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Attorney says Rewald owes him $156,000

By Walter Wright
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Ronald Rewald's civil attorney, Robert A. Smith, wants to pull out of the accused thief's suit against the Central Intelligence Agency because Rewald hasn't paid him $156,000 in legal fees.

But bankruptcy officials say they will fight to keep Smith on the case at least through a major hearing July 26 concerning the title to Rewald's personal property.

Thomas Hayes, the bankruptcy controller for Rewald's defunct investment company, said the estate has spent $50,000 in legal fees fighting with Rewald and Smith over the title to assets that Rewald claims as his own.

"There would be significant damage to the estate if Smith is permitted to withdraw and allow the enormous delay which substitution of counsel would cause," Hayes said.

Smith said he has asked for a stay of all proceedings against Rewald or a 60-day delay on the July 26 hearing.

In a press release delivered yesterday, Smith said he believes more strongly than before in Rewald's claims against the Central Intelligence Agency but can't afford to continue to work without pay.

Smith said Rewald acknowledges he can't pay the fees and will not oppose his request to withdraw.

He said Rewald had agreed to pay him on 30-day billings but added that neither he nor Rewald ever knew where the money was going to come from. Rewald says the bankruptcy was unnecessary and stripped him of his means to defend himself.

It was Smith who filed Rewald's $671 million suit against the CIA, in which Rewald said the agency set up and ran his firm, Bishop Baldwin Rewald Dillingham & Wong, and was responsible for its collapse.

Asked why he is withdrawing if he thinks the chances for recovery are so good, Smith said, "I'm not going to make further comment; I don't think my personal financial affairs are open to public scrutiny."

Smith said in his statement that he had "simply gone as far as I can go without compensation. I have worked on Mr. Rewald's case . . . for some 10 months, spending probably 80 percent of my time on his affairs. I . . . must now turn my full attention to other cases which will generate income."

Smith said his request is to withdraw as well from cases in which investors in Bishop Baldwin had joined Rewald in claiming CIA liability for their losses.

Sam King Jr., the court-appointed criminal defense attorney representing Rewald on state theft charges, said yesterday that Rewald still is in San Francisco looking for a job.

King said he is asking Circuit Judge Robert Won Bae Chang to allow Rewald to stay on the Mainland for at least another 30 days to continue seeking employment.

Melvin Belli, the San Francisco attorney who also is representing Rewald and some Bishop Baldwin investors in claims against the CIA, could not be reached late yesterday.

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