

# ***Backgammon Fund Is Focus of Dispute***

By **ROBERT McG. THOMAS Jr.**

The promoter of a million-dollar Las Vegas backgammon tournament scheduled for December has solicited and collected what his associates say could be as much as \$400,000 in entry fees that he had promised to keep in an escrow account that bank officials said yesterday had never existed.

The promoter is Jules H. Klar of Phoenix, a 42-year-old travel executive, who is said to have convinced Alexis Obolensky and other leading figures in backgammon that he was "a mass-marketing genius" who could use the lure of a \$1 million top prize to attract more than 16,000 players—about 30 times as many as have ever played in a backgammon tournament before.

Conceived as a way of capitalizing on the growing interest in a game that had long been considered a pastime for the leisure class at bastions such as the Racquet and Tennis Club, the tournament—limited to players who have never won

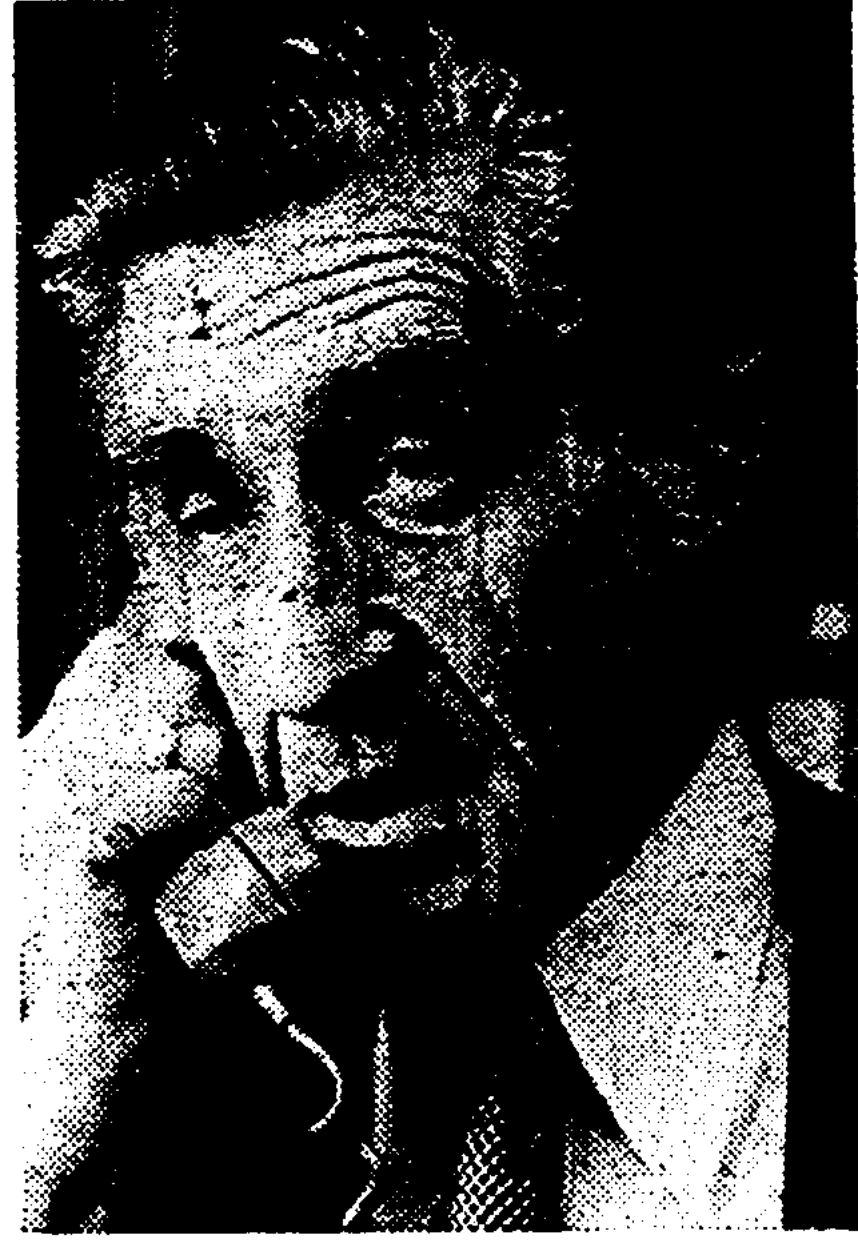
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Jules H. Klar, left, promoter of million-dollar Las Vegas backgammon tournament, and Alexis Obolensky, a leading figure in the backgammon world, both photographed in New York City yesterday.

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\$1,000 in a previous tournament—had reportedly captured the imaginations of both blue-blooded and blue-collar players in the few months since it had been announced.

And despite the disclosures about his escrow account, Mr. Klar vowed to carry on his project.

Mr. Klar acknowledged last night that he had circulated 200,000 brochures claiming an escrow account that had never existed, but he insisted that at the time the brochures were printed he had applied for such an account at the First National Bank of Arizona in Phoenix and had been given to believe that it would be established.

Upon being turned down, Mr. Klar said, he voluntarily opened a standard corporate account at a First National branch in Phoenix and has faithfully deposited all entry-fee collections in the account, which is labeled "World Amateur Backgammon Championships Client Escrow Account."

### 'About \$15,000' in Account

Despite the name, Mr. Klar acknowledged, he has full control of the account and could withdraw any of the funds whenever he wished.

In response to an inquiry from The New York Times, a spokesman for the bank said that Mr. Klar had applied for and been denied an escrow account earlier this year and that when it learned in July that his brochures were in circulation it had immediately demanded that they be withdrawn and that he inform his associates that the bank had no role in the promotion—a demand, the spokesman said, that Mr. Klar's lawyer had agreed to.

The bank did not immediately respond to inquiries about Mr. Klar's corporate account.

Mr. Klar said he had made no withdrawals from the branch account, which, he said, had deposits of "about \$15,000"—a figure far below what his own sales agents say has already been collected from as many as 2,000 prospective players.

Despite the disclosure about the escrow account, Mr. Klar said last night that he remained confident that the tournament would proceed and attract a full complement of players.

He readily conceded that he had made a "mistake" in distributing the brochures before learning whether the bank would accept the escrow account, but he insisted that he had intended no deception and that all entry fees were being handled scrupulously.

However, in view of the apparent discrepancy between the amount Mr. Klar said had been deposited and the amount reportedly forwarded by his agents, the future of the tournament remained unclear last night.

Until yesterday, when he severed all connections with Mr. Klar after learning that the escrow account did not exist, one of those agents was Mr. Obolensky, widely regarded as the main principal in the surging interest in backgammon and for the last 14 years its leading tournament promoter.

Mr. Obolensky, whose World Backgam-

mon Clubs operate in about 40 American cities and a dozen overseas, said he had agreed to sign up players from among his following in return for 10 percent of their entry fees (ranging from \$325 to \$525, depending on hotel accommodations).

### Official Entry Form Cited

Mr. Obolensky, who said that he had signed up about 40 players and forwarded about \$8,000 in entry fees and deposits to the Klar enterprise, said in an interview that a key element in enlisting prospects had been the declaration on the brochure's official entry form that "all monies collected by the organizers are placed in escrow with the First National Bank of Arizona, a member of the Western Bancorporation Group with assets of more than \$19,000,000,000."

Though Mr. Klar said last night that he had informed his associates about the discrepancy as soon as he had learned that the application for the account would not be accepted, Mr. Obolensky insisted that he had not learned about it until Wednesday when he became suspicious and had a friend contact the bank in Arizona.

And as late as yesterday afternoon, Mr. Klar's main California sales agent, George Bassman of the Cavendish West Club in Beverly Hills, insisted that the escrow account existed, even though, he said, he had heard rumors to the contrary.

Mr. Bassman—who said he had signed up about 1,000 players and had forwarded full entry fees totaling \$400,000 to Mr. Klar—expressed "full, 100 percent confidence," in the promoter, his character and his ability to accomplish what has been shaping up as one of the most grandiose travel promotions ever conceived.

### 16,384 Players Expected

Billed as "The \$1,000,000 Holiday," the tournament is scheduled for Dec. 18 through Dec. 23 at 14 Las Vegas hotels where Mr. Klar has reportedly reserved 10,000 rooms to accommodate the 16,384 players he expects to sign up for the 14-round elimination.

Although what Mr. Klar described as "a massive promotion campaign" has not yet begun, the tournament has already created excitement among the cadre of high-rolling jet setters who form the backgammon elite and the hundreds of new players who have reportedly been dazzled by the million-dollar top prize—and the \$800,000 in lesser prizes offered in the brochure.

Indeed, Mr. Obolensky said he had learned at a tournament in New York Tuesday night that a number of players on Long Island had quit their jobs and were practicing full time, convinced that if the effort did not assure the million-dollar prize, it would at least bring the

\$250,000 second prize, the \$100,000 third prize or the \$50,000 fourth prize.

Mr. Klar said he had come to New York to arrange for a new brochure that would not contain the escrow claim and that 800,000 of them would be sent out within a few weeks.

He also said he would make full refunds to players signed up through Mr. Obolensky and his associate, Joseph Pasternack, as they had demanded.

In separate interviews, both Mr. Obolensky and Mr. Pasternack said that they regarded the brochure's escrow claim as "misrepresentation," and that they had pulled out of the enterprise to protect Mr. Obolensky's reputation.

Mr. Klar, a native New Yorker who reportedly started a travel agency in 1961, \$5-a-Day Tours, based on the Arthur Frommer concept, said he sold the business for \$1.5 million in 1969 and then lived in retirement in London for seven years before restlessness and a budding enchantment with backgammon—and its potential for mass market exploitation—led him back to the United States and his Las Vegas promotion.