidence in my church-friends and my honesty and integrity, I enclosed this newspaper clipping of my election as president of the Texas Convention of Christian Churches. I was the only layman president at that time of a district which was composed of eight counties and eighteen churches. Now along with all that I attached, and have attached here, each of these instruments to which I referred. This included the newspaper clipping from the Stephenville paper. I sent a copy of all of this to Senator Yarborough and a copy to Lyndon B. Johnson. And I got a reply from the assistant to the

Vice President in 1961 and then a letter from the Vice President himself with reference to it. Said he had talked to the attorney general and that Ramsey Clark was to write a full letter in connection with the matter. And then Mr. Clark did write me a letter on May 31st, in which he said:

"Dear Mr. Allred: The Attorney General has asked me to answer your letter of May 15, 1961, which is a cause of deep concern.

"The Attorney General has not refused to recommend your appointment as United States Attorney to the President on account of the indictments to which you refer, or for any other reason. He has made no recommendation for this post to date. Nor would the Attorney General refuse to make any recommendation because of an indictment, if all the facts revealed that person to be the best qualified man for the position under consideration. The fact is that the Attorney General, until your letter, had no knowledge that you had ever been indicted or acquitted.

"Whoever informed you the Attorney General would not consider your name because of these indictments was in error. Because of our concern over your letter, I have discussed the letter with Senator Yarborough. Like us, he is unable to say who might be responsible for your misinformation.

"We have read the enclosures with your letter with great interest. They reflect that you are an able lawyer of the highest character, as I have known you must be from my association with your brother, Judge Allred, a very great judge, your brother Ben, an excellent court reporter, and your nephew Jimmy.

"If I can be of any assistance to you, please let me know."

Odom: Well, now, Senator Yarborough is the one who let you know that . . .

Allred: He sent me word.

Odom: . . . Clark . . . Oh, he sent you word . . .

Allred: . . . here, after . . . No, he sent me word and he told the person who brought me the message, this person asked Yarborough about my writing this letter and Yarborough told him, "Well, he can go ahead and send it, but they won't read it." But apparently they did according to Clark's reply. So on June 12, and I wrote Ramsey Clark a letter:

"Dear Ramsey: Altho I have never met you, it seems to me that I do know you, because of having read of you and by reason of the fact that one of the first cases tried by me as a District Judge was one in which your father and Bill McCraw tried, successfully, I might add, before me and Mr. Justice Clark, then Tom, and Bill and I were together quite a bit for a week or more at Longview.

"In your letter of May 31st, you refer to what the Attorney General knew or did not know, and what the Attorney General knew or did not know, and what the Attorney General would do or would not do. Nowhere did you say, however, that the same thing applied to Department of Justice or to the Assistants who had any connection with the recommendations for the appointment for United States Attorney for the Northern District of Texas," (chuckle) (off the record) meaning, to wit, "Ramsey Clark."

"In my letter of May 15th, addressed to Attorney General Kennedy, I did not in any way indicate that I thought he personally knew

about these matters for it is my idea that he had no such personal knowledge, and I carefully avoided so indicating, but my letter referred to the 'Department of Justice' and I stated that the facts referred to 'is probably unknown to you' (the Attorney General).

"In view of the fact that the appointment has now been made, the matters mentioned in the two paragraphs next above become moot, except that my letter to the Attorney General becomes a part of the record of the Department of Justice, and the Department of Justice, the Attorney General, and the Assistants, have knowledge of at least a part of the evidence of my innocence.

"Please accept my thanks of appreciation of your kind words about two of my brothers and my nephew, Jimmie."

Then on November 14, 1961, Senator Yarborough wrote me a letter in which he said that he regretted this fact, and he said the reason that I was turned down was because there simply were not enough positions available, which, of course, is not correct and not true. Now in connection with . . .

Odom: May I interrupt you just a minute?

Allred: Yes.

Odom: There's a great deal of politics involved in all of these appointments isn't there?

Allred: Well, I would guess so. I don't know much about politics. I find that I'm not a very good politician, because I don't get in office very (chuckle) . . . very often.

This item from the Stephenville Daily Empire dated November 11, 1959, headed "Renne Allred Jr. Named Christian Church Leader."

"Renne Allred, Jr. is the newly elected President of District 18 Christian Churches (Disciples of Christ). This honor was bestowed upon him at their annual convention held at the First Christian Church in Denton on Sunday. Mr. Allred is an Elder and Chairman of the Board, First Christian Church, Bowie."

There are some other items there which I'll not read. I served two years, and Mr. Bullock Hyder and Dr. Farmer at North Texas know of that, and although Dr. Farmer may not have known about these indictments; I'm sure that Bullock Hyder knew all about it because he was in politics. But, anyway, I served two years as president of this district, and they tried to elect me for a second two year term. But I refused to accept it because I just couldn't give the time that was necessary to it. But I did agree to serve as treasurer of the district and I have since that time--since '61--acted as treasurer and was reelected recently. And in the mail today I received a letter from the Texas Association of Christian Churches:

"Dear Mr. Allred: This refers to my previous letter of July 22, concerning the approval of an allocation from capital funds of the Texas Association for the new church site at Lewisville, Texas. I am very glad to enclose a check in the amount of \$23,000 for the purpose indicated. The members of the allocation committee are happy to share in this way by making capital development funds available for the purchase of this property. We congratulate District 18 on this new project and hope that this contribution will be important in the life of the Lewisville congregation." And enclosed in it, a check for \$23,000 that they are trusting me to

dispose of.

Odom: And after you have been indicted by the Federal Grand Jury.

Allred: At any rate, I have this check which I am to disburse to this fund. Now these are copies of all that; turn it face down. Now did you ever write a letter or start a letter to somebody and then never mail it?

Odom: I have . . .

Allred: One time . . .

Odom: . . . a time or two.

Allred: Marvin Hall who at one time was insurance commissioner got a little put out at a fellow, and he wrote him a three-page letter--a scorcher--and took it in to Dick Waters, also a Commissioner, and said: "What do you think about this letter?" Dick read it and said, "That's a wonderful letter. That's a wonderful letter." Then he said, "Now I want to give you a little advice. You take this letter and put it in your desk and keep it for three days. And then if you want to mail it, mail it." And of course he never did mail the letter. But when Mr. Yarborough wrote me that the reason I was not appointed was because they just did not have enough jobs, I sat down and wrote a rough draft of a letter to him which I submitted to a couple of my nephews; and they prevailed upon me not to mail it. (Chuckle) But it shows my feeling and with your permission I'd like to put it in this writing.

Odom: Put it in.

Allred: This is a completely rough draft, but . . . I addressed it to Senator Yarborough, Washington, D. C.:

"Dear Senator: Enclosed is a copy of a letter from Ramsey Clark, dated March 31, 1961, received by me on June 4.

"If his statements about what the attorney general knew or did not know and what the attorney general would do or would not do was intended to include Clark in the Department of Justice, then it was a misrepresentation of the facts according to what was reported to me. Likewise, if you did not tell him you were unable to say who might be responsible for my misinformation, then that also is a misrepresentation. And, if so, may God forgive him. If, on the other hand, you did tell Clark you were unable to say who might be responsible for my misinformation, it was not true even though you felt you had to deny it to protect yourself. You had told Sam, and he in turn told me. If this is the case, may God forgive you. Sam says you now have told him, this past week, that your conversation with Clark was confidential and you were not supposed to have told Sam and me about it. Why confidential? Had you told Sam Houston or me that the information you had received from the Department of Justice that they were surprised that you would recommend a man who had been indicted and you had told us that it was confidential, I would not have written my letter of May 15, but you didn't tell us that. When Sam suggested to you that I submit in writing to the Attorney General some proof of my innocence, you did not tell him that I should not do so because the information to you was confidential, but only that it wouldn't do any good as it would not be read. My writing the letter apparently did not and will not do any good. But apparently also it was read

contra your opinion. I received this reply from Mr. Clark, and I received an acknowledgment from the office of the Vice President. I received not so much as an acknowledgment from the man I felt was a real friend, a man who said in the spring of 1957, that my then appointment by Judge Betts had cinched his election to the Senate. A man who received support from me in his bid for reelection in 1958. My entire family has supported you in any race you ever ran, and Velma and I spent most of those dismal nights when you lost with you and your good wife. How could you, Ralph, fail to have the courage to tell me what was happening to me in view of our relationship? You must have known when you wrote me on March 27 that the Attorney General had requested that you submit to him a panel of several lawyers that I had no chance by reason of the indictment. Why didn't you tell me instead of sending my name again at the top of the list? My supporting you in your race against Shivers and Daniel didn't help me any with them, and when I met with Daniel in 1958 with reference to the insurance situation, maybe I should have lied to him and led him to believe I had supported him in his race for governor against you. But I pulled no punches and I told him that I had supported him in every race he had run, which I had, except for governor in 1956. Maybe I should have lied to Will Wilson in 1956 and led him to believe I had supported him for attorney general, but when he thanked me for my support I had to tell him the truth, that I had supported Tom Moore."

I think Shivers and Wilson are finding out a fact that my wife

Velma said she wrote Shivers, in 1954, that he should remember that when he started down the ladder, he would meet some of the people he had passed going up. Of course, she didn't write the letter but, she's told several people she did. (Chuckle) It was after that that Shivers was defeated by Johnson in one of the conventions.

Continuing the letter:

"Maybe the thing to do in this life is to connive if it is an aid to your purpose. Ralph, a federal life-time job couldn't repay me for what I have had to suffer at the hands of ruthless politicians who would lie and connive because it was beneficial to them. Maybe such conduct pays off in this life, but I believe it will not pay off in the next one. To me, Ralph, in this life, the greatest asset a man can have is his word of honor. The loss of this one virtue has, in my opinion, created much of the corruption that is found in our Texas government as well as other states and on the national level. Senator, I didn't ask for this job; you recommended me without consulting me. Having done so, I think it ill behooves you to deny what you told Sam in order to protect yourself. Again, I say why should a conversation between you and Clark be confidential anyway? Why should the truth be confidential? Sam tells me he talked with you about another job and that you said you'd help me to obtain it. Of course, it would be an honor to serve my country in any capacity, but I don't need this or any other job. I have a good law practice here in Bowie, believe it or not. However, if I needed a job and started out to get it, wouldn't the same reasons apply, why I would not be appointed? Wouldn't I be

cut to pieces again. If you can't help me on this, how can you help me on something else? In view of Ramsey's letter, would they cut me to pieces? Would they appoint, and would you as senator permit the appointment of a man from Dallas who has had little experience and whose name does not appear in Martindale-Hubbell Directory as an attorney in any Dallas County town, even though he maintains an office with his father in Dallas? Is this what is meant by being good for the country? The man who was appointed United States Attorney, Barefoot Sanders, wasn't even listed in the directory. Ralph, I told you in person and by letter that I would not want you to do anything for me or mine that was improper or that would embarrass you in any way. Apparently I have embarrassed you by my writing the letter of May 15. This was due to your failure to tell me frankly what had happened or what was happening to me. I certainly have not embarrassed you by an publicity about your having recommended me. Your instructions in this regard were followed to the letter. In fact, no one in Bowie except my wife and myself--not even my secretary (I had done all the typing myself); not even my law partner--knows of the letter you wrote for me. My brothers didn't even know about it until you told one of them. I had not embarrassed you by securing or attempting to secure any endorsement. I had done exactly what you told me to do. I am sorry I have embarrassed you by writing the letter, and it wouldn't have happened had I known the true facts. In your letter to me dated December 1, 1954, you said, 'I believe that your reward for your good works should come in this life as

as well as the next.' Do you still believe that? Or am I going to have to wait for eternity? Regardless of that, I hope that God may continue to richly bless you and yours. If you cannot stand up and fight for me, I will turn the other cheek and stand up for you by telling you that you are at liberty, provided that you have not already done so, to withdraw my name from consideration which it isn't receiving anyway. Sincerely,
Renne Allred, Jr."

Odom: Did you ever have any further conversations with Senator Yarborough about this matter?

Allred: I never saw or communicated with Senator Yarborough that I recall. I know I never saw him. I never talked to him until June 15, 1968, here in Bowie, and I greeted him and his wife with courtesy, and my wife did, too. I had not seen or talked with him. I believe the last time I had seen him was at Denton in 1959, about the time I was appointed president of the district, 18th church district.

Odom: Are you glad you didn't send that letter?

Allred: Well, I'm not sure that I am. But two of my nephews talked me out of it, and I made a notation here in 1965, April 12. This rough draft was written by me in 1961, but was not completed, not mailed at the request of two of my nephews with whom I had discussed it. I don't know whether I am or not but . . .

Odom: Undecided?

Allred: Now? Still without any knowledge to me, in July, 1961, after this happened, I had a call from the office of the Vice President

of the United States in Washington. I hesitate to say who the call was from now, but since the letters show, I guess I'll have to. They're from Walter Jenkins. And I . . .

Odom: There's no need to hesitate.

Allred: I didn't know Walter very well. I met him.

Odom: Well, isn't he from this area?

Allred: He's from Wichita Falls, but I didn't know him. I think the first and only time I ever met him was at the home of Mrs. Allred's mother at Wichita Falls on the day of Jimmie's funeral. He was with Lyndon Johnson at that time. And they came up to the house. And he called me and said, "Would you like to go to work for the government?" And I said, "Well, Walter, if there's anything that I can do--anything that the Vice President or President, or anybody wants me to do, I'd be glad to consider it; it would be an honor to me." And he said, "You write me a letter and send a brief resume of your experience." This came out of the blue to me. Of course, a lot of these things that come out of the Vice-President's office he never sees, never knows--I realize that. I'm not so gullible that I don't know those things; just like the thing that gets me with reference to Yarborough is that I'd hate for him to think that I was gullible enough for him to write a letter in my behalf without my knowing its purpose in connection with it. Anyway, I wrote Walter Jenkins on July 24, 1961 and thanked him for his call today:

"Dear Walter: Thank you very much for your call today. As per

your suggestion enclosed is a brief resume of my experience. As the Vice-President knows I have been his friend and supporter for the more than the twenty years he has known me and have supported him in every race he made since moving to Austin in 1940. If he feels I can be of any service to my Country, to my President, to my Vice-President or this administration in anyway, I shall be happy to serve. Sincerely, Renne Allred, Jr."

On June 29 I received a letter from the Vice-President:

"Dear Renne: Walter has shown me your fine letter that enclosed your resume. I am happy to receive this informational background on you, and I am this date presenting it to President Kennedy and his people. For the problems that lie ahead we need all the talent and capacity which can be secured. Sincerely yours, Lyndon B. Johnson"

It seems that he sent that to nearly every department of the government. I have before me a note dated Nov. 6, 1961. It says:

"Dear Renne, Thought you would like to see the attached. LBJ" This is a letter from the Veterans Administration to the Vice-President with reference to the resume about me. It was referenced to the Department of Attorney to the Veterans Administration: "We sent him an application so we may give him consideration." I didn't fill out any application for that department or any other department. There is a letter from U. S. Department of Commerce, dated Nov. 1, 1961, to the Vice-President, the same thing. A letter from the Secretary of

Defense: "Dear Mr. Vice-President," the same thing. There's another note, August 7, 1961:

"Dear Renne, I thought you'd be interested in seeing this interim reply from the AEC. I will keep in touch with you as things develop." This is a letter from the Atomic Energy Commission. Here is another note from LBJ dated August 12, with reference to the Department of Labor--two letters as a matter of fact from the Department of Labor. One of them came direct to me, and the other one was to the Vice-President which he sent to me. Here is another letter from LBJ dated August 18, 1961, from the Federal Aviation Agency. Here is one from the Civil Aeronautics Board, also. The Veterans Administration wrote me that the Vice-President is interested in my employment. The Department of the Navy wrote me a letter in connection with the matter. Here is another note from LBJ dated Nov. 21, 1961, from the Department of the Army and the Department of the Air Force. Here is another note from LBJ from the United States Department of Justice. On Nov. 28, 1961, the Department of Justice wrote him and said, "Thanks for your letter of Oct. 26, 1961, with enclosed biographical data of Renne Allred, Jr. who is interested in an attorney's position with the Department of Justice. You may be sure that Mr. Allred's qualifications will receive the most careful and serious consideration."

Odom: Is there one from the Interior Department there? It'd be ironic if you got one from the Interior Department wouldn't it?

Allred: Well let's see.

Odom: You didn't mention it.

Allred: If I didn't mention it . . .

Odom: You didn't mention it.

Allred: I hadn't even thought about that.

Odom: I just thought of the irony of it all.

Allred: No, I guess I didn't. But the Attorney General who contemplated giving serious consideration to my application . . . now incidentally I never wrote to any of those people. I never answered them. A lot of people would be highly honored at getting letters from people such as a Vice-President of the United States who later became President. They would be thrilled to have him write them on their behalf even though they never get a job. But I think I'm not gullible enough to believe that anything like that would happen.

Now I might also mention at this time something that I don't know if I have told you. I'm a member of the Grievance Committee for the State Bar of Texas for some 20-odd counties in north Texas, and I'm now serving my second three-year term. The last two years I have been chairman of the committee. It's rather unprecedented for a man to be chairman more than one year, and the reason I bring that up is that the Grievance Committee checks on complaints against lawyers for improper conduct and what-have-you. I want you to know that no Grievance Committee ever, so far as I ever knew or even heard, investigated me in connection with any of these old indictments, these old troubles, although they were investigating to see when I was considering suing W. W. Heath. The Grievance Committee had Judge Hughes and myself before them concerning that matter; but no Grievance Committee so far as I ever knew or even

heard have ever done anything.

In the course of this matter I have discussed a great deal about Judge Charles O. Betts. And I still have a very high regard for Judge Betts. He and I are very friendly. I have a letter from him, his latest, August 5, 1968, thanking me for the copy of the program of the dedication up here, and his regrets that he couldn't be there, and an invitation to come by to see him when I'm down there. There's a copy of it I'd like to go in there.

Odom: Mr. Allred, I have here a couple of paragraphs summarizing some of the historical assessments of the insurance scandals of 1950's. I'd like to get your comment on them. Let me read these two paragraphs, and I'll ask you to reflect on it:

"The environment surrounding the U. S. Trust Case contained numerous insurance companies' failures and a growing distrust of the Texas Insurance industry, the honesty of legislators and regulatory agency employees, and the effectiveness of insurance regulatory laws. Some argue that Texas was a breeding ground for get-rich-quick promoters because of permissive attitudes toward insurance companies on the part of government officials. Insurance lobbies corrupted elected representatives, thereby blocking laws that would have brought insurance companies under strict control, critics cited. Others place most of the blame on ineffective laws rather than corrupt officials or conspiratorial permissive government. Men of good intention, they said, cannot investigate adequately since the law did not cover the modern complexities of modern insurance operation. Certainly both corruption and lack of

up-to-date legal authority contributed to the rise of insurance company failures in Texas, during the 1950's, and both of the explanations for the failures describe part of the problem. However, a good case for the ineffectiveness of legal machinery was presented in the 1954 Texas Legislative Council's report on Insolvency in the Texas Insurance Industry, 1939-1954, but it stops in 1954. This report compared the Texas Insurance Industry with other states in relation to laws, number of companies, their assets, income and so forth, and indeed with recommendation for improving the Texas situation. The report pointed out the easy requirements for a charter in Texas and cast doubt on the value of such low minimum capitalization requirements and the differences between law and disobeying companies selling essentially the same kind of insurance. In general the report called for modernization of Texas insurance laws and with attention to the regular examinations of company books. and laws covering complex financial procedure such as securities transfers."

I know there are a number of points touched on there, but I'd like to get you to summarize what has been the main part of these Oral History interviews and to comment on those things.

Allred: My first impression that I make is that I am on the side of those people who think it wasn't the inadequacy of the laws, as you have seen, but lack of proper . . . just casual investigation of companies. As an example, take the United Lloyds out at El Paso. They had a man by the name of Lee Pfefferkorn, I believe it was Pfefferkorn, who had spent weeks out there examining the United Lloyds. E. B.

Kelley and Washington Whitesides, I believe, were the other two examiners who were out there and had been there for weeks and stayed there after I left. I spent four days in the records of the United Lloyds and United World and the Southwest National Bank, and I found in those four days, all of the fraud and corruption of the organization of those companies. Why those examiners couldn't have seen it, if they wanted to see it, is beyond me. And Mr. Whitesides, I had high regard for him as an examiner. Most of those people worked from 8-5 and . . .

Odom: . . . accepted things at face value.

Allred: . . . accepted things at face value, didn't go into them. Now E. B. Kelley, I also had a high regard for E. B. Kelley. I don't know if I ever knew Lee Pfefferkorn. If I ever met him I don't recall it, but I may have. But E. B. Kelley is an examiner that was at Texas Fire and Casualty when I was investigating it, and I was showing him what I was uncovering . . . the fraud I was uncovering. He said, "So what? They won't do anything about it down at Austin." In other words, he seemed to know that if he reported anything that did not keep those companies going in accordance with the way Leslie Lowry wanted them to go, they wouldn't do anything about it down at Austin anyway. That's my first impression. Why those men who spent weeks out there examining those companies couldn't have just as easily found out what I found out in four days that I spent in United Lloyds. In the Commercial Securities in Waco, Don Cornett spent the 7th and 8th day of April, according to his report, making his preliminary examination and approving it. The 7th and 8th day

of April he was in Houston.

In one day I found out everything that had taken place. Now that's one of the companies that happened 8 or 10 years ago according to Mr. Saunders, but was actually approved by him in 1954. But I found that out in a day. I just don't understand. If somebody wants to find out and will work at it, I can't understand why they couldn't do it. Now I don't know. I don't think I've ever seen any of this report.

Odom: Oh, I wanted to ask about one aspect of that. In other words, you contend that even the low minimum requirement capitalization and so on, didn't contribute nearly so much as the fraud involved in the original . . .

Allred: No, if they'd actually had the low minimum, they'd have been all right. But they didn't have it; that was their problem. They didn't have it, and they were permitted as in the Texas Mutual case . . . they approved an appraisal of \$436,000 at \$436,000 while the statutes that Mr. Wolfskill cites in his thesis said they had to follow. But that particular statute also said that the property had to be valued 40 per cent more than they allowed it as an asset as a first unencumbered vendor's lien note. But they didn't even do that, and they didn't even check to see that it wasn't even sworn to, that it was merely acknowledged. There's a difference between swearing to something and acknowledging something. An affidavit, if it's properly made out, properly sworn to, can subject a man to perjury or false swearing.

Odom: What's in the acknowledgment?

Allred: Acknowledgment doesn't mean anything except the fact that they just say, "He acknowledges that he executed this for the purpose and consideration therein expressed." But what does that mean? You couldn't base a perjury indictment or false swearing indictment on it. I just don't agree at all with the theory that there was a lack of laws. Now if there had been more examiners, things might have been different. However, perhaps with more examiners the situation might have been the same, and wouldn't have made a difference anyhow.

Odom: You think higher pay and higher qualifications for examiners would have accounted for any difference or made any difference in the thing?

Allred: Well, higher pay and higher qualifications and higher caliber might have helped. An example is J. Byron Saunders. He was making higher pay. He was making \$8,400 a year. He was of high caliber. He had ability, yet he succumbed to the wiles of Ben Jack Cage. It's entirely possible that it could have, but . . .

Odom: In your opinion you don't think it'd have made a lot of difference.

Allred: I don't think it would have made a lot of difference.

Odom: Any other aspects of that you wanted to respond to. I don't want to badger you about that.

Allred: Well, they argued that in Texas, "The honesty of legislators and regulating agency employees affect the use of Texas regulatory law. Some argued that Texas was a breeding ground for get-rich-quick promotion because of the permissive attitude

toward insurance companies on the part of government officials." I agree with that. "Insurance lobbies corrupted elected representatives, but I don't think that it blocked laws that would have brought the companies under control, because I think they were under control anyway if it had been properly handled. "Others placed most of the blame on ineffective laws rather than corrupt officials or conspiratorial, permissive government." Well, I don't agree with that at all for the various reasons that I have told you. "Men of good intentions," they said, "could not investigate adequately since the law did not cover the modern complexities of modern insurance operation." I don't know just what they mean by that, but . . .

Odom: You have several examples of where they had more power . . .

Allred: Yes.

Odom: . . . to investigate than they were using.

Allred: That's right.

Odom: I recall that.

Allred: Men of good intention could have investigated adequately. As an example, there was the company in San Antonio--operated by a fellow named Brickey. I've forgotten the name of the company now, but it was the one that Saunders told me had brought a \$20,000 cashier's check in and they let them continue to operate. Now Mr. Saunders, apparently, was a man of good intention. And I said, "Mr. Saunders, where'd the money come from for that \$20,000 check?" He said, "I don't know." I asked, "Do you know if that was money they owed? They got a cashier's check and

brought it in here?" "No," he answered. "Do you know if they borrowed money?" I asked. "No," he said. Finally I said, "Don't you think that would be a good idea to know?" And he said, "I expect so." Later on that company went into receivership and one of the basis was that \$20,000 check. It was just a lack of investigative foresight on his part in approving it, or on the part of some of his examiners. Some of his examiners should have caught it.

Odom: Do you think that a good bit of this was due just to inertia and an unwillingness to work?

Allred: A lot of it. A lot of it. There's so many people in the state government down there that just work from 8 to 5. All they look for is 5 o'clock in the afternoon and payday. That's all they're interested in. You need people that are willing to work for what they earn, or maybe work a little bit harder than what they earn. I know I think that the work that I did and things that I did for the receiverships was worth far more to the receiverships than anything that I ever gained. For instance, in the Allied Underwriters' case, before we got a judgment of \$800,000 against all of its policyholders, we had to go out and make claim against all of those policyholders. And we had to file suits . . . we filed hundreds of suits--individual suits--some in Oklahoma, some in Arkansas, some in Texas. What if I'd had had that case on a 25 per cent basis, a \$200,000 fee? I wouldn't have had to have done anything else in 15 years.

Odom: No.

Allred: That was just one case. Of course, that's one that I was very proud of because I know it was a pretty big company, creditor-wise; and I know that they paid 100 cents on the dollar to all the creditors and paid all the expenses of the operation. And one of the things that Mr. Knox and I had a little disagreement about in 1954 was that he was charging the expense of the operation of the liquidation division, a greater percentage out of Allied Underwriters, than other receiverships, for the amount of work that was being done. At one time, there wasn't but two or three of us working on Allied Underwriters but where his payroll would be, say, \$30,000 he took \$20,000 out of Allied Underwriters. And I complained about it. I complained to the commission and to the courts about it, because I didn't think it was right. If we'd got more than enough money to pay the creditors 100 cents on the dollar and pay all the expenses, the balance of it should have gone back to the policyholders because they would be creditors, don't you see?

Odom: You commented on most of what I mentioned here.

Allred: If there's anything else you can think of--you might look at it again and ask me, I . . .

Odom: Before we wind up, Mr. Allred, I'd like to ask you a few general questions about your life. Looking back over it, what would you call your greatest contribution to the people of Texas--uncovering the insurance scandals in 1950's or something else?

Allred: Well, I guess my greatest contribution to me would be the survival of life. When I was a baby, my brother Jimmie poured eyewater down

my throat. Two doctors gave me up for dead, but one doctor stayed with me and saved my life. If it hadn't been for that, I couldn't have done any of the other things. I would say that the work that I did as attorney for the receiver did more good for the people than any other single thing in my life.

Odom: You had a number of offices, held a number of positions in being county attorney, being a judge, attorney for receivers, private law practice. Which of these do you think you enjoyed the most?

Allred: Well, at the time and at the age I was at that time I think I enjoyed the work I did as attorney for the receiver more than anything else. But I was considerably younger at that time. I was pretty vigorous then. Over a period of time I would say that my general practice of law here in Bowie has given me the second greatest amount of enjoyment.

Odom: You've enjoyed this . . .

Allred: I have enjoyed it, and I know that on October 11, 1954, when the judges entered that order, I thought about going to Houston, and as a matter of fact, to a lawyer who had formerly been associated with my brother and who asked me to come to Houston and go in with him. But I am so glad that I didn't go because that's a big city and trying to get to and from work is a little different from the situation here. You can take it easier; you don't have to rush and push like you would have had to do in Houston. And I'm glad I didn't do that. I have . . .

Odom: I don't know if you would have had time to sit down and spend all these afternoons with me if you'd been practicing law in Houston

Allred: Well, I probably wouldn't because most of the time I'd have been going to and from home, I imagine. And my biggest problem in connection with working with you is trying to get my files back in order.

Odom: How do you place yourself politically--liberal, a middle-of-the-roader, a conservative in Texas politics?

Allred: Well, back when Jimmie was in his prime--attorney general and governor--he was considered to be a liberal. I think most every time we five boys had practically the same views. We didn't have to communicate with each other until we'd meet on some election, some race, or something of that sort. When we would meet we'd already made up our minds and we usually saw everything the same way. So I guess I'd have to place myself with my brother Jimmie. Now Jimmie later on said that he considered himself to be a moderate in this day, but back in those days they called him a liberal governor.

Odom: Did the terms change meaning?

Allred: They do. For instance, there are people right here who say they are conservative yet they are recipients of what we call the "dole." They receive social security. They receive aid.

Odom: They approve of that, don't they?

Allred: And approve of that, approve of that. But when they say they are conservatives, they mean they don't want to pay any more taxes. Most of those people actually are liberal, but they say they are conservative because they look at conservatism by how much taxes you have to pay and what you get is a different

matter.

Odom: Would you care to say who you think has been the best governor of Texas since your brother?

Allred: Well, I'm sorry you restricted that. You could have said "since before he was governor" . . .

Odom: Well, all right.

Allred: . . . because, of course, I would say I think my brother did the best job?

Odom: I thought you would. That's the reason I said since then.

Allred: I think as I told you the other day, whether on this record or orally, I think Allan Shivers is probably the smartest man that's been in the governor's office since my brother was there. I don't agree with him, but he's bound to have been smart to have gone into public office at the age of 26 a poor man and come out of the governor's office a multi-millionaire in 25 years time. He's bound to have been an awfully smart man to have been able to do that. Of course, I only know of one incident as to how he made part of that money that is a matter of public record. That's when he bought that tract of land down in the valley for a \$25,000 note two days after he became nominated for lieutenant governor and sold it six months and two days later for \$450,000 and made a \$425,000 profit, the sale being back to some of the same people or of their company. He didn't have to pay income tax on but half of it. Now that's being pretty smart, especially when you don't have to pay income tax on but half of it. But how he made his money, I don't know. I guess, that I have been most

impressed with ability, integrity, honesty of John Connally.

I have an admiration for Governor Connally, John Connally. Now I don't always agree with Governor Connally, but if I had to pick among all of them . . .

Odom: I know it's kind of unfair to ask you.

Allred: Well, I just sort of feel like I'm talking just like I would if we were talking on the street or anything of that sort.

Odom: That's all I'm interested in.

Allred: I know nothing of his personal life or his financial ability or anything of that sort, but I think he has conducted himself with high demeanor. And if I had to pick one man since my brother was governor, I would say John Connally.

Odom: You think you would say that he's probably been the best governor for the people of Texas. If you wanted to separate or could you separate those two?

Allred: Well, yes, I think I would say that. Well, let's see who have the governors been. O'Daniel followed Jimmie . . .

Odom: Coke Stevenson . . .

Allred: . . . Coke Stevenson, Beauford H. Jester.

Odom: Allan Shivers.

Allred: Allan Shivers, Price Daniel, and John Connally. Going back now with all the men before me I'd say John Connally.

Odom: John Connally, okay.

Allred: And I don't say that because he's the last governor, but I say that thinking of what apparently he has tried to do, his conduct in office, his demeanor in office.

Odom: That was about the gist of what I had to ask you on the subject of general politics. You said you had some other material that you wanted to give me copies of and would like to make some comments about your brother. You just go ahead with what you intended to do there.

Allred: Yes, you asked me the other day, first time you interviewed me out at my home in substance if anybody had made any unkind remarks about me or to me by reason of the fact I was brother to the governor; and I told you I didn't think anybody would be that unkind. I wasn't referring to people who hadn't said other things to other people and had done other things such as all these difficulties I had had. But in going through some of my files and in trying to locate my 1950 expense account of that famous trip I made to California, I ran into a file indicating that in 1934, when Jimmie was attorney general, he received a letter supposedly from a man by the name of Bob Carruthers, Route 1, Henderson, Texas. Now I'm going to give you a copy of each of the letters. Jimmie sent a copy to me at Henderson, and also sent one to me at Longview, and for that reason you have two copies, but they're all here. In this letter he says:

"The Honorable James V. Alred [sic]
Austin, Texas

"Dear Sir: I see by the papers that you have entered the race for Governor of the great State of Texas.

"I wish to state here and now that I am proud to see you take this step as I have always been a deep admirer of yours

from the time you first started in politics, and it is my wish that you be elected to the high office that you aspire to attain, and if my lone vote will put you there you are as good as elected now.

"However, the actions of your brother Recieve-Alred [sic] is going to lose you a lot of votes in this district of Texas, and it is for this reason that I am writing you so that you may take such steps as you can to rectify the terrible errors and blunders he has made here. We (East Texas) with the exception of some of the oil crowd are all for you, but Jimmie, you are sure going to have to take some action to curb that irresponsible brother Rene [sic] for he has done more in the past ten months to tear down the good Alred [sic] name than you could build up in ten years. Of course, I mean in this section where he is but this is a large territory and you will need votes everywhere.

"Jimmie, his receiverships stink to heaven with corruption and rottenness, and it has been the common saying here for some time now that if you want a square deal get in Judge Browns court and for God's Sake stay away from the Special District Court of Greeg [sic] and Rusk County. The way he has jumped down the throat of the little fellows and taken their property away from them and let the big boys (the ones you fight, God Bless you) go scot free is a shame and a crime. His ring of petty grafters that he has associated himself with are certainly no credit to the name of Alred [sic].

"Now, Jimmie, I know these are hard words to say about a

man's brother but I knew you when you were a kid in knee briches [sic] and I hate to see that boy ruin you in this section. And you believe me, Jimmie he is putting the grease to you every day.

"I dont [sic] know whether or not you appreciate my remarks, they are well meant and I am for you right and wrong so get that kid straightened [sic] up. Also his actions outside of Court are very unbecoming to a man of his position and this and other communities know of it.

"Hoping to see you when you ever this way again, I beg to remain, Yours as ever, Bob Carruthers P. S. You can send this to Rene [sic] if you want to. He knows its the truth."

Jimmie wrote me and sent me a copy typed. And this letter was typed on legal size paper. This is Jimmie's letter to me. It says:

"January 3, 1934 Dear Renne: I am enclosing herewith copy of a typewritten letter which I have just received this morning from Bob Carruthers, Route 1, Henderson, Texas. This letter was carefully typed on legal size paper, properly punctuated, and shows to have been written by a good stenographer. The envelope is plain with his return in the left hand corner. It was mailed at Tyler and is marked in capital letters on the typewriter, 'Strictly personal. Not to be opened by Secretary,' both underlined.

"It is my idea that this letter was written for political purposes, and probably by some lawyer in Tyler. I would like for

you to investigate or have Edward Clark investigate at once as to whom Bob Carruthers is. He says he has known me since I was in knee breeches. Personally I have no recollection of him. Please have this investigated quietly until I can discuss the matter with you further. It is my idea that probably we ought to get him before a court of inquiry or before a grand jury, put him under oath and see who got him to send this letter. By the way, it is signed on the typewriter, too.

"Do not take any drastic action about this until I have talked with you. It may be what the enemy wants is for us to do something that will make it look as though there is something to their charges.

"For your information, I am also enclosing copies of the lists prepared by Dave Pickle of all the receivership suits in your court. I wish you would have these gone over carefully and checked against the records. Give me the benefit of any information you can.

"I got to San Antonio the other day just after you left. I must have passed you on the road. Your brother,"
A copy of the original envelope is here, and I made a copy of it. It shows the Route 1.

Then on January 5, 1934, I wrote:

"Dear Jimmie, Your letter of the 3rd with enclosures:

"I have just returned from Longview and have been trying to locate Bob Carruthers, Route 1, Henderson, Texas. There is no such person on Route 1. The little town of Carlile is on

Route 1, and no one there ever heard of such a person. I have also investigated from persons who would know positively if there was any such person anywhere on that route.

"I am informed, however, that there is a Bob Carruthers who comes to Henderson some times, but does not live here or near here. This Bob Carruthers is supposed to be Superintendent of the Sun Pipe Line Company with headquarters at Gladewater, more than thirty miles from here. Reagin Stone, connected with the Humble, and a brother of Clifford, told a friend of mine (by the way I have discussed with none of these parties myself, but have had Joe Hill, a friend of mine here do it for me) that Carruthers was a high-class fellow.

"I cannot see how any one can expect to make capital of writing you that letter. It might be that it was done simply to harass you and myself, or it might be that whoever wrote it retained a copy, for the purpose of delivering it to some opponent of yours to read to a crowd during the campaign (as it looks now that I am to be the brunt of the attack against you by reason of the receiverships which I granted) and then they could say you were informed of my conduct and did nothing about it.

"If that is a fact, my idea would be that it would be a good idea to get the carrier on route one before a Court of inquiry and prove by him that no such person has ever been on his route. It would be a violation of the federal regulations for him to give the information otherwise. Then get the other Carruthers at Gladewater before a similar court and question him about the

matter and make him either deny writing the letter, or make some proof of his charges.

"I have no opinion now whether he is the party or not, but I have some bitter enemies at Gladewater. That is the place where the three parties I sent to jail for contempt live, at least two of them and the other at Tyler.

"If you could send me a photostat of the original letter, we might accidentally find a typewriter somewhere to match it.

"After making the above investigations, it might be well for you to answer this letter setting out how these matters were investigated by the legislature as well as the Houston paper and found nothing wrong, and then send it registered mail, return receipt requested, so that you would have a return of the post office showing no such person.

"By the way, Bobbitt paid you a high tribute at San Antonio the other day at one of the luncheons. Am glad you got to go down.

"Write me at Longview what you think I should do. I will be there Monday morning and stay all next week. R."

The receiverships that he talks about are listed and there'll be a copy of them here. He complains about some of my . . . (what did he call these people) . . . "petty grafters." Now you'll see by looking at these receiverships that I sometimes appointed the same man as receiver in two receiverships. The reason and purpose for that was that I could reduce the expense in the receivership. For instance, in the first two that are on

this list, I appointed L. A. Garrison over a period from May 11, 1933, to June 8, 1933. The case was dismissed, and I allowed Mr. Garrison a \$150 fee. During the same period of time I appointed him in another receivership, nearly a month, and I allowed him \$150 fee.

Odom: Did you gather this information at that time on these?

Allred: No, Jimmie sent this to me . . .

Odom: Oh, he sent this to you.

Allred: Yes, he sent this to me. He had somebody from his office or somebody to check it from the records. Then here's one. I appointed E. W. Rappeport receiver in two or three cases. One case was from May 13 to May 23. The receiver asked for a fee of \$67.50 and the attorney for the receiver, \$25.00. In the other one, the case was still pending. In another case I appointed Mr. Rappeport over a period from May 18, 1933 to Aug. 30. I think I allowed him a \$150 fee in that case.

Odom: It didn't occur to you at the time that you might have had some friend who sent this letter as a joke, did it?

Allred: No, I don't think that.

Odom: You don't think that.

Allred: No, but now you can go through each of these, and sometimes the parties would approve the fees which were allowed; sometimes I set them. But none of them were exorbitant. That was the point that they were trying to make. Now I wrote a letter which is dated today:

"To Whom It May Concern: Referring to the attached papers concerning 'Bob Carruthers.'

"The rural mail carrier on Route 1 of Henderson, Texas, was subpoenaed before a Court of Inquiry, and he testified that there was no Bob Carruthers on Route 1, Henderson, Texas, and so far as he knew, had never been.

"The Bob Carruthers who lived at Gladewater, more than 30 miles from Henderson, and nowhere near Route 1, Henderson, was subpoenaed before a Court of Inquiry, and he testified that he had nothing whatever to do with the letter of January 2, 1934, signed 'Bob Carruthers' and addressed to James V. Allred. Yours truly, Renne Allred, Jr."

He was a rather young fellow. I referred in my letter to Jimmie that I had three enemies that I'd sent to jail. One of them was Donald Marr; another was S. A. Genacov; and the third one was Sam Roosth. I had enjoined them from violating the proration laws. They violated the injunction, and as I recall the first time that I had them in I fined them. The first time, however, when the sheriff served the papers on him he said, "Did that blankety-blank sign that? Why that blankety-blank," using two very vulgar names. When I had him in before the court for contempt, I asked him, "Mr. Marr, you don't have much respect for courts do you?" He said, "Oh, yes, I do. Judge." I said, "Well, were you just talking about me personally or as a judge when you called me those two names?" He said, "Well now, Judge, I'm awfully sorry about that. I did call you one of those names, but I didn't call you the other one. I'm sorry." I think I fined him \$200 on a promise that he wouldn't violate the Court's order

of injunction any more. He went right out and violated the injunction. I had him tried again. When he came in he brought his suitcase because he knew he was going to jail. The state put on the proof of the violation (he didn't have a lawyer), and I asked him if he wanted to address the court and make any remarks. He started bemeaning me and talking about the major oil companies being behind this, and they were not. I had a jury sitting over in the jury box in another case. We had so much business down there that we had to slip them in anytime we could. So he got to talking . . . arguing, and he turned around to the jury and started talking to them. And I told him to address his remarks to the court. He then finally turned his back on me and addressed the others out in the courtroom. So I just rapped and said, "Mr. Sheriff, this man is fined \$300 and sentenced to three days in jail. Take him to jail." And they took him out.

Then Sam Rootsh came in and he didn't deny . . . the others had denied that they were violating the law. Sam Rootsh didn't deny. And I said, "Now Mr. Rootsh in view of the fact that you have not gotten on the witness stand and testified falsely, I'm going to be lenient with you. Do you have anything to say to the court?" He said, "Well, Judge, I'm not guilty." I said, "Now, Mr. Rootsh, I just got through telling you I was going to be lenient with you because you hadn't been yarning to me. Now you start yarning." He said, "Judge, forget what I said. Forget what I said." And I think I fined him \$150.

Then this lawsuit that Tom Clark and Bill McGraw tried before

me that I mentioned in some of this correspondence was a suit involving the title to the property that was owned by those three men. They filed a motion--the defense did--filed a motion for me to disqualify myself . . . to recuse myself because of the difficulty I'd had with these three men, having cited them and putting them in jail. And I said to the defense lawyers, Mr. Taylor and Mr. Story, "You mean that I have got to admit by recusing myself that I'm prejudiced against these men?" They said, "Well, we just think you ought to do it." I said, "Now I'm not going to do that. You're going to have a jury. I'm going to have a fair trial in this court, and before this jury." We tried the case for a week or so, and each evening I would excuse the jury. And I would ask Mr. Taylor and Mr. Story, "Gentlemen, do you feel that you've had a fair trial before this court this day?" And each time they said that they did. They thought I'd been fair. Finally, after about two or three days of that Bill McGraw got up and said, "Now, your Honor, I think you're leaning backwards, to be more than fair. If you're going to lean over backwards to a man who calls you a S.O.B., then I'm going to start calling you one (chuckle), because I want you to start leaning over my way." Anyway, when the case was over Mr. Story and Mr. Taylor wrote me a letter and thanked me for the courtesies that I'd extended to them, and they stated that their clients had received a fair trial. They lost the case before the jury, but they still wrote me this letter, and whatever became of it I don't know. I haven't seen it or thought about it in a long,

long time.

Odom: This sounds somewhat amusing now, but I don't suppose it was amusing at the time, was it?

Allred: No, it wasn't. Actually I wasn't mad at these people. I entered an order, and I wanted them to obey it. Now here is a copy of this file.

Odom: Again, let me ask if you ever considered that a couple of those letters might have been written by a friend of yours as a joke.

Allred: I never thought about it, and I don't believe it ever was.

Odom: You don't believe it was.

Allred: I think it was somebody . . .

Odom: Somebody wrote you . . .

Allred: Politically inspired.

Odom: . . . politically inspired.

Allred: Or it might have been somebody that I had ruled against. You find that all the time. I had another one in 1946. Jimmie got a letter from a fellow from San Antonio just giving me a fit. But I don't think it's enough of a consequence to put in there.

We found among Jimmie's papers after he died a western story that he had written--a true story--about the old, western, shoot-em-ups here in Bowie which he designated High Noon. You know there was a movie High Noon, and he designated, "High noon till I see Frank Miller dead." And he tells all about this. And the Bowie paper published that and some other stories concerning the old western days here in Bowie. They are very enjoyable for the people that might be interested. And I thought that somebody might like

to have them. I think maybe there's one story in there later on-- they're all together, and I haven't tried to separate them. He's talking about true occurrences that happened right here on the streets of Bowie.

Odom: Are these things that were told him, or did these things occur during his lifetime?

Allred: No, sir, some happened during his lifetime. Some are events that he remembered and that I remembered. He tells about them and where we lived across the railroad tracks. My daddy owned a wagon yard at that time. He tells about Walker Hargrove, who had killed a number of men and had a saloon here. He and his brother shot a couple of officers here. He tells the whole story. And then there are some other shootings that follow as a result of it, and I think all of them might be interesting.

Odom: That would be interesting to read.

Allred: And you know I mentioned something about the fact that Jimmie gave me some eyewater when I was a baby.

Odom: Yes.

Allred: Back in July 4, 1964, my brothers and I put on tape incidents in the early life of former governor James V. Allred. Now these don't have anything to do with anything about his life as a lawyer, or as a politician, district attorney, or anything of that sort, but Allred as a boy. They are incidents that happened to him and to us as boys. If you'd like to have a copy . . .

Odom: We'd like to have one. I'll put it in my file on him. I think this will be very good to have. Thank you.

Allred: Now, do you have in your file the wording of the marker out here?

Odom: I have a copy of the program somewhere.

Allred: Here is a copy of the exact wording of that marker. That's the final copy of it. And here is a copy of the speech that Ralph Yarborough made that day.

Odom: Yes, I have that.

Allred: Somebody wrote a story Life story of James V. Allred (with layout). I don't know who wrote this. It's ten or twelve pages or more, but I have a copy for you because I think it would probably be of value. And then here is Main Dates and Events in Life of James V. Allred. Here is a copy of a story that was in the Austin paper while Jimmie was governor where he had granted a pardon--full pardon--to a man here in Bowie, Hugh Jarrott. It was quite a story which I thought might be of some . . .

Odom: . . . interest.

Allred: Here is a story taken from the Texas Freemason, July, 1965, "Shine Boy to Governor," Texas Masonic's governor, of which I had a copy made. While Price Daniel was United States Senator, he made an attack on Jimmie about some of his decisions. I have here a resolution of the Board of Directors of Cameron County Bar Association and unanimously approved Dec. 17, 1955, in which they are coming to his defense.

Odom: Yes.

Allred: I have a story that I wrote within the last year or so called The T. T. Feller Story by Renne Allred, Jr. This was published in the Fort Belknap Historical Society magazine, and it shows some of the

antics of Jimmie. I want to give you a copy of that. I have here now In Memory of James V. Allred (1899-1959), the services at the First Christian Church in Corpus Christi, September 26, the sermon, the songs that were sung, the service that was held at the State Capitol, Austin, Texas, September 27, 1959, and the services held at the First Christian Church, Wichita Falls, September 28, 1959. The complete service was reported by court reporters who had been friends of Jimmie's and they published it. I thought you would like to have a copy of that.

Odom: I sure would.

Allred: Now, in 1965 they had a Jimmie Allred Day at Fort Belknap. And they asked me to make an address on "My Brother James V. Allred," May 15, 1965. This is a complete copy of the address which I made that day in which I talk about some of the younger days. Then I outline in detail the principal things in his administration as attorney general and the same thing as governor. And I have a copy for you if you would like to have it.

Odom: Thank you.

Allred: So far as I am concerned, that is all. If you have any further questions or anything else you would like to ask, I'll be glad to answer them. In the meantime I would like to say to you I've enjoyed the reminiscing of these old times. And enjoyed meeting you and the young gentlemen that you've brought over here with you, when you did bring someone. And it's been a pleasure to know you and glad to have been with you and visited with you and will be glad to answer anything else that you might have now or in the

future.

Odom: I thank you very much, and I might say the same thing about you.

Allred: In closing these interviews I would like further to say why I mentioned these charges against me. First, they were brought up by the Insurance Commission in the Senate hearings as I had known they would be, and Second, in future years if any one brought them up against me as Commissioner J. Byron Saunders did before the Senate, I wanted to have my story of record. Thank you.