

Investors want tally of salvaged gold

Lawsuit seeks court takeover of treasure firms

By Kevin Mayhood
THE COLUMBUS DISPATCH

Former Battelle engineer-turned treasure-hunter Thomas G. Thompson pulled one of the largest stashes of gold known to sink in the Atlantic Ocean from the seafloor 20 years ago. But dividing the treasure among investors has proved more difficult than recovering it from the SS Central America. Estimates of the value have varied from \$21 million for the gold by weight, to the \$100 million to \$400 million that collectors of Gold Rush-era old coins and bars might be willing to pay.

In the latest court action, The Dispatch Printing Company and Donald C. Fanta, former president of the Ohio Co., complain that Thompson and the directors of companies formed to find and market the gold have failed to give investors a true accounting of what happened to it.

The side-wheel steamer was carrying 578 passengers and crew members and an estimated 3 tons of gold bars, coins, nuggets and dust to New York from Panama in 1857. The ship sank during a hurricane about 160 miles off the South Carolina coast.

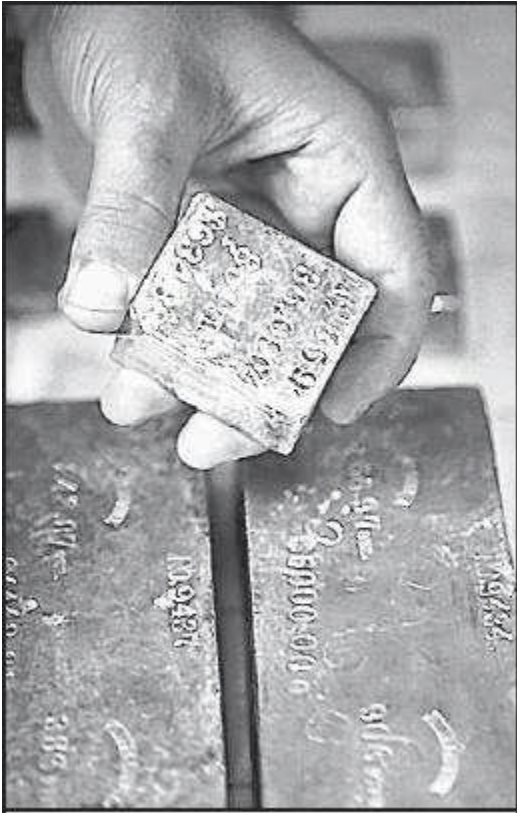
Frederick B. Hill III, a retired Columbus executive, holds just a little hope that he'll ever see a return on his investment. "We haven't heard anything for years," he said. Hill, one of the original 90 investors who raised \$9 million for the effort, hasn't filed any lawsuits and said he expects he'll end up with nothing. According to court records, The Dispatch and Fanta, both of which invested a total of \$1.5 million, are asking U.S. District Judge Edmund A. Sargus to appoint an independent manager to take over the gold companies, Recovery Limited Partnership and Columbus Exploration. The manager would sort out the finances and distribute returns to investors.

The lawsuit says that Thompson and directors **Gilman D. Kirk**, James F. Turner, Michael J. Ford and Arthur Cullman Jr. have illegally taken over the companies and failed for years to provide financial reports or hold annual meetings at which investors could vote for new directors.

Steve Tigges, an attorney for The Dispatch and Fanta, said investors have been excluded from participating "in the businesses that they own." According to the suit, Thompson wrote to investors in September 1989, while salvagers raised the gold, that he would take a careful inventory. The suit complains that the inventory and several documents were not provided by Thompson, the directors or their attorney, Rick Robol, to accountants hired to review the books. Robol did not return calls seeking comment. Under a 2006 court agreement, Thompson and the directors were to provide a full paper trail to an accountant hired by The Dispatch and Fanta.

The latest motion asks Sargus to order the defendants to pay \$337,018 to cover additional accounting and lawyers' fees during the delay. Rex Elliott, who represents Thompson, said that his client is out of the country. Columbus attorney Michael Szolosi Sr. represents a group of 10 technicians who helped salvage the gold and claim they are owed about \$12 million. The group sued in 2006. Szolosi said he's awaiting answers to jurisdictional questions before he can proceed with their case before Sargus.

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FILE PHOTO

Investors complain that there has never been a proper accounting of the gold recovered from the Atlantic Ocean wreck of the Central America.