

Six years sought for store kickbacks

The former president of **Towers Department Stores Ltd.**, Stanley Lipson, pleaded guilty yesterday to four counts of fraud totalling more than \$411,000 from the company.

Crown Attorney Jeff Casey asked Judge Hugh Locke to imprison the 49-year-old executive up to six years.

Locke remanded Lipson on bail until Jan. 12 for sentencing.

Corporal Fred Yetter of the Royal Canadian Mounted Police testified Lipson accepted kickbacks from the company's merchandising agents in Hong Kong and Japan.

"Lipson was aware of the corporate policy saying he was not allowed to accept gifts from agents of suppliers," said Yetter. "The agents inflated their invoice prices . . . and indicated they had to pay funds to Lipson to do business with Towers."

Yetter said the RCMP's 11-month investigation revealed Lipson perpetrated the fraud from the time he was appointed vice-president of merchandising in 1969 until he resigned as president in October, 1976.

The first charge was laid in November, 1976, he said.

The suppliers involved and amounts they kicked back were: Far East Ltd., Hong Kong, \$30,806; International Buying Agency Ltd., Japan, \$20,574; Lin-

mark Developments Far East Ltd., Hong Kong, \$211,245; and Continental Trading Co. Japan, \$149,304.

Casey said the fraud "was well planned and a deliberate attempt to defraud" Towers and that in doing so Lipson, whose wife at times wept in the courtroom was breaching the trust bestowed on him.

He said Lipson was a wealthy executive who

earned more than \$107,000 during his last full year as president, and a jail sentence was required "because less of a sentence would not be a deterrent in view of the amount of money taken."

Joel Goldenberg, a lawyer representing Towers, which is owned by Oshawa Group Ltd. of Toronto, urged Locke to make restitution a part of Lipson's sentence.

"Demands have been made, threats of lawsuits . . . but still there has been no restitution whatsoever," he said. "I urge you, your honor, to make an order directing compensation."

William Sherman, a Towers executive from 1968 to 1973 who testified on Lipson's behalf, said the retail chain's profit performance improved considerably under Lip-

son's direction.

"We moved from the red to the black easily," he said.

Defence attorney Clay Powell said his client "was at the peak of a successful business career when his life came crashing down around him a year ago. To send Mr. Lipson to the penitentiary would serve no good purpose or function in society."

S
ci-
an
to
er
he
re
g
re
g
v-
le,
he
le
ni-
o-
me
ne
eg
he
ay
or
nt
ce
ce



Darrigo's Supermarket

FOR QUALITY AT PRICES

Prices in effect Wednesday, 1

"SELECT YOUR OWN

CANADA GRADE "A"
YOUNG TURKEYS

FROZEN NEW ZEALAND
YOUNG LAMBS
Whole or Half