KILBERG

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Well-known R.I. financier Kilberg dies owing millions

Arnold Kilberg was the long-time accountant for former New England crime boss Raymond J. "Junior" Patriarca.

BY TRACY BRETON
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Arnold Kilberg, a retired accountant, real estate and small-business investor and private money lender who moved to Florida more than a year ago leaving a pile of debt and a personal bankruptcy estate with creditors who claim they are owed millions, died Monday in a hospital near his home in Delray Beach, his lawyer said last night.

Kilberg, 79, who drove a black Rolls-Royce and was the long-time accountant for former New England crime boss Raymond J. "Junior" Patriarca, had been "chronically ill with heart problems," said his lawyer, Edward T. Lawson. According to Lawson, Kilberg had been hospitalized for several days before his death. Lawson said he was informed of his client's passing by Kilberg's wife, Joan, Monday afternoon.

Kilberg moved permanently to Delray Beach after he and his wife sold the house they lived in on the East Side of Providence, at 642 Blackstone Blvd., for $1.5 million in October 2005. Lawson said the house was the last asset that Arnold Kilberg owned in Rhode Island. The rest of his former holdings are subject to proceedings in federal bankruptcy court and in U.S. District Court in Providence and Rhode Island Superior Court, Lawson said.

Kilberg filed for personal bankruptcy in March 2004 and a court-appointed bankruptcy trustee, Providence attorney Joseph DiOrio, is still trying to recoup money for Kilberg's many creditors, which, according to the court's electronic filing system, include Patriarca, the U.S. Small Business Administration, the American Diabetes Association, BJs Wholesale Club, Blue Cross & Blue Shield of Rhode Island, Capriccio restaurant, Marzilli's Old Canteen restaurant, Dana Farber's Jimmy Fund, the IRS, a slew of attorneys, his wife, the Palm Beach County tax assessor and the Leukemia and Lymphoma Society.

DiOrio said last night, "I continue to administer the [bankruptcy] estate. ... I'm in the process of claims evaluation and review and we have not completed that yet."

In 2000, authorities seized control of two federally backed loan companies controlled by Kilberg — Fairway Capital Corp. and Moneta Capital Corp. — after the two companies defaulted on more than $7 million in SBA loans, including $2.25 million to Chateau Enterprises, a company operated by convicted felon and mob associate Ralph Velleco, and $1.25 million to a local company to help purchase a luxury hotel in the Virgin Islands. The SBA was named receiver for Moneta and Fairway. Kilberg's Moneta Capital operated Rocky Point amusement park before it closed.

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