

**Finances -
Bankruptcies,
reorganization,
receiverships,
etc.**

BY DIRECT WIRE FROM

WESTERN UNION

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

SIGNS

DL = Day Letter
NM = Night Message
NL = Night Letter
LCO = Deferred Cable
NLT = Cable Letter
WLT = Week-End Letter

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

MZ4 95 DL=LK NEWYORK NY FEB 7 152P

CARL G FISHER=

MIAMIBEACH FLO=

Frances

I NOTIFIED COMPANY SOMETIME IN DECEMBER THAT I COULD NOT
 EXTEND NOTES ON ACCOUNT OF MY OWN POSITION AND AM SHOCKED
 THAT DAVIS DID NOT TELL YOU THIS STOP OUT OF
 CONSIDERATION FOR YOU HAVE NOT TAKEN ANY LEGAL STEPS BUT
 I URGE YOU TO USE EVERY EFFORT TO PAY UP THE PART OF
 ISSUE THAT IS DUE STOP THIS DEFAULT MAKES IT ALMOST
 IMPOSSIBLE TO DO ANYTHING WITH THE BONDS OR CARRY ON ANY

PATRONS ARE REQUESTED TO FAVOR THE COMPANY BY CRITICISM AND SUGGESTION CONCERNING ITS SERVICE

BY DIRECT WIRE FROM

12288

CLASS OF SERVICE

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NEGOTIATIONS FOR BENEFIT OF THE COMPANY OR MYSELF

LEAVING TOMORROW FOR SOUTH EXPECT TO BE MIAMI IN ABOUT

A WEEK=

C M KEYS. 242P.

PATRONS ARE REQUESTED TO FAVOR THE COMPANY BY CRITICISM AND SUGGESTION CONCERNING ITS SERVICE

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	CABLE LETTER
NIGHT LETTER	WEEK END LETTER
Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.	

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

NO.	CASH OR CHG.
CHECK	
TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

FI 27 DL CGFP FI MIAMI BEACH FLO MARCH 18, 1930

C. M. KEYS. THIRTY NINE BROADWAY NEW YORK CITY

SENDING YOU FIFTY THOUSAND DOLLARS TODAY

BALANCE SATURDAY OR MONDAY

BOAT DELAYED DUE TO PAINTING

WILL SHIP TOMORROW WITH MAN WHO WILL DELIVER

IN GOOD RUNNING CONDITION

CARL G. FISHER.

CGF:T

charge Montauk

MS:
For this
information
the entire
document
is to be
classified

March 18, 1930.

Mr. C. M. Keys,
39 Broadway,
New York City.

Dear Mr. Keys:

Mr. Fisher has wired you today:

SENDING YOU FIFTY THOUSAND DOLLARS TODAY
BALANCE SATURDAY OR MONDAY
BOAT DELAYED DUE TO PAINTING
WILL SHIP TOMORROW WITH MAN WHO WILL
DELIVER IN GOOD RUNNING CONDITION

Please find enclosed Mr. Fisher's
check for fifty thousand dollars, to
apply on his indebtedness, as above.

Very truly yours,

Secretary to Mr. Fisher.

T

March 21, 1930.

Mr. C. M. Keys,
39 Broadway
New York City.

Dear Clem:

We have just completed the legal papers by which we borrow \$300,000. on the polo fields for two sixty years, in lieu of rent for the fields, and this money is without interest.

With the sale of the Golf Course (which we cannot collect on until July but we have the money in view) and our other bond issues on the Flamingo and the Nautilus, we will be entirely out of the banks and entirely out of debt within the next sixty days. I am going to rush through this balance I owe you either tomorrow or Monday.

I had a talk with a Mr. Hammons yesterday regarding some of the bonds which you are negotiating with him and I did all I could to help the sale.

I want you to know, Clem, how much I appreciate your help and attitude. In all my banking experience (but it has been quite limited) I have found you head and shoulders above any other banker I have come in contact with, bar none.

I won't have any spare cash, but I have other assets that you might be able to use and I want you to feel that I will consider it a favor if you will call on me for something. After we have cleaned up the negotiations and paid the next interest on the bonds and completed our deal with Mr. Regan (which looks like it will be completed by the time you receive this letter) then it seems to me the Montauk bonds should be much more stable than at present, and it might be you could use a half million or a million of my stock as collateral. If so, I want you to know you can have it, and you can write your own ticket as to how you have it.

Mr. J. M. Keys,
March 21, 1930,
Page 2.

I sent the little boat up to you with a man to see that it gets there in good shape. This is really a fine little boat. It has been painted by a blacksmith. If you will scrape off the present coat of paint, you will find this boat is double planked, Mexican Mahogany, made by Purdy whom I consider the best boat builders in America.

The boat has a splendid pair of motors that are in first class condition. It is fast, but on account of being light it can be smashed, but if you will get some good responsible person to look after the boat you will have a corking little boat that will last you for years and I hope you will have some fun with it. It is a great pleasure to me to have you have this boat. I mention these particulars because if you have trouble with the motors the chances are it is because the man you have does not know how to run these motors or keep them oiled.

I had a terrible experience trying to furnish Howard with a boat, which I can imagine he thought was a piece of junk; although since I got the boat back it has been 15,000 miles in continuous service.

Very best regards.

Yours,

CCF:T

Fisher

March 22, 1930

G. M. Keys & Company,
35 Broadway,
New York City.

Gentlemen:-

We hand you herewith our check for \$70,000.00 payable to your order in payment of the balance due you on notes of Montauk Beach Development Corporation aggregating \$220,000.00. We have previously made payment to you of the sum of \$150,000.00 in three installments February 26, March 5 and March 18, 1930.

There remains due you an item of interest on the \$220,000.00 notes. Please render us a statement of this and we will let you have our check by return mail.

Yours very truly,

THE CARL G. FISHER COMPANY

P.H.

PAUL HUSCHIK,
Vice-President

PK:MEH

C. M. KEYS
39 BROADWAY
NEW YORK

March 24, 1930.

Mr. Carl G. Fisher,
Miami Beach,
Florida.

My dear Carl:

I received your letters to-day enclosing a check and also telling me about the boat.

I am touched by the loyalty with which you have redeemed your promise to do everything you possibly could to help me out by paying off these notes, and also by your very generous offer to assist me in every other possible way.

I do not think that any assistance will be necessary, especially if the Regan deal goes through, because I believe, with you, that this deal, if consummated will go far toward making the Montauk bonds available in the banks.

I do not know Mr. Hammons. I suppose that he is a representative of one of the bond houses with whom I have had negotiations during the winter. I have stopped all these negotiations now, because I have not liked to be shopping these bonds around, thinking that it might injure the credit of your company, and as soon as I saw that it was not likely to succeed, I withdrew and have now no active negotiations either for the sale or pledge of these bonds. They are all in my box locked up.

Also, both Mrs. Keys and I feel a very great deal of gratitude to you about the boat, and no matter what you say about it, we shall regard ourselves in debt to you in a very pleasant way and expect to discharge that debt in kind sometime.

With best personal regards,

Sincerely yours,

C M Keys

CMK C

August 28, 1930.

Finances

Mr. F. R. Humpage,
Treiber Diesel Engine Corp.,
Camden, New Jersey.

Dear Fred:

I think both Mr. Kettering and Mr. Henry B. Joy came into the Treiber Diesel Engine Corporation more as a compliment to Treiber and myself than for an investment. I wish you would prepare a proper letter advising them of why it was necessary to go into the hands of a Receiver, etc., and tell them that I wish personally to assume the obligation of their stock in the final wind up of the affairs.

You will have to go at this in a very diplomatic sort of way, and I want them to thoroughly understand that I don't care for either one of them to be mixed up in a Receivership and that I want to take over their stock. You can announce that I am not long on cash at the present time but that in twelve or fourteen months I will send them a check. I think both of them would be glad to be relieved of any position of obligation with the Company, and immediately.

Yours,

CGF:T

Casino

Manufacturers Trust Company

MEMBER FEDERAL RESERVE SYSTEM

55 BROAD STREET CORNER BEAVER STREET
NEW YORK, N.Y.

December 2, 1930

The Carl G. Fisher Company,
Miami Beach,
Florida.

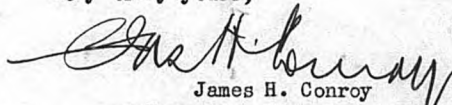
Gentlemen: Attention: Mr. Carl G. Fisher, President

Referring to your letter of April 11, 1925, in which you guaranteed the payment of principal and interest on \$192,000 first mortgage 8% bonds of the MIAMI BEACH CASINO CO. Miami Beach, Florida, please be advised that interest coupons amounting to \$2,880.00, due December 1, 1930 on \$72,000 of said bonds were duly presented for payment at maturity and are being returned unpaid "no funds."

We shall be glad to hear from you regarding the matter.

We would remind you that in addition to the \$72,000 of bonds referred to above, we also hold \$24,000 principal amount of bonds of the same issue that were due on June 1, 1930, the payment of which has been postponed to January 15, 1931, with interest from June 1, 1930.

Very truly yours,


James H. Conroy
Executive Vice-President

Finances

December 15th 1931.

Mr. C. M. Keys,
39 Broadway
New York City.

Dear Glen:

Would it help to finance Montauk if a reorganization plan could be worked out to take Miami Beach properties and put them into the assets of Montauk? My interests in these lands at Miami Beach are worth a good many million dollars, as and when the time to sell them is right, but forced on the market at this time, there is only a very limited demand for any of these properties, that are destined to be very valuable. I just thought a line to you on this subject might present some plan to you that would help.

I am sending you a copy of our latest report on the Carl G. Fisher Company. This may give you some up to the minute data on the condition of the Company here. The city of Miami Beach are interested in a large piece of vacant property just south of the office building, but they are not in a position to purchase same this year.

A group of wealthy citizens are now milling around with the idea of purchasing our LaCocree Golf Club. The Committee of One Hundred are negotiating to buy a house to be used as a Club House, at \$25,000, which is a sacrifice price.

There is quite a program on here in the building of small houses, and we have completed four as per the circular mailed to you under separate cover. We are trying to start a sales campaign on these small low priced villas. They are built thoroughly first class from top to bottom, and one of the first four built was sold to a wealthy lady from Pittsburg, before the paint was dry. We believe the other three will sell in January.

This plan has commenced to work now at Port Washington, as the first sample house of this kind was sold about three weeks ago, and the builders a few days ago purchased two more lots from us, and started another house. This is interesting for the reason that there is more business in the last sixty days in this type of house than we have had for the past twelve months.

15 Dec 1931

C. M. Keys - #2

Hope you will be able to get down to see
us soon.

Yours,

C. C. FISHER

CGF-IM

Finances

December 19th 1931.

Mr. J. J. Redfield,
Cuthell Notchless & Mills,
20 Pine Street,
New York City.

Dear Jack:

A copy of Parke Hynes' letter to you of December 4th was sent to Mr. Fisher, and while he is correct in many of the items, Mr. Fisher wanted me to go into more detail, so your records would be up to date. Since his letter I have forwarded him a copy of the November 30th 1931 CARL G. FISHER COMPANY financial statement.

THE ALTON BEACH REALTY COMPANY own the Lincoln Hotel, with three hundred and twenty-three (323) feet on Lincoln Road, and there is at this time \$235,000 mortgage against it, payable \$25,000 annually, each September. In addition the Alton Beach Realty Company own thirteen hundred (1300) feet opposite the Lincoln Hotel, which we consider the most valuable property in the business section. Also there is much unimproved property that I could give you an estimate of our price values if you would care to have it.

THE BAY SHORE stock is worth about fifty cents on the dollar at this time.

COCKLEBAY CLUB has been sold by Mr. Fisher to the Club, and the only interest Mr. Fisher has in it is his Club membership stock.

GLENN E. CURTISS PROPERTIES preferred stock is a non-interest bearing liquidated stock.

DETROIT MARINE ENGINE CO. will be liquidated in time.

FLAMINGO COMPANY owns the Flamingo Hotel, and considerable adjacent unimproved real estate. There is a \$665,000 mortgage against this property and the property is appraised at \$1,600,000.

Mr. Fisher owns six hundred and three shares of MIAMI BEACH BAY SHORE COMPANY stock which shows a book value of about \$2500.00 at this time, but the assets are carried in a great many cases below cost, and is worth considerably more than the book value.

19 Dec 1931

J. J. Redfield - #2

MIAMI OCEAN VIEW COMPANY has paid dividends in excess of 300% and we think the remaining stock will liquidate at par.

Town and Speedway and Water bonds have been sold.

The value of the Virginia Key bonds is very questionable.

The participating trust certificates of \$19,075.75 will liquidate for that amount or more when certain real estate is sold in Indianapolis that was taken over by a group of save a bank situation back in 1931, but at the moment is frozen.

The main point is that Mr. Fisher wants to impress you and Mr. Cuthell is that he is making every effort and wants to assist the bond holders in every possible way, using no technicalities to avoid any statement of figures, and I think Mr. Keys understands this, so if there is any additional information you want, please be sure to ask for it.

Yours very truly,

R. H. TYNDALL

RHT-HM

Copy to:
Parke Haynes
Irving Collins

Finances

December 21st 1931.

Mr. C. M. Keys,
39 Broadway,
New York City.

Dear Clem:

Hugh Davis was just heretoday, and leaves this evening. He is making an attempt to transfer two lots here at Miami Beach to Jane Johnson in lieu of the next six months payments of \$3500.00 per month. I think he may be able to make this transfer.

Hugh suggested while he was here that a friendly Receivership might be very desirable under the conditions, and it might steady the market, both here and at Montauk, if it is once put into effect. I am leaving this entirely up to your judgement of what should be done.

I have asked Parke Haynes to transfer some of the released land at Montauk to my account, if in his judgement and in the judgement of the attorney this would be an additional protection to our Company, not from any obligations to your Company, or to the Bond holders, but a protection against unfair complications that might come up from entire outsiders. There are no claims of any size at all at the present time that I cannot adjust with this land, and the most that could be dug up would probably be not less than \$25,000.00 or \$40,000.00. This is practically nothing compared with the carriage of the land in my account with the Company.

As I have told you in the past, any cooperation I can give to help the entire situation you can have immediately, if you think a Receivership would be desirable from January 1st, I will cooperate with you.

Let me hear from you, or call me on the phone at any time.

Yours,

C. C. FISHER

CCF-111

December 29, 1931

Mr. Irving A. Collins

Dear Irv:

I have a copy of memo just received from Paul Kunschik regarding La Gorce. We are going to open LaGorce with an immediate loss unless steps are taken to control expenses there in keeping with the playing on the course. Inasmuch as you will be here in a few days several points I have in mind will keep until that time.

I think we got a great break in our favor when the "CALEDONIA" showed up here the other day with eight hundred and fifty passengers and could not get in the harbor. I believe this has done more to awaken the people in the County than anything that has happened in a long time, in fact they were out my telephone bells trying to find out how we could get 35 feet of water by the time the boat got back from Cuba, which is just about as practical as these people are on this deep water subject.

We will have some bills due the first of January, and as you know one for \$2500.00 which should not be paid. If proper arrangements can be made with the lawyers before that time it seems to me it would be best to do so, inasmuch as we know definitely we can ^{not} handle the January account.

I think the only thing to do is to wait for the Texas Company representative to come here, and not go after them. I don't know just how Clem Keys has come out of his trouble, but it must be quite severe.

I note what you say regarding a Receivership. It is much easier to arrange for a Receivership on reasonable terms before it actually happens than afterwards. Several bills are coming due, and will be delinquent after January 10th, so why not anticipate these various due obligations by talking the matter over seriously with the Manufacturers Trust Company or whoever is the proper person to talk things over with.

I would like to hear from Parke Haynes, and think he ought to have a talk with LeCluse and get his viewpoint; LeCluse has been in some of these troubles himself, and also I think we can depend upon LeCluse for hearty cooperation. At any rate I really feel something must be done before the 10th.

I have a letter from Hugh Davis in which he seems to think that he has made enough impression on Jane to make an adjustment of her account for the coming six months. Her lawyers here I am satisfied will attempt to do anything they can to force liquidation at the earliest possible moment. I think liquidation here will start generally a lot of law suits from wolves who are present in sheep's clothing.

Dec. 29, 1931

Mr. Irving Collins

-2-

Uncle Vic Ehrhardt has been very ill, and for a while it was thought it would be quite necessary to take him to the hospital for an operation. However, he seems to be doing better this morning.

I am enclosing the letter received from Hugh Davis before referred to, which shows you just how he left the situation, this cost me \$150.00 but I believe it will bring some results.

I think Parke Haynes should make up his mind immediately of a procedure to follow, and notify Coffin or Chapin, and the other Stockholders. This should be done and done at once, after going clearly over the situation, and seeing what is best to protect the stockholders.

I am going to try to call you on the 'phone.

Yours,

CCF-HM

Frances December 30, 1931

F. R. Humpage

Dear Fred:

I don't know what your latest information is regarding the Sands Point mortgage. We are desperately in need of funds here, as every pending ~~daily~~ we have is continually being held up from one week to another. If you can't do anything else, we had best mortgage this note, if that is possible, and if it is possible to get a loan on the 52nd Street place, lets do it.

If you cannot find any buyers for the Old Colony property, we will have to make whatever sacrifices are necessary to dispose of it. I imagine of course you are doing everything you can, except I want you to know that we are prepared to take more severe losses on sales that it is possible to make than you would be inclined to expect. Nowadays we will have to be content with what we can get for the property.

C. G. FISHER

CGF-HM

Frances

January 2, 1932

Parke C. Haynes

Copy to:
Mr. Irving Collins:

Dear Parke:

Replying to your memorandum of the 30th regarding advice on Receivership. There are good points and very good ones in consideration of the Receivership, and an amiable adjustment can sometimes be made and an agreement made with the Receiver. Naturally the Receiver should be a man who is acquainted with the properties and conditions.

I realize that there are certain transactions that would be difficult to carry on without delays. The cost of a Receivership would be no more than the cost of various lawyers fees in presentation of such a large amount of property as we have in contention. I have advice from Keys that he does not think it practicable at this time to consider a Receivership. On the other hand a default on the bonds will cause a large amount of trouble unless they can be sold or renewed, and I don't see any possible chance of this at the present time. I principally want to protect the stockholders and bond holders at Montauk, and had no thought of any other interest there. Necessarily I would like to have some expert opinion on the subject.

I haven't heard any word from you regarding any recent conversation with Keys. I see no reason why the Montauk Company should not reimburse the Carl G. Fisher Company for \$150,000.00 and also for \$60,000 in interest. This can be taken in land for the protection of the stockholders. I don't think it advisable to talk of judgement for \$1,200,000 at this time unless it should be deemed very desirable for the protection of the stockholders and not for myself. I have promised Mr. Keys we would talk this matter over with him before any steps of this kind were taken, and I would like you to have a talk with Mr. Keys.

Yours,

C. G. FISHER

CGF-HM

Frances

Copy to:
Mr. I. A. Collins
Mr. Parke G. Haynes

January 4th 1932

Mr. C. M. Keys,
39 Broadway,
New York City.

Dear Clem:

I have yours of the 1st, and am keenly interested and hope your additional negotiations on bonds will come through this week. I am giving you a schedule here of our operations so far, which will easily explain the general conditions at Miami and Miami Beach.

	<u>1930-1931</u>	<u>1931-1932</u>
Golf Course	\$24,553.00	\$12,415.00
Boulevard Hotel	11,660.00	4,974.00
Flamingo Cottages		40%
Nautilus Cottages		30%
King Cole Cottages		40%
Lincoln Hotel		50%

I believe as many people are here as were ever here, but they are scattered all over the country, and many people who formerly stopped at our Boulevard Hotel, King Cole Hotel, and Lincoln Hotel are now out in cottages. You can get a room and bath here in very good hotels both in Miami and Miami Beach for a dollar a day, and with the enormous quantity of vegetables and fruits we have this year, it is very easy to live on \$1.50 a day for food.

I realize what you have to say regarding the sale of bonds to a receivership, and I have considered same very carefully for the past few months. I have been advised that it is better to prepare for a receivership than to be forced into one by numerous suits.

Our bank balance here this morning is less than \$2,000 in all of our accounts. We have only a few bills to take care of for the balance of January, and hope we can handle them, but I will not know definitely just how far we can go until I hear from Irv Collins who is expected here on Friday.

As I have explained in previous letters we have more than half a million dollars worth of deals that are hanging fire, and have been hanging fire for the past year, and of course a few of these if consummated would relieve the situation tremendously.

Jan 4 1932

C. M. Keys - #2

I have tried to keep Parks Haynes actively on the lookout for any possibilities at Montauk, and I am doing the same here, but we seem to be continually running into a stone wall, with people who ordinarily would be very much interested in Montauk property.

To show you how far I am going in an effort to raise some money, I have offered three imported rugs which I have in my home here for sale, without any interest of rug men, although I have offered to take twenty five cents on the dollar on these rugs. I am making arrangements to move out of my home here at Miami Beach into a smaller house where the general expenses will not be so great, and also to give me a chance to have the house cleaned up and gotten ready for a quick sale.

We made a \$10,000 sale on Saturday which gives us not a dime in cash, but it does help generally towards a finishing point.

In spite of these general conditions, you will note that Greater Miami is only exceeded by four cities in the United States in building permits last month, and we only lacked a very small amount of being in third place. A very large number of cottages are being built at Miami Beach and new ones are starting every day, but these houses are all a low priced type, running from \$4,000 to \$10,000 each. This is a very healthy construction period, as many wealthy people from the north are building these homes.

You may depend upon it I am doing everything possible to keep afloat, and I am trying to anticipate future troubles some by getting your opinion, as well as our lawyer's opinion in New York. They advise strongly against a receivership at this time, if it can be avoided. There seems to be a big difference in opinion as to just what is best to do, but since receiving your last letter of the 1st, I am going to hang on to the last minute.

I have advised Haynes to consult with you on every move, and you can feel free to ask his complete cooperation. If it is at all possible to work out such an organization as you have in mind at Montauk, this Company here will take care of all Montauk liabilities, and also give considerable protection to the stockholders.

Yours,

MONTAUK BEACH DEVELOPMENT CORPORATION

MONTAUK, LONG ISLAND

January 7, 1932.

TO THE STOCKHOLDERS OF THE MONTAUK BEACH DEVELOPMENT CORPORATION

Inasmuch as certain negotiations which have been pending during the past sixty days, looking toward the reorganization of the corporation's affairs and the conservation of its equities, have not successfully been concluded, it seems highly advisable at this time that the stockholders of the Montauk Beach Development Corporation be advised as to the status of the corporation's finances and affairs.

Since July, 1929, the requirements of the corporation for operating costs and expenses, interest on bonds, and other carrying charges in excess of income, have been supplied through loans from, or purchases of real estate by The Carl G. Fisher Company, and these loans and purchases to date aggregate in excess of \$1,500,000.00.

Due to continued unfavorable business conditions during the past two or more years, The Carl G. Fisher Company advises us that it is not physically able to make further advances to the Montauk Beach Development Corporation, and the income of the corporation itself is not at all sufficient to take care of its operating and carrying charges.

To date all obligations have been promptly met with the exception of installments on three purchase money mortgages which matured during 1931, and on which extensions were obtained. At the present time unsecured current obligations of the Corporation, exclusive of purchase money mortgages, aggregate considerably less than \$10,000.00. In addition, the company has one note in the amount of \$20,000.00 secured by a pledge of receivables as collateral, given to secure funds to effect a reorganization and foreclosure of a valuable property in Montauk.

On the other hand, however, the income of the corporation has diminished to a point where it is not sufficient to provide for even a substantial portion of the corporation's ordinary expenses, to say nothing of interest and principal installments on mortgages and bonds. On the first of January, there was a maturity of an interest installment on a purchase money mortgage amounting to \$8,343.75. On the tenth of January, there will be approximately \$50,000.00 required to pay taxes. In addition, between January 1st and April 30th, we will have various purchase money mortgages maturing in an amount aggregating approximately \$150,000.00, some of which, of course, can be extended. There are no funds in sight at this time to meet any of these items.

The big problem facing the corporation, however, is the maturity on April 30, 1932 of its first and second mortgage bonds, of which there are approximately \$2,740,000.00 of firsts and \$1,000,000.00 of seconds outstanding.

Negotiations have been constantly under way in an effort to provide funds to meet these various obligations, or to arrange some manner of carrying them for

Jan. 7, 1932

a further period, but so far, regrettably, there have been no very encouraging results obtained due almost entirely to the very demoralized state of money markets.

Of the corporation's sales, which aggregate to date about \$2,750,000.00, approximately \$2,418,000.00 in cash have been collected, and of the remaining outstanding \$332,000.00 approximately \$249,600.00 have not matured, leaving a balance of \$82,400.00 which is now due and most of which can be collected only by litigation or by trading. In other words, of a total sales of about \$2,750,000.00, a very small proportion of the total can be classed as uncollectable or slow.

The Directors feel that all the stockholders are quite familiar with the fact that continued business depression has resulted in severe losses in all lines of business and industry. This condition has naturally been felt more keenly in enterprises like our own than it has in almost any other line of business endeavor. Had it not been for the financial support which The Carl G. Fisher Company has given to our Corporation, we would, in all probability, have found ourselves two years ago facing the same situation which we are facing today.

All the Directors as well as the stockholders who are closest to the situation, have unbounded faith in the future of Montauk, and are confident that the optimistic prospects prevailing at the beginning of the work at Montauk could still be realized if some way could be worked out to carry the property until the return of normal business conditions.

Obviously an emergency exists in the affairs of the corporation. The Board of Directors wants the stockholders to be fully informed as to true conditions in corporate affairs, and invites you to make further inquiry, as well as suggestion as to how this emergency can be dealt with. If enough stockholders deem it advisable, a general meeting will be called to discuss the entire situation.

All correspondence in this matter should be addressed to the Corporation's Office at Montauk, New York.

Carl G. Fisher
MONTAUK BEACH DEVELOPMENT CORPORATION

Timmins

Jan. 15, 1932

Parke G. Haynes

Replying to your letter of the 12th, I wired you last night that I concurred with your effort to get our affairs at Montauk in shape, and to keep them in as good shape as you can, anticipating that we may have some trouble with our bond holders or others. We of course, do not want to do anything to have our second mortgage bond holders feel that we are not going to make every effort we can to protect them, as well as first mortgage bond holders, regardless of whether they believe these statements or not, I will be perfectly satisfied if I wind up my affairs with both Companies with the feeling that I have stayed with the stock holders to the limit.

C. C. FISHER

CGF-HM

F. HAYNES

January 18th 1932.

Mr. Roy D. Chapin,
Hudson Motor Car Company,
Detroit, Mich.

Dear Roy:

I have your wire of the 18th this morning. I immediately called Abel, and before this letter is received, you will have a quotation from him.

We were about to decide to not open the Nautilus this season, but some business came in at the last minute while we were in conference, and we decided to go ahead, as we can get by with our expenses at the Nautilus for at least sixty days. Of course if we had some cold weather up north, business here might pick up. Everything generally is running about fifty percent of last season.

I presume you know our taxes were defaulted on January 10th at Montauk, but I have a rather encouraging report from Haynes that these taxes can be carried along until about the first of May. We have a large interest and tax amount coming due here, which I am satisfied we cannot possibly meet. We are making strenuous efforts, but the small amount of sales we are making hardly carries the overhead at this time. Our best business as a rule is in February and March, but in view of the very low prices we are quoting on both houses and any prospective land sales, we had hopes of selling something here this month, that would be substantial.

There is only one consolation in the condition of affairs with our Company, and that is that we have a lot of other good Companies in the same boat, so we do get what consolation we can from this condition.

I am very anxious to go over our affairs with you and acquaint you with the general situation. I have asked Parke Hayes to write a general letter to all stockholders, telling them just what our Montauk Corporation is up against. At any rate I hope to see you soon,

Yours,

Frances

January 19th 1932.

Mr. John Hertz,
57 East 21st Street,
Chicago, Ill.

My dear John:

Confidentially I want to take up with you the subject of the Polo Fields for next season. We have had, as you probably know, an unusually dull real estate market at Montauk, and also here, for the past two years, and up to date this year, we are having the poorest season we have had for ten years.

We seem to have a great many visitors and considerable buying of bargains in houses, but nothing in large houses, and practically nothing in unimproved property. Our hotels and golf courses are running about 60% of last year. With the many obligations for taxes, which are the principle ones we are worrying about now, we don't see any chance of taking up the loan which you so generously made us.

If you wish to continue polo here, I think it would be best for you to consider the present fields as an investment, rather than moving north. We have a rather remote chance to sell the fields which we have leased to you for polo, but so far I have not been able to commit myself or to consider making an active effort to dispose of these fields until after I had talked to you.

You remember our plan last year was to devote these fields temporarily to golf course in connection with the Nautilus Hotel. This plan is the only alternative we have to use the property unless we gut it up. Without an active market at this time, it seems to be not practical to subdivide the property for sale, as we have considerable property both north and south of the fields that is not being taken up.

If you should take the property over for your loan, I am satisfied eventually the loan will be made good, and we would cooperate with you in every way possible to see that this loan is made a substantial and paying investment.

If, on the other hand, you would

JAN. 19, 1932

John Hertz - #2

prefer, we will make an active effort to dispose of the field, so that we may be able to take up your account.

We were almost to a point a few days ago to make a decision to not open the Nautilus this year, but in the last few days we have had considerable reservations to warrant our running this season, even though we will make no profit out of the operation.

We of course feel that we still have what we always have had since we started at Miami Beach, and that eventually we will ride through the present troubles and prosper as in the past, however, I do wish you to feel that we want your expression frankly, of just what you would like to have us do to help you and ourselves.

We have transactions totalling over two million dollars that are being held up, and floating around in the air for more than a year here on the Beach, and we don't seem to be any nearer closing these transactions now than we were a year ago.

Kindly let me hear from you, and I hope you are going to get down this way soon, so we may talk the matter over further.

Yours,

C. O. FISHER

CGF-EM

Finances

January 21, 1932

F. R. Humpage

Dear Fred:

I wired you last night, it was quite important that you make some disposition of the Sands Point note, or some of the houses. We are to a point now where we must carry through for the next two or three months here in order to protect some sales that are pending, to a couple of oil companies, also there is occasionally a transaction that can be made.

I have a dry dock transaction coming up this week that may be completed, however, anything we are putting through here carries only a small down payment, and we can't sell a house here for \$15,000 which is really the equal, if not the superior of either one of our houses at Montauk.

If it is possible for you to put up for collateral the Sands Point note, and in addition put some other collateral up on a loan do so. I have one rather remote inquiry on the "K" here, I think it would be bad business to price the "K" outright at \$75,000 because that only means you would be offered \$35,000 or \$45,000, but we certainly should be able to find someone to purchase the K. at \$75,000, if there are any buyers at all for yachts.

I know you are right on the job, and don't think this is a sort of criticism, I am just afraid you are trying to hang on to a Yankee bargain. In good times this is a wonderful trait, but just now it is not to be considered too seriously.

C. G. FISHER

CGR-HM

Copy to:
Mr. Howard E. Coffin
Mr. Hugh W. Davis

January 29th 1932.

Frances 29

Mr. Albert A. Lewis,
253-02 Northern Boulevard,
Little Neck, N.Y.

My dear Mr. Lewis:

I have yours of the 25th.

The plan you refer to is practically the same as one I started on about three years ago, when I figured on tying up Montauk, St. Simon's Island in Georgia, Virginia Beach, in Virginia, Miami Beach, and a location in Cuba, and one in the Bahamas.

I acquired and had control of all these locations at this time, and the club idea was about 98% complete. You are familiar with the Montauk situation as well as the Miami Beach situation, St. Simon's Island is owned and controlled by Howard E. Coffin, and he has the finest shooting preserve in the country. I believe he controls something like one hundred thousand acres in the shooting preserve, and in St. Simon's and Sapelo Islands.

I don't think it is necessary for you to purchase any property to complete a club of this type. The property is available for an Association to combine the units now completed. For instance, the hotels and docks, golf courses, tennis courts, swimming pools and every possible thing necessary costing an initial investment of one hundred million dollars are here at Miami Beach. You know what is completed at Montauk, Virginia Beach, an important link is completed, and it is only necessary to make inter-connecting contracts. The only unit not completed is in Cuba, and such contracts can be made that would not make it necessary to build or complete anything in Cuba at this time. The general organization and suitable tie-up is the big job.

JAN 29 1932

Mr. Albert A. Lewis - #2

I would not care to associate myself with any corporation expecting to purchase more property, or expecting to do more building, as it is very practical to connect the various interests I refer to, and I would be very glad to listen to any plan you have in mind along these lines.

Yours very truly,

O. G. FISHER

00P-JM

Frances

March 10th 1932.

Mr. E. C. Romfh, President,
First National Bank,
Miami, Fla.

Dear Mr. Romfh:

We are desirous of making a loan of \$400,000 which we understand will be possible through the Reconstruction Law, just passed by the United States, and propose that we give as collateral for this loan a \$200,000 mortgage on the Peninsula Terminal Property; a \$300,00 mortgage on the Polo Fields, including the whole area; and a \$100,000 mortgage on La Gorce Island.

PENINSULA TERMINAL PROPERTY is approximately 180 acres, bulkheaded, furnished with water, telephone service, electricity, and as a part of the general improvements contains a steamship slip bulkheaded in steel 150x500 feet, depth of 25 feet of water.

Peninsula Terminal property improvements include completed channel 300 feet wide, 25 feet deep, and approximately one mile in length on the north side, also completed channel on the south side, approximately 4,000 feet, a width of 200 feet and a depth of 20 feet, at a cost to our Company of \$2,706,882.37.

The Island is furnished hourly ferry service, and we have just completed a car float and terminals, at an expense of \$100,000, giving us direct terminals between the Peninsula Terminal Company and the mainland at Miami.

Assets in the Peninsula Terminal include (as per map herewith) a very valuable piece of property directly on the county causeway, having 1,000 feet of concrete bulkhead on the east, and 800 feet of concrete bulkhead on the south, directly on the main ship's channel, approximately 4 acres.

LA GORCE ISLAND - On the north Terminus of our property is a sixty acre island connected with our property by a Bridge. The property is bulkheaded completely in concrete and well planted.

POLO FIELDS - situated almost in the center of our property and directly opposite the Nautilus Hotel. This piece of property includes 80 acres, and is highly improved with roads, water system and planted.

E.C.Romfh - #2

We estimate the combined values of these properties as follows:

Peninsula Terminal Island (app. 180 acres)	\$5,000,000.00
Peninsula Terminal property on Causeway	1,000,000.00
La Gorce Island (60 acres)	400,000.00
Polo Fields (80 acres)	<u>750,000.00</u>

TOTAL.....\$7,150,000.00

If your bank would make this Loan, and redcount this note with this collateral with the Government, it would enable us to pass over a crisis at this time, enabling us to pay our taxes, which if they are not paid, will embarrass the City.

We would like to have this loan for three years as governed by the Reconstruction Law, applicable to reductions as we see fit to make.

Yours very truly,

G. G. FISHER

CGF-EM

March 13th 1932.

Mr. Elroy Montero,
1610 Susquehanna Avenue,
Philadelphia, Pa.

Financing

My dear Mr. Montero:

I would like to trade you a \$3500 lot here at Miami Beach, well located, and put a price on the lot of \$2500.00 and take the lot out in cigars, as you may furnish them to me, in the next two or three years.

I can use 500 cigars about every sixty days.

Yours,

C. G. FISHER

CGF-HM

March 14th 193

Parke G. Haynes

Bankruptcy

Dear Parke:

I have yours of the 15th. Of course my letter to you of recent date regarding friendly receivership, as the bondholders, or our best interests suggest, is for the following reasons:

We are operating our Companies now at absolutely minimum of expense. We are in negotiations here of more than one million dollars which have been dragging along and may drag along for another year, but I know that we are doing all that is humanly possible to complete these negotiations. We have negotiations at Montauk that should not be upset.

We are having no trouble at all here, with the exception of the account of Mrs. Jane Johnson, and this I think we can handle.

I want to proceed in the best way possible to protect the bondholders and stock holders to the limit of my ability to do so, and with any kind of luck we can pull through, and interest all parties, but of course this will call for complete cooperation between the bondholders and Benson interests.

I am going right along and make arrangements with Mr. Abel regarding the opening of the hotel and also the golf course and Yacht Club, should be opened just as usual. All these arrangements are made subject to cancellation, in case it becomes necessary, without any great expense to our Company.

Yours,

G. G. FISHER

CGF-HM

Frances
Bankruptcy
March 18th 1932.

Parke G. Haynes

Dear Parke:

I have yours of the 15th. The more I understand of this situation (if I do understand any of it) first is that I do not expect, under any circumstances, to go into bankruptcy if it can be avoided, - second, neither do I expect to go into the hands of a Receiver, if it could be avoided, but as it seems inevitable that we are to have some sort of a rearrangement of force in the very near future, it seems to me expedient and necessary that proper meetings should be had with the largest and most interested bondholders and stock holders immediately, and that an agreement be made for a friendly Receiver, who is selected by the majority of bondholders and stock holders.

In other words, a sort of a Creditors meeting at which time steps could be taken to change the Management if thought necessary, and which probably will be, and to appoint a new Chairman of the Board representing the Bondholders and Stock holders.

I would like to have your opinion of this situation, and why it is not practical; and to make such arrangements now rather than to wait until we get into trouble.

The last two paragraphs of your letter I thoroughly agree with, and is ampoint I have been trying to make for the last two months, but just whether this object can be accomplished I don't know, but the only place you can definitely get first hand information, and also the thought of the most interested parties is at that end of the line by a concerted plan that would be agreed upon by the large and heavy investors who could be called together and who represent about 80% of the interests at Montauk.

Yours,

C. G. FISHER

CGF-HM

James

March 28th 1932.

Mr. Ernest W. Bradford,
Suite 1100 National Press Building,
Washington, D.C.

Dear Mr. Bradford,

I have yours of recent date.

If you think you are in a tough
hole, you don't know what the word means.
All I need is four million dollars by May 2nd.

I wish I could help you out, but
I see no chance, even to start helping myself.

Yours,

C. G. FISHER

CGF-HM

April 6, 1932.

Hon. Fred A. Britten,
House of Representatives,
Washington, D.C.

Trinity

Dear Fred:

Is there any possibility of us making a loan of \$500,000 for three years, having up as collateral some five million dollars worth of security?

Of this \$500,000 we need \$200,000 for taxes - City, State, County and Government. Let me know if there is a chance, and we can present figures to the Government.

We have at the present time over \$200,000 worth of delinquent taxes without any possibility of paying them. We are faced with a heavy penalty, which of course will not be collected for about two years, but in the meantime, the penalty will ride, and the fact that the property will be offered for taxes will do enormous damage to this property.

The local banks here cannot advance additional loans over what they have advanced. Give this a half hour's thought and drop me a line, and greatly oblige,

Best regards,

Yours,

C. G. FISHER

COF-HM

P.S. Please send me several copies of your Prohibition Speech of March 12th.

Francis

April 8, 1932.

Mr. C. H. Keys,
39 Broadway
New York City,

Dear Clem:

I have yours of the 5th.

I realize all that you have to say, and have realized this condition for some time. The big part of the property at Montauk might lend itself to a sale of small home sites at low prices, and I have considered the matter several times, but always find myself hoping that new money could be had, and some better developments could be had, whereby a few larger sales would offset literally hundreds of small sales.

Things are very bad here, and if there is such a condition, - getting worse, although we continue to lead in other spots in the United States. But the worst trouble we have now, is that just as fast as the "distress" property is about wiped out, along comes another big batch.

Gollins' bank won't give him any more credit, and you can't blame them, Romf's bank would give us any more credit, and you can't blame them.

We are in a tough dog fight with the county and cities on the tax situation. The county is piling the taxes on this development, because they feel they can collect them, yet an enormous amount of taxes is delinquent, and has been, in Miami and Coral Gables area.

I have one or two deals hanging fire here, but even if I make them, it would only help hold this property here for another season.

I wish I had some cheerful news for you, but I just haven't. I will do everything possible with the bondholders to help out. You know

April 8, 1932

C. H. Keys - #2

I will do this, and I believe the bondholders know it, and I hope you will consider that your health is the most important thing for you to look after these times.

Best regards,

Yours,

C. G. FISHER

CGF-III

Nov 15 1932

FREDERIC R. HUMPAGE, RECEIVER

TREIBER DIESEL ENGINE CORPORATION

FACTORY LOCATION
NEW YORK SHIPBUILDING PLANT

CAMDEN, NEW JERSEY

November 15, 1932.

Mrs. Margaret C. Fisher,
c/o Mr. J. M. Collier,
2009 Hopkins Avenue,
Norwood, Ohio.

Dear Margaret:

I did not receive your letter until Saturday, and this is the first opportunity I have had to answer it. I spent most of last week in Camden returning Saturday night, and coming back here to Camden last night.

I wrote you under date of November 11, and sent it to Port Washington, and had the envelope marked "Hold For Your Arrival" as I expected you would be back at Port Washington real soon. I am enclosing a copy of my letter of November 11, in the event Art Reed is still retaining the original.

My departure for the South is a little bit indefinite as there are one or two things I want to be sure are cleaned up before I go - one is the matter which you referred to as having been discussed .

McGee called up at my New York address several times last week and they finally passed the word on to me, so I returned on Saturday as he had stated that he was very anxious to see me yesterday (Monday). I had quite a long talk with him on the same subject. It appears that he and our friend, Keyes, have had their heads together, and concluded that we were not quite so easy as they thought. I do not know whether you recall my having told you that during the interview on that Monday evening, prior to your leaving, that I remarked to our mutual friend that we were not willing to admit that we did not have an adequate defense in the event they assumed an arbitrary attitude which they intimated they would take, but in any event that remark seems to have gone home, for in my conversation with McGee yesterday he mentioned that he understood that I had made some such remark and he elaborated on it. My answer to his comments was that Mr. Fisher had no time, nor in any way had sought to avoid any legal or moral responsibility in connection with the Fisher Company guaranty, and that he was not disposed to assume any such attitude now, but that I had looked into the matter, particularly after having been impressed with the fact that if Mr. Fisher didn't agree in what they now suggested that they might take an arbitrary attitude, and attempt to force him

November 15
1932

- 2 -

Mrs. Margaret C. Fisher:

to do that which he would not willingly do except under pressure, and that I had come to the conclusion after my investigation that if they were to attempt any such action, there was nothing left for Mr. Fisher to do other than to have a showdown, and have it definitely determined to what extent he was responsible under that guaranty, and whether or not the Trustee or themselves were or were not obligated to first attempt collection through the medium of the Montauk Beach properties before attempting to collect on the guaranty, etc.

It is my impression after having noted "Clem's" reaction to that statement as I made it to him that night and to McGee's reaction as I discussed the matter with him yesterday, that they have concluded that they can go just so far but that beyond that point, we propose to stand up for our rights, and will not be susceptible to unfair tactics or pressure. My interview with McGee ended with the request that I meet he and Keyes on Thursday of this week, at which time he hoped we might be able to work out a plan which would be mutually satisfactory; he indicated that a plan which might be satisfactory would be the election of some representative to the Board of Directors of the several companies in which Mr. Fisher has controlling interests. I can see no objection to such a proposal inasmuch as they would not control the Board, and there would be no expense involved insofar as the Fisher companies were concerned. For whatever remuneration this representative received, would have to be paid by those who hired him. Perhaps, upon your return, I can see you for a few minutes before you leave for the South and tell you what was ultimately agreed upon if anything.

You will recall that The Waterside Realty Corporation held a second mortgage on the Gould House at Bay View Colony, which Mr. Fisher took in part-payment on the sale of a lot to Carmen. We have been trying for almost a year to sell this second mortgage at a discount, but second mortgages are a drug on the market at any price, and regardless of how attractive the discount, no one seems to want them because good first mortgages are selling at a discount. However, for the last three weeks or more, I have been working on Gould, attempting to convince him that here was a good chance for him to buy back his own mortgage and make some money. Three payments of \$250.00 each have been made by Gould, leaving a balance of \$4,750.00, due on the mortgage. A week ago yesterday, I succeeded in getting \$3,250.00, in cash, out of Gould, selling him back his own mortgage.

That helps a little, but as you know there are plenty of places where we can use the money, and it is not very much, comparatively speaking, when you stop to consider what we owe.

I was unable to get in touch with Sparks until last night, and then I had to go and meet him at his home at six o'clock, but in the meantime, I had carefully read through the agreement, and much as I regret, came to the conclusion there isn't a possible chance of your agreement being considered as a preference claim. I was inclined to

Mrs. Margaret C. Fisher:

the opinion that perhaps it might prove advantageous to have the Trustee make a demand for what was in arrears, and in the event of inability to pay, to demand additional collateral or a substitution of collateral which would be satisfactory to the Trustee, and I am not quite satisfied yet that this will not be the proper move at some later date. However, last evening, as stated, I called upon Sparks and went over all of the important items in the Trust Agreement, reading to him, from time to time, those portions which are of material interest to you at this time, and our conclusions after going into the matter thoroughly are as follows:

1. There isn't a possibility of a Claim for Preference being considered for you.
2. That if you so desire you can demand of the Trustee that he secure for you the necessary payments which are past due or at least demand them, and that in the event of failure to obtain payments sufficient in amount, to bring the total amount due you up to date, and that he can rightfully demand the placing in his hands collateral which in his opinion is adequate and sufficient not only to protect but bring in an income sufficient to take care of you under the terms of the Agreement.
3. AND THIS IS IMPORTANT - that under prevailing conditions and pending a determination of the attitude of those who I am to see on Thursday, and also pending some action which may eventually prove detrimental to your and Mr. Fisher's interest, that it would be unwise to take any action which might precipitate action on their part, on the theory that they might claim that the assets were being diverted, use that as an excuse for starting some action which they otherwise might not do.
4. That in the event any action is contemplated and indicated on the part of those who have made veiled threats, that it would then be sufficiently early for the Trustee to take action to secure protection for you under the Trust Agreement.

It is, of course, unfortunate that those who presumably were looking after Mr. Fisher's personal interests, did not consider matters from his personal standpoint, and in the setup, allowed these several companies to retain their individual identities instead of grouping them all into one holding company in the name of Carl G. Fisher Company. Sparks' reference to this is that all of the eggs are in one basket, and we

Mrs. Margaret C. Fisher:

are going to have a pretty difficult job keeping any one intact, however, that's water over the dam, and we will have to do the best we can with what we have. Mr. Sparks was very emphatic in his conclusions that we should not back down one iota in the stand we have taken as regards the turning over of the stock, etc. to these other interests, but sees no objection to their having minority representation on the Board of Directors in one or all of the companies that I have previously mentioned.

I have heard nothing from Mr. Fisher since he left Port Washington, although I have written him several letters. Nothing of material interest or importance has taken place other than what I have outlined. I would rather like to know when you plan to return and when you are going to be in New York, as I would like very much to see you for a minute or two before you go South. Have nothing of importance in mind at the moment, but there may be something interesting to discuss prior to your leaving for Florida. I will safely keep the Trust Agreement until you give me definite instructions when and where to send it. I am sorry that I haven't anything more encouraging or satisfactory to offer in this matter of the Trust Agreement.

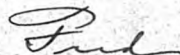
Perhaps, if we could spend a few minutes together and talk it over, I could more clearly explain some of the details which may not be perfectly clear to you, even though I have attempted in this letter to set them forth in a complete manner.

The weather as a whole in this section of the country has been very fine except on last Wednesday there was a very heavy rain storm throughout the East, accompanied with high winds. I am informed the water backed up in Manhasset Bay, so that it was over the seawall and was up as far as the flagpole on the Manor House at Port Washington. I haven't seen Art Reed, so I do not know what, if any, damage was done or whether any water leaked into the cellar. Le Cluse tells me that the Bay front lots next to the Manor House were under water, and that the water was almost as high as the Purdy dock. I guess it is a good thing that the Shadow K was not tied up there. Thought we had a customer for the "K", but as in many other cases it just "petered out."

Hope you have continued to have good weather and that you are having a fine time and feeling rested and peppy, and that you will have a fine trip and an entirely satisfactory season at Miami Beach when you get there.

Kindest regards, I am,

Sincerely yours,



Encl.

2009 Hopkins Av.
Norwood, Ohio

Nov. 23, 1932.

Dear Fred:

I have your letter of the 15th and glad to have all "the news" -- Personally, I feel rather relieved that you have taken a definite stand in the company affairs and also believe that is the only entirely fair way that any real progress can be made towards holding together a sufficient amount of assets to eventually work out a plan of paying off the indebtedness of the company.

Regarding my agreement-- you will recall that I feared any demand for additional collateral or amounts in arrears might precipitate action, if requested at this time - my object in finding out exactly the status of this Agreement was to be prepared to do whatever is possible whenever action is taken against the C. W. F. Company.... I certainly am not going to do anything to precipitate action, but merely be able to protect myself in the best possible way when the proper time comes. The one thing that I felt was possible and that I was anxious to have definitely determined was whether or not I would be considered a preferred creditor; that you have definitely answered.

Expect I will get away from here about the 8th or 10th of Dec. to go South. Do not know yet just how I am going down. Art writes that he drive my car down after Thanksgiving; but his expenses would possibly be more than sending the car down on the boat, particularly if I have to return to New York, which it seems quite possible I will do, before going South.

Spend the week-ends on "the farm" - we had one of sister's turkeys last Sunday - and was it good?!!! She raised 135, and is holding them for 25¢ - sold two at that price last week... but I fear the average won't be so good.

Regarding the insurance additional 10% for unoccupancy for six months - could this be avoided by the caretaker going in for inspection of the house every week - what would the amount be in dollars and cents on the additional 10% and 20% for the garage ~~contents~~ contents?

Best wishes,

Margaret

11

Handpage

15
December 15th 1932.

Mr. C. M. Keys,
39 Broadway,
New York City.

Dear Glen:

I have yours of the 9th.

You can depend upon me to cooperate in any way that will be for the best in your efforts and the rest of the interests. Of course I shudder at the word bankruptcy, but you can afford to shudder if it will cut out any such bills as we have received. They are simply terrible to contemplate for the amount of work done.

However, I know that you are on the ground and better able to advise than any one else. Humpage is up there yet for a few days, and is available. I had hoped that he could come down here soon, as he is the only man in my layout that can pick up a lot of odds and ends that are flying around loose. Nothing that amounts to a great deal, but it amounts to enough that I would like to see these cats and dogs keep straightened out all the time on our books.

Wish you would call Humpage (Telephone Chelsea 2-8722) and have a talk with him, as he may be coming south soon, and of course Irv Collins will run up and talk to you any time you wish to see him, as long as he is in the north.

I am advised in a recent letter that Harold Talbott is out and that Mr. Westervelt has been appointed in his place, so that part of your letter it seems will not apply to Harold as cooperator.

I don't believe the Government lien of \$86,000 is good. They cannot make us pay income taxes on money that goes back into a portion of the Company; at least I don't believe they can.

Mr. C. M. Keys, - #2

I paid Mr. Sparks \$2500.00 in a lot, and Mr. Gasser also, some time ago, so I believe that will cancel his fee up to date. He seems to have rendered the only bill that is reasonable under the circumstances.

Let me hear from you.

Yours,

CARL G. FISHER

CGF-HM

Copy to:
Mr. F. R. Humpage

Finney

December 20, 1932.

Hon. Fred A. Britten,
House of Representatives,
Washington, D.C.

Dear Fred:

I am in a small sized jam with the income tax department, they having a claim against me for some \$4700 odd dollars for income taxes for 1930.

Prior to 1930 it was customary here to pay these income tax claims by the Government without an argument, as we were all very busy in promotion work, and keeping our accounts up, and at that time it was my custom to pay many of the promotion and expense accounts from my personal funds or from my own pocket, in order to save time and detail.

However, times have so changed, and government liens and taxes against my property are so terrific, that it is now necessary to save every cent that we possibly can. In the various items which they have me charged with personally appear such items as entertainment of the various Chambers of Commerce visitors, and other visitors at Montauk.

During Navy week at Montauk there was an item of more than \$2,000 which was my share, but it now appears against me as a personal item. Under the circumstances I cannot explain that we used \$1800.00 worth of liquor for the general entertainment of a lot of people who were our guests at that time.

We are preparing a claim here for a reduction of 85% of these general entertainment expense accounts which we know we are entitled to, and should be allowed us, and I am just dropping this note to ask you if you have an opportunity, drop a word in the right place that will help us with these claims.

We are going to steadily fight them as it is impossible for us to pay these claims, even though the amounts are down to as low as \$4,000 or \$5,000, as we have other accumulative government taxes both at Montauk and here of approximately \$200,000.00. Our property is being consumed with taxes just about the same as you would burn a hay stack.

Dec 20 1932

Hon. Fred Britten - #2

I feel that if our claims were being presented before people who were fair and liberal minded on this subject, that we will get full justice, but at the same time, during these days, you cannot tell just what kind of demands will come from the Tax Department. I imagine we are only one out of thousands who are tearing their shoes off to get reduction of taxes.

You don't have to answer this letter now, I will just forward you a copy of the claim when I get it, so you can have it before you and perhaps the chance may come for you to drop a word in our behalf.

Yours,

CARL G. FISHER

CGF-HM

Frederic R. Humpage, RECEIVER
FOR

TREIBER DIESEL ENGINE CORPORATION

FACTORY LOCATION
NEW YORK SHIPBUILDING PLANT
AMERICAN BROWN BOVERI ELECTRIC CORPORATION

CAMDEN, NEW JERSEY

New York Dec 20th 1932

Dear Carl:-

Referring to your memo of Dec 17th I have approved the "program" only insofar as it proposes a first step to be taken to reduce expenses and provide a vehicle for reorganization - but it is incomplete inasmuch as no plan or method is proposed regarding a reorganization.

All it amounts to at present is this - If they present a plan that provides protection to you insofar as the guaranty is concerned and permits of your being given ample time in which to make use of your assets, disposing of them in an orderly manner and at a time when they can be disposed of at more normal prices and will insofar as possible give maximum protection to others - including the 2nd Mortgage Bondholders - in other words if an adequate and equitable plan is presented, and it becomes desirable or necessary to change from "Receivership" to "Voluntary Bankruptcy" as the best way to accomplish the result desired, then and in that case only would we approve

and insofar as the effect upon your affairs and business at Innis Beach is concerned, I do not anticipate that it would prove detrimental.

This so-called "program" is in no sense a "plan" and until a plan is presented we can only say (as you said in your letter to Keys) "we will cooperate."

I will go Saturday so it would reach you at home on Sunday. Although Dulles is out in a way there is reason to believe that his influence is felt - however I do believe that things are working our way and I am ~~more~~ more positive than ever that our action and the stand we took as regards ^{of against} transfer of stocks has been decidedly advantageous to us and will result in your securing a fairer deal than you otherwise would and with all their bluster and friendly advice? suggesting that we do what was proposed, subsequent events have proven we were right and it now appears that they consider it better business to spend their time and money in reconstruction rather than spending it in attorney's fees etc trying ~~to force~~ ~~in~~ ~~unwise~~ ~~action~~

Dec 20 1932

our a guaranty which may not under the circumstances prove to be enforceable at this time or at least until they have first exhausted other remedies which by their first action they chose as most likely to produce the best results.

Sparks & Jason both agree that there is nothing to do, or say until there is presented to us a plan of reorganization for us to consider. I am in daily touch with all that is going on - had a talk with Keys this morning also others, the hearing has been postponed until Jan 9th. in the meantime they are working on a plan of reorganization which they hope to have ready between now & Jan 1st. there are many suggestions - need ones submitted at every meeting. the latest is a new Bond Issue to the preference over the present 1st Mtg Bonds, with American Wharton to buy the new Bonds. thus furnishing the money to operate. the present 1st Mtg will then take a secondary position. some want the present 2nd Mtg Bonds & Stock wiped out in the reorganization others do not - I have but no means least it has been proposed that your guaranty be extended for 3 to 5 years I believe that it may be possible to get a 5 year extension if we are careful in

Dec 20 1932

are negotiations and make no commitments
or suggestions until such time as we have
presented to us a proposed definite plan

^{proposed}
your letter to Keys dated Dec 12th - has reached)

propose putting all your assets in one pot
reverting the Bonds on Mountain - you don't
have to do that and it's not good to propose
it to him or them. I think and so far it has
proven best to answer proposals from them
you have others to deal with besides him
I believe I know all the essential facts
of the present and past set up including
the reason why Dalton is no longer at
the head. I do not think it proper to write
complete details. but I'm sure we are
on the right track. Furthermore as far as
they are going to have trouble mounting any
new Securities ~~at this time~~ and if it were not
for the fact that Mr. Am. Watson has in so deep
of fortunately, have some money in the treasury
the plan now suggested could not be put
through - the question of how much money
should be made available and how much
is going to take eventually is being seriously
debated. Keys estimate is considerable ~~and~~ by some
as much too low. All of this is of course
confidential and must be careful not to transmit
information which has been passed on to me.

I suggest that this letter be carefully guarded &
not left on your desk at the office

Sincerely
Paul

Finney

January 14th 1933.

James M. Cox, Esq.,
Evening News Publishing Company,
Dayton, Ohio.

Dear Sir: ATTENTION - MR. R. B. MEAD

Enclosed herewith you will please find
Renewal Note of the Carl G. Fisher Company for \$15,411.53
dated January 16th 1933, which Mr. Fisher requests that
Governor Cox accept in lieu of Note of like amount falling
due on January 16th.

We are also enclosing herewith check for
\$233.74 prepayment of interest on the enclosed renewal
note. Will you kindly forward this Note as has been
customary to the Citizens Office, Ohio National Bank,
Columbus, Ohio.

Mr. Fisher requests that the write express
his regret that he is unable at the moment to make any
reduction in the principal of this Note, but hopes that
on or before the next renewal date comes due, he will be
able to do something in the way of reduction.

Kindly accept the enclosed renewal and
forward to us, when this transaction has been completed,
with the old note in like amount, which falls due on
January 16th.

Thanking you in anticipation, we are,

Yours very truly,

THE CARL G. FISHER COMPANY

F. R. Huppage
Vice President.

P.S. Notice which Mr. Fisher received
from the Ohio National Bank indicates that the Note maturing
January 16th has accumulated interest up to that date. However
our records show that the interest has been prepaid in all
cases, so that instead of there being \$15,645.11 due on
January 16th, the actual amount due is \$15,411.53. Will you
kindly check this up with the bank, so that our records may
coincide.

FRH-HM
Enclosures.

Francis

Miami Beach, Fla.
February 14, 1933.

Mr. Harold J. Pack,
Tribune Building,
Washington, D.C.

My dear Mr. Pack:

I enclose you herewith copy of Brief presented in the case of Carl G. Fisher where an assessment has been made on his personal income tax for the year 1930 amounting to \$4340.44.

This matter was taken up before the confere in Miami, but as you will see by the enclosed letter he disallowed all of these items referring to the decision of the United States Court of Tax Appeals vs. Hal E. Roach 20 BTA.919.

I understand that a similar case came before the Income Tax Unit regarding these entertaining expenses paid by Mrs Fisher's Corporation, which were primarily disallowed and then later on allowed by the Department. It would appear to me that there would be no difference whether Mr. Fisher paid them personally or whether the Corporation paid them, except that a fine point was made that they were Corporation expenses paid by an individual, which may not be according to law, but certainly an unequitable proposition for them not to allow these deductions, in some way as Corporation expense.

Of course I am not trying to tell you law, Mr. Pack, because you have forgotten more than I ever knew.

Mr. Fisher has consented to let me handle this on a basis of 50% of recovery, and does not feel that he wishes to spend any money on this case until something has been done, otherwise I would have come to Washington and assisted you in this matter, so I will appreciate it if you will do the best that you possibly can before the Income Tax Unit.

In order that we might not lose our chance of a Hearing before the Income Tax Unit in Washington, we are requesting a hearing, but expect you will get in touch with the Unit itself, as soon as you have received these papers. If there is any reason why you cannot handle this case, please wire Mr. Fisher's office, but will ask that you not let this time limit pass, without making some definite arrangements as to handling same.

Of course you know what it means to me and possibly yourself to be able to get Mr. Fisher's business, and I am sure that should we be able to make a showing in

Feb 14 1933

Mr. Harold E. Pack - #2

in this matter, that there will be more work that he will be able to put our way. This is just a little opportunity to see what wancan do.

With kindest personal regards,

Yours truly,

W. W. Borchardt

WWB--HM

Copy to:
Mr. Lindsay Hopkins
Mr. C. M. Keys

February 17th 1933.

Mr. Emory Flinn,
29 West 57th Street,
New York City.

My dear Mr. Flinn:

Confirming conversation with Mr. Hopkins just now, we are having the largest number of visitors in this part of Florida, that we have ever had, and while our hotel rates have been materially reduced, we believe that this is one big reason why we are having such an influx of visitors.

Approximately 60% of all our guests are new people, who are for the first time in Florida, or at least they are for the first time in our Hotels. This does not mean that the influx of visitors are a cheap class of tourists. The wide advertising of living expenses here and the hotel rates, and the general reputation of this part of Florida is the reason, and with normal conditions in the next few years, we can expect this increase of business to continue.

We are renting more than twice as many homes this year as previously, at approximately 50% of previous rental prices. Our hotels are filled, and turning away guests in large numbers. Some of the guests who apply of course, would be turned away if the hotels were not filled.

We are approximately at this date \$40,000 ahead on hotel earnings, and gaining about \$3,000 per day. The enclosed statement of the Flamingo Hotel will give you an idea of the advance in business over last season. The Flamingo was opened at \$12,000 less operating opening expense than last year, and is approximately \$13,000 ahead in earnings. In other words, the hotel is \$25,000 ahead in cash position over this same time last year. All our other hotels are approximately 85% advance over last season in business.

However, we have at this time obligations on last year's maturities on the Lincoln, as per separate sheet which will probably be gotten out tonight for you. We have past obligations on the Flamingo which make it necessary that these moneys be immediately applied to these accounts, in order that we can get the Flamingo out of the Bondholders Committee.

Mr. Emory Flinn - #2

The Lincoln is not subject to this same condition, as all the bonds are held by one man, who is quite friendly to our Company and who is now renting my own home from me at \$1,000 per month rental. However, these past obligations on the hotels must be taken care of first.

We are not yet into a selling season of any magnitude, but general sales on the Beach here this year are more than three times what they were last year. As you know, all prices of homes and vacant lots have been reduced anywhere from 30% to 75%. There are more than \$100,000 worth of tentative sales in the mill at this time over both our own and Bay Shore properties.

There is an inquiry to purchase every hotel we have, which we can only size up as an inquiry for not exactly a bargain price, but a sacrifice sale price. I don't think we have more than one real legitimate buyer for one of our hotels, and of course every days business that we do now, makes this prospect brighter, and any disturbance here would immediately crash everything that has been done in the last year to reopen business conditions here.

We are perfectly willing for any reorganization plan that will protect you and Mr. Keys and our Company, and certainly some plan could be worked out that would protect the original stockholders in Montauk. I am not worried about my own investment in Montauk, but I am concerned for the others.

I cannot imagine any particular good could come from talking with Mr. Doherty, but we are perfectly willing to hear what he has to say on the subject.

Mr. Crump is not a manager of a hotel; he is more interested in getting Montauk, I believe, from a gambling standpoint, and if he had been left alone last year he would have ruined the reputation of the hotel. We might have had at Montauk the same thing that happened to the Biltmore several years ago, and I believe you are familiar with what happened there.

The hotel should be worth \$15,000 without the garage, as the garage rent is \$4,000 net. I believe I can collect this money for you in advance on a new contract with the same man who had the garage last year. I can also, I believe, rent the Golf Club for you for at least \$2,000 net.

Mr. Emory Flinn - #3

With the return of light wines and beer, the grill room at Montauk Manor should be worth from \$6,000 to \$8,000 net, to the hotel, and I believe we can get you a first class Manager to operate on these terms. I have a small amount of property in my own name at Montauk, which I would be willing to put up as a guarantee under such a management plan, to help any one of four managers we have here.

Mr. Crump's shortage at Montauk last year was greater than the entire shortage of one of our hotels of the same size here over a period of several years. The Nautilus Hotel hasnot lost three blankets since it opened, and the total shortage on blankets here in all our hotels has not been as much as Crump's loss last year. The silverware shortage there is also greater than we have had in any of our hotels this last year. Under no circumstances should you consider Mr. Crump for another season, and I told Mr. Robbins the other day just what I thought about this situation at Montauk.

Montauk should have a better season this year than last, even if the depression gets worse. There are millions of people who do not feel this depression at all, as they pay no taxes, and are on a payroll of the Government in one way or another.

Regarding the insurance, I have argued strongly in the past that there is no necessity for more than \$50,000 worth of insurance on the hotel at Montauk. You could not do \$50,000 damage to the hotel if you upset a barrel of gasoline on the lobby floor and touched a match to it. In the reorganization of the Flamingo Hotel here, it is part of the plan of the bondholders to reduce the insurance to notmore than \$100,000.00.

The only plan to follow that is sensible at this time is to allow the conditions to continue here these season at least, and get as many sales of both land and houses as it is possible to make, and perhaps a reorganization plan can be worked out in the Spring that will be to the general benefit of all bondholders and stockholders, and as soon as we can get moneys, after paying these obligations we are committed to here, you could depend upon it that you can have them. I have finally cleared up the account on the Flamingo Hotel, and hope to practically have this hotel out of the bondholders committee by the first of April, unless something unusual happens to stop

Feb 17, 1933

Mr. Emory Flinn - #4

the flow of people that are coming here now.

Yours,

CARL G. FISHER

P.S. Mr. Humpage suggests that we advise you that Crump has no standing in this community, is known as a disturber of this kind, and we are quite certain that we have proper attorneys here, who advise that under no circumstances could he get a Receivership appointed here, with such a flimsy claim, as he would have. However, our attorneys are keeping us advised of any move made, as and when, and we will forward you this information immediately. We also have arranged to have Mr. Hopkins drop in and talk over plans generally, every few days.

I expect to see Mr. Hertz tomorrow or the next day, regarding his mortgage, and the Bay Shore Company is prepared to raise for Mr. Hertz \$25,000 or \$30,000, if necessary, to reduce his mortgage, and if this cannot be done with Mr. Hertz, we believe we have some friends who will help us re-finance this mortgage, at least we have considerable hopes of doing so.

G. G. FISHER

GGF-FH

February 17, 1933.

Tshiro Nursery,
4300 Chase Avenue,
Miami Beach, Fla.

Dear Sir: ATTENTION - MR. TSHIRO

I am advancing you \$100.00
for the fund of the Carl G. Fisher Company, for
labor in planting trees and shrubbery in the
Lincoln Hotel grounds.

I will transfer to you one lot
south of the office building, free of taxes, in
exchange for \$1000 worth of shrubbery to be taken
as we require it.

Shrubbery furnished to private
individuals from this sum, will be charged back
and paid for to our Company. You are to keep
a memorandum of transfer of shrubbery and the
amounts of same, as and when, taken.

Yours very truly,

CARL G. FISHER

CGF-HM

Copy to Hopkins
Bankruptcy

February 22, 1933.

Mr. C. M. Keys,
39 Broadway,
New York City.

Dear Clem:

Confirming our conversation today. If your deal with Fallon falls down, I would suggest that you take Abel's offer of 10%; in fact I think Abel, under my suggestion would be willing to raise this percentage to 12%. He is a better man in every way than Crump, and would have a great deal of assistance from our Managers here, who will all be in the East, and would give him a great deal of cooperation.

We have no fear of Crump here. I talked to Hopkins regarding the possibilities of working out a reorganization plan that would protect us against blackmailing suits, or other unfair actions, and told him we would be willing to enter into a plan that could be worked out to the best of all parties concerned, but that no such plan had been submitted, and that we would want to know full details of salaries, working agreements, and the cost of any of the organization plans, which could easily be kept to a minimum if all parties concerned in the agreement would really try to accomplish this result. Mr. Hopkins had a call in for Mr. Flinn this morning but could not get him.

The report from the Flamingo is that we will have between \$50,000 and \$60,000 net operating at the close of the season. If March continues good, we may make a few thousand dollars over \$60,000, but it will be necessary to use these funds to meet the past obligations to the bondholders. The principal bond holders are Uncle Vic Ehart, and Jack Trimble, who own the majority of the bonds, and they are willing for a reorganization under a reduced interest, and a reduced amortization.

I enclose you a prospectus of the reorganization of the Nautilus, which has just been completed. This will show the cooperation of the Nautilus bondholders, and with the exception of someone like Crump, our Flamingo bondholders will be willing

G. H. Keys - #2

for the same plan of reorganization.

The Lincoln Hotel will run about \$30,000 gross operating, which will take care of the Lincoln up to September. Mr. Jack Trimble owns all the Lincoln bonds, and he is causing us no trouble whatever, and is perfectly willing to ride along with us. The September amortization on the Lincoln will have to be deferred.

We are selling some few small pieces of property. The Bay Shore Company this morning sold a lot for \$5,000 cash on the golf course. Other small sales are being made, and some inquiries for larger property.

I will see Tiejen today and get a proposition straightened out for him to take over the riding barn and the polo barns, without any expense to us; to maintain the polo fields, and to have his string of horses, including riding horses, polo ponies, and some jumpers, this coming season. Tiejen has 50 horses here, and a very fine personnel of followers, whom he supplies with ponies, also mounts for special games. He is, in a way, a partner of Fred Post.

This will give us a splendid hookup for the season, and this arrangement will also include Murdo Morrison, who is a well known writer for "SPUR" "POLO" and other magazines catering more or less to horse lovers. I am particularly pleased to make this arrangement with Tiejen, as connected with Post, it is the finest organization in the entire United States.

Will see Mr. Robbins and Mr. Carroll here, and get an agreement signed in the next day or two.

I enclose you a tabulated sheet showing January improvement in hotel operations up to date. In looking at the Lincoln report you must consider that the Lincoln is operating with 24 less rooms this year, than formerly. The Lincoln

Feb 22 1933

C. H. Keys - #3

Annex across the street was given to Jane Johnson to cancel her equity and mortgages, as you remember.

I wish you and Mr. Flinn could run down here for a few days. Our entire proposition is big enough to warrant your visit at this time to size up general conditions.

Best regards,

Yours,

CARL O. FISHER

P.S. Mr. Hopkins approved with me, any recommendations I make regarding Mr. Abel, also approved recommendations for agreement with Tiejen, but if you are satisfied with Fallon, and close with him, we will offer him all the help we can through our organization. Hopkins' investigation of Grump confirms what I have said, and he agrees with me that he is not the man to have at Montauk.

C.O.F.

COF-FM

Francis

November 22, 1933

F. R. Huppage

Dear Fred:

Yours of the 16th. You mention so many various items of interest that I am not sure just what condition your bank account is in up there. I received a bank book the day before yesterday, showing deposits to me there of \$3500.00, I haven't yet had a chance to look at my stubs.

We made a small sale yesterday for the Carl G. Fisher Company of \$1200.00. I can get along without any further funds here for possibly another month.

The First Camden Bank can wait until we get other funds, and if we send \$758.33 to the Fletcher Bank, they can wait and I think if we can give the bank in Port Washington a couple of thousand dollars they can wait. In fact I don't see anything else we can do, and they won't foreclose.

I have your letter of the 15th. Mr. Brannagan was over with me the other day for a couple of hours. He had a talk with Kunschik, and we went over the various affairs. I am perfectly willing at any time they elect a man to the Board, we will soon have a vacancy, through the fact that Mr. Tyndall will not be here, and we can put their man on the board, and give him whatever informationshe wants.

There is not enough doing in the Carl G. Fisher Company at this time to cause any excitement.

When do you expect to be able to get down here? They are offering some low rates on the Railroads for short periods, at least they are running \$22.00 excursions that are good until Thanksgiving.

The general setup of the books here should be straightened out, regarding several items that are now more or less in confusion.

Yours,

CGF-HM

(COPY)

G M KEYS
39 BROADWAY
NEW YORK, N.Y.

May 21, 1934.

Mr. Carl G. Fisher,
Miami Beach,
Florida.

Dear Carl:

There are several points in your letters that would seem to need an answer. I will deal with the minor ones first.

As to Morrison, as noted in my former letter, I saw very little of him and he may be the best man in the world. At any rate, I have a lot of respect for his character and personality, but I thought, from what I saw of him around the Hotel last year that he did not seem to have much imagination in the way of working up business.

As to your second letter of May 17th about the Davis cottage and the fact that I am not planning to be at Montauk quite so much. It is purely a matter of expense with me. I would sooner be at Montauk than anywhere else, but I can spend week ends at Sleepy Hollow a great deal cheaper than I can at Montauk and get a lot of exercise in the open air, which is, after all, my main object.

If Indy and I have a room at Montauk I will be there as much as possible and I kind of hope that something like the Davis cottage suggestion will come to pass. As a matter of fact, I am going to suggest to Robbins that it might be a graceful thing to do to offer the cottage to Hopkins, Flinn and myself, as all of us plan to be there to some extent. In any case, you may be quite sure that I am not going to "ditch" Montauk in any respect. It is, in fact, my sole reliance for a come-back.

The important thing is your letter of May 16th regarding the legal plans of the bondholders. I confess that I wish we could get title to the property under these liens without any legal processes at all. The lawyers say we would simply be walking into years of litigation and be tied up with non-insurable titles on real estate and defective titles on all other assets. Not being a good enough lawyer, I am not in a position to controvert this argument.

We all agree that there cannot be, and there is not, any agreement between you as an individual and any other group, looking to the disposition of these properties. I am much puzzled by all these legal matters and confess to a great confusion in my mind about them. I only hope proper steps can be taken to safeguard all interests without too much delay and without incurring other penalties, either to you or to ourselves.

Mr. Carl G. Fisher

-2-

May 21, 1934.

As to the small property at Montauk, I have gone into this very carefully with my own lawyers, who are experts on these things, who tell me that to get an insurable title, in other words, a salable title to this property, is impossible either through the Receivers or through the company.

Under these circumstances, it seems best to start a foreclosure proceeding. Mr. Humpage's letter suggests taking over the property in full satisfaction of the mortgage. This is what I think I ought to do. I am referring his letter to my lawyers so that they can give me their opinion on the part of the second paragraph, outlining a method of procedure.

If, however, in order to get a good title it is necessary to proceed in the other way, I will take the property in full satisfaction of the mortgage and interest and back taxes and costs. At least, that is what I would do, if my lawyers would let me, because I do not want to lay more burdens on Montauk than are necessary and unavoidable. I shall then proceed to make a contract with the Montauk Company to sell this property, either on a straight commission basis or on a participating basis. This, however, is a matter for the future and should not be discussed at this time.

I wish that you were here, where we could talk these things over together, as correspondence about them is not satisfactory for many reasons.

Sincerely yours,

(Signed) C. M. Keys.

CMK C

interested in the estate of Montauk Beach Development Corporation, debtor:

PLEASE TAKE NOTICE, that the petition of Gladstone Goode, Charles W. Hanner, Ethel Keys, Beatrice Pauline Ladd, Kenneth B. MacDonald, Robert Martin, Josephine Paddock and Virginia H. Smith, and more than one hundred other creditors of Montauk Beach Development Corporation by the Protective Committee for First Mortgage and Collateral Trust 6% Gold Bonds of Montauk Beach Development Corporation composed of Emery Flinn, Lindsey Hopkins, C. M. Keys, James C. Willson, T. A. Morgan and E. A. Pierce, acting as attorneys in fact for said Gladstone Goode, Charles W. Hanner, Ethel Keys, Beatrice Pauline Ladd, Kenneth B. MacDonald, Robert Martin, Josephine Paddock and Virginia H. Smith, and all said other unnamed creditors under and pursuant to a Deposit Agreement dated as of July 20, 1932, filed in the United States District Court, Eastern District of New York, under Section 77B of the Bankruptcy Act, was approved as properly filed by an order of said court dated July 31, 1934, and that by said order William H. Robbins and Otis S. Carroll were temporarily appointed Trustees of the estate of Montauk Beach Development Corporation.

PLEASE TAKE FURTHER NOTICE, that pursuant to said order of July 31, 1934, a hearing will be held herein before said court, in Room 312 in the Federal Post Office Building, Brooklyn, New York, on August 28, 1934, at two o'clock in the afternoon, Daylight Saving Time, to determine whether the appointment of such Trustees shall be made permanent, or shall be terminated, and the Receivers in Equity of said Debtor restored to the possession of the assets, properties and business of the Debtor, or whether a substitute trustee or trustees, or an additional trustee or trustees shall be appointed by the court.

Dated, August 14, 1934.

Chadbourne, Stanchfield & Levy
Attorneys for temporarily appointed Trustees,
25 Broadway,
Borough of Manhattan,
New York, N. Y.

William H. Robbins
Otis S. Carroll,
temporarily appointed
Trustees of Montauk
Beach Development
Corporation.

Fort Washington, L.I., N.Y.
August 15, 1934.

Comparative effect of plans suggested for the re-organization of the Montauk Beach Development Corporation and The Carl G. Fisher Company, assuming as a basis of comparison that the fair market value of the assets of each Company are \$3,000,000, or a total of \$6,000,000 for the two Companies:

At a conference held at Miami Beach, at which Messrs. Hopkins, Fisher, Collins and Humpage were present, a "Tentative Plan" was considered; the effect of which plan using as a basis the total assets value of \$6,000,000, is as follows:

New First Mortgage Bonds (To be sold for Cash), - - - - -	\$ 500,000
New Income Collateral Debentures (To take place of present First Mortgage Bonds) - - -	3,000,000
New Common Stock (To be issued for balance of assets) - - -	<u>2,500,000</u>
	\$6,000,000.

15% of the Authorized Common Stock to be Issued to C.G.F. - \$ 375,000.
\$12,000 Salary per year to be paid for 10 years to Carl G. Fisher.

Under this plan, Fisher is assured of a regular monthly or yearly income for the next ten years, and receives Common Stock having a par value of \$375,000. He is not required to make any definite commitment or to raise funds or subscribe to, or sell, any of the proposed new issue of First Mortgage Bonds.

In the event that the values of both properties and assets are in excess of and sell for more than their estimated value, the Common Stock holdings will proportionately increase in value.

- - - - -

Aug 15 1934

-2-

At a conference held Tuesday, August 14, 1934, at the office of Emery Flinn in New York, Messrs. Sparks, Collins, Flinn, ^{Keys,} and Humpage being present, it was proposed that \$500,000 first mortgage 6% five-year bonds be authorized and sold at their par value, if, as and when required; that approximately \$3,000,000 income collateral debentures be authorized and issued, to provide for the present outstanding First Mortgage 6% Montauk Beach Development Corporation Bonds and the accrued interest on said bonds.

It was also proposed that 10% of the common stock to be issued be set aside as compensation for the underwriters of the \$500,000 proposed first mortgage bonds which are to be sold at par for cash; and the balance of 90% of the common stock to be divided into two parts of 45% each; with the understanding that Carl G. Fisher would either purchase or dispose of, for cash, \$250,000 of the \$500,000 first mortgage bonds to be issued, and that the Bondholders Protective Committee would do the same; but, in the event that either one of the two interests failed to take or dispose of their proportionate share of the bonds to be sold, as set forth above, then each interest should receive in common stock only such portion of common stock as its sales of bonds bears to its allotment of bonds to be sold. As, for instance:

In the event that either one of the interested parties should accept and pay for, or sell, only \$125,000 par value of bonds, then he would receive only 22½% of the 45% of common stock allotted to him. In the event that either party at interest should fail to take or dispose of any bonds, he would receive no common stock interest.

Aug 15, 1934

-3-

No provision was made for the distribution of the 90% of stock, in the event neither party disposes of any of the bonds, except that the writer presumes that it was the intention to give as a bonus 90% of the common stock to the purchasers of the \$500,000 first mortgage bonds, and that 10% of the common stock is to go to the underwriters, regardless of whether or not they are eventually called upon to purchase all or any portion of the bonds.

This plan, if carried out, requires that Carl G. Fisher raise \$250,000 in cash to purchase first mortgage bonds. If he fails so to do, he receives no interest in the new company to be formed, whose assets have an estimated value of \$6,000,000. Deprived of his assets (as he would be), Carl G. Fisher would not be able to raise \$250,000.

It was also proposed that a property management agreement be made with Carl G. Fisher and/or The Carl G. Fisher Company, to manage both Montauk Beach and Miami Beach properties, upon some percentage basis; the property management to include sale and development, advertising, and all expenses to be absorbed by Fisher or the Fisher Company; the percentage of compensation or commission to be paid not being determined.

The objection to this is that Fisher would not receive any compensation to provide for his living expenses, except if, as and when he sold property, and, because of present market conditions, sales for some time to come will be of a negligible quantity. In addition to not receiving any compensation, it would be necessary for him to provide the necessary working capital to carry on his organization, advertising, and any and all other overhead expenses which are incidental thereto. So that, in the final analysis, in the event he buys no bonds and sells no

property, he not only will not be able to obtain funds for living expenses but, in addition thereto, will be called upon to pay out considerable sums for the purpose of maintaining an organization for the sale and management of the properties.

Under the plan first proposed, Fisher would receive a regular monthly or yearly income, and 15% of the common stock, and would be under no obligation to raise money. His common stock interest, however, in the event that he buys one-half of the bonds, would be three times (\$1,125,000) that which he would receive under the plan first proposed. However, before the common stock was on a dividend paying basis, the interest payment requirements on both the proposed first mortgage bonds and income collateral debenture bonds would have to be provided for. On the assumption that these would both be 6%, the company would have to earn \$210,000 per year, plus the building up of a working capital in excess of the amount which would be available after the sale of the proposed first mortgage bonds. Therefore, the possibility of Fisher's receiving any compensation through return on his common stock holdings, for the period of the first year or two, is very remote.

In neither one of the two above proposed plans has consideration been given to the Montauk Second Mortgage Bondholders, except that they will share with all other creditors, including the present First Mortgage Bondholders, in whatever is left, if, as and when the present mortgaged properties at Montauk are foreclosed.

On the assumption that the present First Mortgage Bondholders

would bid \$1,000,000 at a foreclosure sale of the Montauk properties, there might be a deficiency judgment in favor of the present First Mortgage Bondholders to the amount of \$2,000,000, and with the Second Mortgage Bondholders having a claim of \$1,000,000, and other creditors approximately \$1,500,000 (of which the majority of this last mentioned amount is the claim of the Fisher Company against Montauk), whatever the un-mortgaged property sold for would be divided pro rata, as the several interests appeared, the new company to be formed holding the claims of the present First Mortgage Bondholders, and the Fisher Company would have claims totalling approximately \$3,300,000, as against other claims approximating \$1,200,000. Therefore, the Second Mortgage Bondholders would have whatever their proportionate share was, of the amount the un-mortgaged properties sold for, and the Fisher Company would have nothing, except, in the event that the first plan became operative, Fisher would have a salary, and the Fisher Company \$375,000, par value, common stock.

Neither of the two above mentioned proposals adequately compensate the Fisher Company for the turning over of approximately \$3,000,000 of their assets.

It has been said that the underwriters would require at least 100% as compensation for the underwriting or sale, or purchase of the proposed new first mortgage bonds, totalling \$500,000. Mr. Fisher has consistently insisted that some provision be made for the Second Mortgage Bondholders and creditors and stockholders; recognizing, of course, the preferential position of the present Montauk First Mortgage Bond-

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holders; and while all Mr. Fisher's stock holdings in the Fisher Company are quite valuable, I am sure that he would willingly sacrifice a proportionate share in order that the stockholders at Montauk would receive something, at least as an indication of his good intention.

I am also sure that he will be better satisfied if some provision is made for the Montauk Beach Second Mortgage Bondholders, even though the value of their holdings is scaled down considerably.

Having in mind what has been stated as the requirements of the underwriters, and the position of the holders of the present Montauk First Mortgage Bonds, I have prepared a new set-up for the re-organization, which is made up as follows:

\$500,000 par value first mortgage bonds.

\$3,000,000 income collateral debentures,

\$1,000,000 preferred stock,

\$2,000,000 issued, and \$3,000,000 authorized, common stock;

which I propose be distributed as follows:

Sale of proposed first mortgage bonds to underwriters at 90, which will net \$450,000 to the Company, and as a bonus to the underwriters, \$250,000 par value of preferred stock and \$250,000 par value of common stock - giving them a total of \$1,000,000 for \$450,000 actually invested.

To the present First Mortgage Bondholders, \$3,000,000 of income collateral debenture bonds; which will take care of the outstanding bonds plus accrued interest. (There will be some slight variations in connection with this issue of first mortgage bonds, depending upon what the actual interest accumulation is as of the date of

re-organization. This bond issue may be slightly in excess of (\$3,000,000). As a bonus to the present First Mortgage Bondholders I suggest the issuing of \$300,000 par value preferred stock and \$300,000 par value common stock; making a total of \$3,600,000 par value in securities which they will receive in lieu of their present \$2,741,000 which they hold of the present bonds outstanding.

To the Second Mortgage Bondholders, I propose issuing \$400,000 of preferred stock and \$350,000 of common stock. By this method they retain their relative position to the extent of 40% of their total holdings. They, like all others, are in line to obtaining whatever may be the subsequent value of their common stock holdings.

To the unsecured creditors, whose claims I have estimated to total \$1,500,000, I propose issuing one share of common stock for each \$500 of prevable claims, or \$300,000 par value Common Stock.

To the Fisher Company stockholders, whose assets are estimated to have a value of \$3,000,000, I propose that there shall be issued \$600,000 of common stock.

To the Montauk stockholders, \$200,000 par value of common stock.

Based upon the above, the total securities issued against the properties will be \$6,500,000, made up as follows:

First Mortgage Bonds,	\$ 500,000
Income Collateral Debenture Bonds,	3,000,000
Preferred Stock, (\$1,000,000 authorized),	950,000
Common Stock,	<u>2,000,000</u>
	<u>\$6,450,000.</u>

A justification for issuing such securities is:

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A fair market value of equities -

Montauk,	\$3,000,000
Miami Beach	3,000,000
Cash realized from the sale of first mortgage bonds,	<u>450,000.</u>
	\$6,450,000.

With this set-up, there should also be incorporated those other proposals which were set forth in the tentative plan first referred to in this memorandum; specifically including the arrangement with Fisher and Humpage as was proposed, etc.

I further propose that the preferred stock should carry with it a conversion privilege, so that same may be converted into like amount of common stock after a stated period.

On the assumption that the present Bondholders Protective Committee take exception to the distribution of the common stock because of the possibility of the Fisher interests owning more of the common stock than the combined holdings of the underwriters and the First Mortgage Bondholders, I suggest that the preferred stock be placed in a Voting Trust, which would terminate concurrently with the maturity of the last of the income collateral debenture bonds, or upon the vote of holders of 80% of the stock in trust, or when dividends are paid on the preferred stock. In the event dividends are paid on the preferred stock, then the voting power should revert to the holders of the common stock. The preferred stock, if cumulative, should carry a lower rate of interest, namely, 4%; if non-cumulative, then the rate should be 6%.

NO. 1445

In the Matter

of

THE CARL G. FISHER COMPANY,
a corporation.

*
*
* IN PROCEEDINGS FOR
* REORGANIZATION.
*

NOTICE OF APPLICATION FOR APPOINTMENT OF
TEMPORARY TRUSTEES, ETC.

To: Robt. H. Tyndall, Trustee,
Indianapolis, Indiana.

and

Carl G. Fisher,
Miami Beach, Florida.

You, and each of you, are hereby notified that The Carl G. Fisher Company, a Florida corporation, has filed, on the 19th day of October, 1934, in the United States District Court, Southern District of Florida, Miami Division, a petition for reorganization under and pursuant to Section 77-B of Chapter 8 of the Acts of Congress relating to bankruptcy, and has prayed in said petition that the Court approve said petition as properly filed and that trustees be appointed for the estate of said The Carl G. Fisher Company.

You, and each of you, are also hereby notified that the undersigned will apply to the Honorable Halsted L. Ritter, one of the judges of the United States District Court, Southern District of Florida, at his chambers in the New Federal Building, Miami, Florida, on the 26th day of October, 1934, at 10 o'clock A.M.,

- (a) for the approval of said petition as properly filed;
- (b) for the appointment of temporary trustee or trustees of the estate of said The Carl G. Fisher Company under and pursuant to said section 77-B of the Bankruptcy Act, with all the powers of trustees appointed pursuant to section 44 of the Bankruptcy Act and

all the powers exercised by receivers appointed by courts of equity to the extent consistent with said section 77-B;

(c) to temporarily enjoin all persons, firms and corporations from instituting, continuing, or prosecuting against said The Carl G. Fisher Company any action at law or proceeding in equity, or otherwise;

(d) to temporarily stay all suits in equity and all actions at law now pending against said The Carl G. Fisher Company wheresoever pending.

DATED at Miami, Florida, this _____ day of October, 1934.

THE CARL G. FISHER COMPANY,

By _____
Its Vice President.

LOFTIN, STOKES & CALKINS,
of Miami, Florida,

By _____
Attorneys for The Carl G.
Fisher Company.

REORGANIZATION PLAN

For a re-organization of The Carl G. Fisher Company and the Montauk Beach Development Corporation, whereby the properties and all assets of the two corporations will be merged for the purpose of protecting the interests FIRST, of the present holders of the First Mortgage Bonds of the Montauk Beach Development Corporation; SECOND, to provide the necessary funds to pay such of the indebtedness of either and both corporations, which may be required to be paid in cash to effect the re-organization and provide adequate working capital for the new corporation to be formed; and, THIRD, to preserve any legal rights that the Second Mortgage Bondholders may have.

1st. It is suggested that to provide for the above, there shall be authorized First Mortgage 6% Five Year Bonds in an amount of at least \$500,000, all of which are to be sold for cash, and in such amounts and at such times as may be required to provide adequate working capital, and protect and satisfy those who are to furnish the funds necessary to provide for re-organization expenses and working capital, etc.; provision being made that these bonds shall not be considered in default until a period of twelve (12) months have elapsed from the date of the failure to pay the first semi-annual interest coupons.

2nd. That 3% Second Mortgage Bonds or Income Debentures be issued to the present holders of the Montauk Beach First Mortgage 6% Bonds in an amount sufficient to provide for the present outstanding First Mortgage Bonds, totalling \$2,741,000, plus accrued interest on said bonds from the date of default up to the date when the re-organization becomes effective. In the event Second Mortgage Bonds are issued, the interest for the first two years shall be 4% instead of 6%.

3rd. Or, in lieu of Second Mortgage Bonds or Income Debentures, there shall be issued Preferred Stock, of one or more classes, and Common Stock, as may be deemed most feasible to protect the interests of the First Mortgage Bondholders and preserve any legal rights the Second Mortgage Bondholders might have, or in the payment of just and proper attorneys' fees, receivers' fees, or other costs which may have been or may be necessary, and which have been or may be incurred by either corporation prior to and up to the date of re-organization.

4th. If it is deemed advisable and for the best interest of the re-organized company, that any claimant or creditor's claim be satisfied as a business expedient, and any portion of such claim is to be satisfied by a cash payment, the funds necessary to meet this condition shall be obtained from the funds made available from the sale of the new First Mortgage Bonds; but that there shall be nothing ahead of the equity in the common stock, except, First, the security issued (which has been suggested shall be in the form of First Mortgage 6% Bonds of a total authorized issue of \$500,000) to provide the necessary funds as set forth in paragraph "1st"; Second, the security issued to provide for the present Montauk Beach First Mortgage Bondholders; Third, the security issued, if any, to preserve any legal rights the Second Mortgage Bondholders might have; Fourth, the security issued, if any, in settlement of any other just claims or any creditor or claimant, which, for the purpose of business expediency, shall be determined desirable to compromise or settle, such settlements to be determined by the Board of Directors or their authorized agent or agents; the purpose of the above being to set forth that there shall be nothing ahead of the common stock

of the company, save the present debt and accruals, plus just and legal claims and the expense involved in promoting a new company or re-organization of the present Companies.

5th. It is suggested that common stock equity in an amount equaling fifteen percent (15%) of the total Common Stock to be issued and/or outstanding shall be given to Mr. Carl G. Fisher for services to be rendered, and that a ten-year contract be made with Mr. Fisher for his services to the Company, at a cash salary of Twelve Thousand Dollars (\$12,000) per year, minimum; any increase in salary to be agreed upon in detail between Mr. Fisher and the re-organized Company; and, in addition to the above, Mr. Fisher shall have the title and function as President or Chairman of the Board, as may be determined. The contract to be made with Mr. Fisher is to be contingent upon performance in the usual manner applicable to the office which he holds; with the further suggestion that should the Company elect to cancel the contract prior to its termination at the expiration of the ten-year period, it may do so on sixty (60) days' written notice to Mr. Fisher at any time during the period of the ten-year contract, and by the payment of eighty percent (80%) of the principal amount of salary which would be due and payable from the date of cancellation up to the expiration date of the contract. However, this stipulation is not presumed to relieve Mr. Fisher, during the period of the contract, of full performance and conscientious effort.

6th. It is suggested that Mr. F. R. Humpage is to be employed for a period of ten (10) years, at a cash salary of Six Thousand Dollars (\$6,000), under the same terms and conditions as apply to Mr. Fisher, except that the fifteen percent (15%) Common Stock equity, allotted to

Mr. Fisher is not to be included in the compensation to be paid Mr. Humpage, but it is suggested that Mr. Fisher allot to Mr. Humpage such portion as may be agreed upon between Mr. Fisher and Mr. Humpage of the fifteen percent (15%) Common Stock equity allotted to Mr. Fisher, and that the salary mentioned is the minimum to be paid and be subject to revision upward within a reasonable time.

It is suggested that it may be desirable to make both the First Mortgage Bonds and Income Debenture Bonds convertible into real estate at Montauk or Miami Beach, at a prescribed schedule.

It is suggested that in the settlement of legal fees of all kinds, including trustee's, counsel for trustee, attorneys' fees, receivers' fees, receivers' Counsel's fees, taxes, bondholders' counsel's fees, and any other form of indebtedness, every effort be made to settle these and all other items of like character with as large a percentage of securities of the newly organized company as is possible, in lieu of cash payments.

It is suggested that inasmuch as bookkeeping entries on the books of The Carl G. Fisher Company, The Alton Beach Company and the Waterside Realty Corporation, show that Carl G. Fisher is indebted to the several Companies as indicated below, that this indebtedness be cleared on the books and the indebtedness as it appears be wiped out in effecting the re-organization, so that there shall be no entries or other indications of indebtedness of Carl G. Fisher personally to either one of the several Companies mentioned, which at the present time are approximately as follows:

Demand note of Carl G. Fisher given to The Carl G. Fisher Company for \$458,500.00. At the time that the Fisher Company was organized there were 4585 shares left remaining in the treasury of the Company. This stock was issued to Mr. Fisher and his note taken, in order that the outstanding authorized stock might be issued. However, there is no record in the Minute Book of the corporation showing that this stock was issued for any other purpose than as a bookkeeping transaction. Mr. Fisher derived no benefit from the issuance of this stock as no dividends have been paid on the stock; nor was the issuance of this stock required in order for Mr. Fisher to have voting control of the corporation, inasmuch as he owned all of the stock of the corporation outstanding, with the exception of 5,000 shares of stock issued to Robert H. Tyndall, as Trustee for Margaret C. Fisher. Furthermore, there appears to be no occasion for the issuance of this stock as no service was rendered, labor performed, cash paid in, or property transferred.

The books of The Carl G. Fisher Company show Carl G. Fisher owing the Fisher Company approximately \$249,621.51. Inasmuch as Mr. Fisher owned all of the stock of the corporation, he was in reality, and to all intents and purposes, owing himself money.

The books of The Alton Beach Realty Company show Carl G. Fisher indebted to that corporation in the amount of \$407,862.72. As The Carl G. Fisher Company owned all of the stock of The Alton Beach Realty Company, it is relatively the same as that of Mr. Fisher's account with The Carl G. Fisher Company, namely, this amount was in reality owing to himself.

The Waterside Realty Corporation's books show that Carl G. Fisher is indebted to that corporation for approximately \$211,513.11. The Carl G. Fisher Company owned all of the stock of the Waterside Realty Corporation. Therefore, this account is in the same category as that of the Carl G. Fisher accounts on the books of The Carl G. Fisher Company and The Alton Beach Realty Company. The Alton Beach Realty Company has a paid in surplus of \$1,062,503.33, which represents funds advanced by Carl G. Fisher personally to The Alton Beach Realty Company in prior years.

It is suggested that the re-organized company shall assume all the present obligations of The Carl G. Fisher Company, at least to the extent of assuming responsibility for the settlement of any and all just claims, whatever they may be, so that Mr. Fisher will be relieved of any actual or personal responsibility, if any there may be; such settlements to be determined by the Board of Directors, in the same manner as set forth in paragraph numbered "4th" on page 2.

Nothing stated in this memorandum is intended to take the working control or business direction of the corporation out of the hands of the holders of the majority interest of the present First Mortgage Bonds. It is suggested, however, that the holders of the majority of the First Mortgage Bonds shall elect four directors, and that Mr. Fisher and his associates shall elect three; and that full and complete control shall be vested in these directors, who may also be, if it is concluded necessary, voting trustees; or the control of the company may be left in the hands of the common shareholders, and that the choice and decision in relation to these details shall rest with the majority

in interest of the present First Mortgage Bondholders of the Montauk Beach Development Corporation, except that whether the number of directors shall be five or more, or whether the control be left in the hands of the common shareholders, Mr. Fisher's interests, so-called, shall be adequately represented on the board of directors.

It is, of course, understood that in making suggestions as to the type of the security to be issued to those supplying the new money and/or the present First Mortgage Bondholders, and in settlement of any rights which the Second Mortgage Bondholders may have, or any other just claims, etc., as have been referred to, it is not intended to pre-determine the nature and character of the security which should be issued for the respective purposes, as that can only be properly determined at the time when the details of re-organization have been worked out.

December 24, 1934.

Mr. Thomas W. Milton,
731 Covington Drive,
Detroit, Michigan.

Dear Mr. Milton:-

Mr. Fisher has requested that I write you regarding the present status of the Montauk Beach Development Corporation. He states that you desire to know particularly whether it has passed through bankruptcy, etc., for your income tax purposes.

The Montauk Beach Development Corporation was in receivership for a period of time. At the present time it is still under the jurisdiction of the Federal Court, on a petition filed under the new section of the Bankruptcy Act, which provides for reorganization of corporations that are unable to meet their obligations in full. However, strictly speaking, the Montauk Beach Development Corporation has not passed through bankruptcy and, under prevailing conditions, it would not be possible to set up a loss for income tax purposes because of any investment that you may have made in any of the securities issued by the Montauk Beach Development Corporation.

If the above does not answer your question, or there is any other information you desire, if you will let me know, I will be glad to do what further I can to assist you.

Yours very truly,

FRH:AVM

F. R. Humpage.

IN THE UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF FLORIDA

In the Matter of)
THE CARL G. FISHER COMPANY,) REORGANIZATION
a corporation,)
Debtor.)

NOTICE

To All Creditors and Stockholders of The Carl G. Fisher Company,
of Miami Beach, Florida:

You, and each of you, are hereby notified that all claims and interests of creditors and stockholders of The Carl G. Fisher Company are required to be filed and evidenced herein, in the form and manner required by the Bankruptcy Act for proving claims in bankruptcy, on or before January 23, 1935, except that parties whose claims or interests are set forth in schedules filed herein shall not be required to attach or file with proof of claim any instrument of writing upon which such claim is founded; and

You, and each of you, are hereby further notified that a hearing will be held before Hon. Halsted L. Ritter, one of the judges of the United States District Court for the Southern District of Florida, in his Chambers in the Federal Building, Miami, Florida, at ten o'clock A.M., on January 23, 1935, for the purpose of considering the proposed plan of reorganization of The Carl G. Fisher Company, submitted by said company on January 5, 1935, (which plan is on file in the office of the Clerk of said Court at Miami, Florida) and to consider such other matters relating thereto as may properly come before the Court. A copy of said proposed plan of the Debtor is attached hereto.

DATED this January 5th, 1935.

F. R. HUMPAGE

JNO A. JERNIGAN

As Trustees.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF FLORIDA

In the Matter	*	IN PROCEEDINGS FOR THE REORGANI-
of	*	ZATION OF A CORPORATION UNDER
THE CARL G. FISHER COMPANY,	*	SECTION 77B OF THE BANKRUPTCY
Debtor.	*	ACT
		#1445.

DEBTOR'S PROPOSED GENERAL PLAN OF REORGANIZATION
JANUARY 5, 1935.

INTRODUCTORY STATEMENT

The Carl G. Fisher Company is a holding company whose principal assets consist of the stock and obligations of wholly owned subsidiaries or affiliated corporations.

For some time past the corporation has not been receiving sufficient income to maintain its cash position and provide adequate working capital with which to meet its obligations. The general plan of reorganization outlined hereinafter contemplates the substitution of stock of a new corporation for obligations of the Debtor, and recognizes the absence of any equity for stockholders of the existing company, should the Debtor be required to liquidate its assets at a forced sale.

I

THE NEW CORPORATION

The new corporation will be organized under the laws of the State of Florida or of such other state as may be selected by the distributees of the stock of the said corporation, hereinafter called the "new corporation." This new corporation will issue one class of stock without par value or with such par value as also may be determined by the distributees of the stock of said corporation and in such number of shares as will permit of the distribution thereof to the ultimate holders, in convenient units.

II

GENERAL UNSECURED CREDITORS OF
THE CARL G. FISHER COMPANY

The trustees of the Debtor have recommended that general unsecured creditors of the Debtor as of October 26, 1934, aggregating \$1,218.95, be paid in full in cash. These creditors (twenty-seven in number) and such other unsecured creditors of the Debtor of the same character, if any, shall be paid in cash in full. As a group, therefore, they will not be affected by the Plan and will not be entitled to participate in the proceedings.

III

TRANSFER OF THE ASSETS OF THE DEBTOR
TO THE NEW CORPORATION TO BE FORMED

All of the assets of the Debtor will be transferred to the new corporation to be formed in accordance with the provisions of Section 77B of the Bankruptcy Act with the exception of those notes and accounts receivable which will be cancelled as hereinafter provided.

IV

GROUPS OF CREDITORS AND OTHER
PARTIES IN INTEREST

There are seven groups of creditors and parties in interest, as follows:

1. Stockholders of the debtor corporation.

2. General unsecured creditors referred to in Subdivision II hereof who will be paid in full and will not be affected by this Plan, and, therefore, will have no right to participate in these proceedings.

3. Creditors of the Debtor holding property of the Debtor as security for their debts.

4. Creditors of the Debtor holding the guaranty of The Carl G. Fisher Company for the due and punctual payment of principal and interest of the Montauk Beach Development Corporation First Mortgage and Collateral Trust 6% Gold Bonds now in default.

5. Holders of the guarantees by The Carl G. Fisher Company of the obligations of the Miami Beach Bay Shore Company and the Miami Beach Casino Company, which obligations are not in default.

6. Associated company wholly owned by Debtor.

7. State, county and city taxes, and municipal improvement liens.

V

SECURED CREDITORS HOLDING ADEQUATE SECURITY

1. Creditors of the Debtor holding property of the Debtor as security for their debts.

In this category there are five creditors:

(a) The Fletcher American National Bank of Indianapolis, Indiana, holds two past due notes bearing interest at the rate of 6% in the aggregate amount of \$118,938.33. Unpaid interest to October 26, 1934, amounted to \$4,143.01. Unpaid taxes and liens against the property mortgaged as security for these notes aggregate \$19,456.84. The present value of the security for the debt to the Fletcher American National Bank exceeds by a minimum of \$10,000 to \$35,000 the indebtedness to the Fletcher American National Bank, and, therefore, no stock in the new corporation is to be issued to said bank.

(b) The First Camden National Bank and Trust Company of Camden, New Jersey, holds a past due note bearing interest at the rate of 6% in the amount of \$40,759.55. Unpaid interest to October 26, 1934, amounted to \$1,399.07. Unpaid taxes and liens against the properties mortgaged as security for this note aggregate \$11,229.23. The present value of the security for the debt to the First Camden National Bank and Trust Company exceeds by a minimum of approximately five to twenty thousand dollars the indebtedness to the First Camden National Bank and Trust Company, and, therefore, no stock in the new corporation is to be issued to said bank.

(c) Irving A. Collins of Miami Beach, Florida, holds a past due note of the Debtor in the amount of \$2500 secured by five shares of Miami Beach Bay Shore Company stock. The value of the stock held by him as security is considered adequate and, as a result, further provision need not be made in respect to the indebtedness to him, and, therefore, no stock in the new corporation is to be issued to him.

(d) The Evening News Publishing Company of Dayton, Ohio, assigned its claim to James M. Cox, who has accepted the conveyance of the property covered by the mortgage in full satisfaction of the debt, the same having been approved by Court order of December 14, 1934.

(e) Montauk Beach Development Corporation, of Montauk, New York, (which is itself at present the debtor in a reorganization proceeding under Section 77B pending in the Eastern District of New York) holds a note of the Debtor in the amount of \$21,496.46. This note is secured by a mortgage on improved property at Montauk, Long Island. This mortgage is now held as collateral by the Bankers Trust Company of New York, as Trustee of the First Mortgage and Collateral Trust 6% Gold Bonds of Montauk Beach Development Corporation. The present value of the mortgaged property exceeds by a minimum of approximately five to twenty thousand dollars the amount of the indebtedness, and, therefore, no stock in the new corporation is to be issued to said Development Company or said Trust Company.

2. Creditors of the Debtor holding no property of the Debtor as security, but otherwise adequately secured.

The Carl G. Fisher Company guaranteed obligations of the Miami Beach Bay Shore Company and Miami Beach Casino Company aggregating \$399,500. These obligations are adequately secured by improved real estate and current appraisals show that each indebtedness is well protected both as to the value of the property and its earning capacity. None of the obligations are in default and the soundness of the financial position of the direct obligors is indicated by the fact that the original amount of these obligations aggregated \$766,000, which has been reduced through the period of the business depression to the current amount of \$399,500, and that no default exists thereon. As a result, no stock in the new corporation need be distributed in respect to these guarantees.

VI

ASSOCIATED COMPANY CREDITOR WHOLLY OWNED BY DEBTOR

The Debtor's wholly owned subsidiary, The Alton Beach Realty Company, is a creditor on open account of the Debtor in the amount of \$2,716,069.29. The Alton Beach Realty Company, as of May 31, 1934, had a surplus of over \$4,000,000. This account payable, therefore, may be extinguished by an appropriate recapitalization of The Alton Beach Realty Company which would give effect to the fact that the \$2,716,069.29 account payable of the Debtor to The Alton Beach Realty Company in effect constitutes repayment in part by The Alton Beach Realty Company of the \$3,456,376.45 cost to the Debtor of the stock of The Alton Beach Realty Company having par value of \$500,000.

VII

STATE, COUNTY AND CITY TAXES AND
MUNICIPAL IMPROVEMENT LIENS

Prior to the institution of these reorganization proceedings, the Debtor owed state, county and city taxes and municipal improvement liens, aggregating \$27,214.55. To the extent that such taxes constitute prior liens on real estate not affected by the reorganization proceedings, they will be paid in full. These obligations will be paid out of the individual properties upon which they constitute liens, or else will be paid in cash, and no provision need be made for the distribution of stock in respect to these claims.

VIII

MONTAUK BEACH DEVELOPMENT CORPORATION
DEBT TO THE CARL G. FISHER COMPANY

According to the books of The Carl G. Fisher Company, the Montauk Beach Development Corporation is indebted to it on notes in the amount of \$1,120,323.18, and on open account in the amount of \$51,763.49. This indebtedness is disputed by the holders of the Second Mortgage Bonds of the Montauk Beach Development Corporation. Since the Montauk Beach Development Corporation is itself the Debtor in reorganization proceedings under Section 77B pending in the Eastern District of New York wherein the largest creditors of The Carl G. Fisher Company are likewise the largest creditors, this debt will be extinguished as part of the general Plan.

IX

ACCOUNT OF CARL G. FISHER ON
BOOKS OF THE DEBTOR

There is shown on the books of the Debtor an indebtedness of Carl G. Fisher to the corporation in the sum of \$705,171.63. Of this amount \$458,500 is shown as a transaction whereby 4585 shares of stock of the Carl G. Fisher Company were issued to Carl G. Fisher at a time in 1925 when he already owned all of the issued and outstanding stock, and which transaction, therefore, did not in any material way affect his interest or ownership. The remaining \$246,671.63 is carried on the books of the Debtor as an open account, the validity of which is

denied by Carl G. Fisher who asserts that it arose in the course of the conduct of the business of the Debtor and should properly have been charged to the Debtor's operating expense. Whatever the legal liability of Carl G. Fisher might be growing out of these transactions, his financial condition is such that any legal liability established against him would be largely, if not entirely, uncollectible. The benefits accruing from his cooperation with the new corporation are believed to far outweigh the advantages, if any, in attempting collection through legal methods. In addition to the above consideration, attention is called to the fact that The Carl G. Fisher Company made cash advances to the Montauk Beach Development Corporation to the extent of \$1,120,000, plus interest, before the Montauk Beach Development Corporation went into receivership. Whatever the legal liability of Carl G. Fisher might be growing out of these transactions, the same is to be extinguished as part of the general Plan.

X

MANAGEMENT OF THE NEW CORPORATION
TO BE FORMED

The new corporation to be organized shall consist of a Board of Directors of not less than five or more than nine. Its by-laws shall provide that major financial matters as well as the corporation's general policy shall be determined by an executive committee to consist of five members.

The value of Carl G. Fisher and F. R. Humpage to the enterprises with which their names have been associated has been generally recognized. In order to assure to the new corporation to be formed the benefits of the continued association of Carl G. Fisher and F. R. Humpage with the enterprises conducted by The Carl G. Fisher Company, the new company shall, soon as organized, enter into a ten-years employment contract with Carl G. Fisher engaging his services as General Manager of the new corporation and associated companies at a salary of \$1000 per month, and shall, soon as organized, enter into a ten-years employment contract with F. R. Humpage engaging his services as Assistant General Manager of the new corporation and associated companies at a salary of \$500 per month. These employment contracts have not been worked out in every particular but will be worked out in every particular and submitted, as part of the Plan, at the hearing to be held for the purpose of considering the fairness of this Plan.

XI

DISTRIBUTION OF STOCK OF THE NEW
CORPORATION TO BE FORMED

(a) The Miami Beach Bay Shore Company is a creditor of the Debtor on open account in the amount of \$7,559.46, and, therefore, is entitled to receive from the new corporation to be formed the proportion of its entire capital stock as this amount of debt bears to the aggregate amount of debt of The Carl G. Fisher Company, and is thus receiving pari passu treatment with other creditors entitled to participate in the distribution of the stock of the new corporation to be formed.

(b) The Carl G. Fisher Company guaranteed the payment of principal and interest on the First Mortgage and Collateral Trust 6% Gold Bonds of the Montauk Beach Development Corporation. As of October 1, 1934, The Carl G. Fisher Company, the Debtor, was obligated to pay \$2,741,000 principal and \$472,240 interest, aggregating \$3,213,240, by such contract of guaranty. In respect to this obligation, the new corporation to be formed will issue such proportion of its entire capital stock as this amount of debt bears to the aggregate amount of debt of The Carl G. Fisher Company which will be entitled to receive stock in substitution for such debt.

(c) When the new corporation is formed, 75% of the stock of the new corporation which is issued in respect to the guarantee of The Carl G. Fisher Company of the First Mortgage and Collateral Trust 6% Gold Bonds of the Montauk Beach Development Corporation will be placed with a trustee or a holding company; 25% of the stock of the new corporation which is issued in respect to the said guarantee of The Carl

G. Fisher Company will be held by a committee to be composed of two persons selected by the Protective Committee for the First Mortgage Bonds of the Montauk Beach Development Corporation and one person to be selected by Carl G. Fisher, to be used in whole or in part if and as required, for reorganization purposes, such as a bonus to accompany the new money which may be required, remuneration to the Committee, expenses, etc.: any remainder thereof, however, to be transferred to the trustee or holding company, in this paragraph mentioned, after completion of the reorganization at Montauk. 80% of the stock of the holding company (or 80% of the stock held by the trustee if a holding company is not used) shall be issued directly to the said Protective Committee to be held by it for the accounts of the individual first mortgage bondholders, and the remaining 20% shall be issued directly to Carl G. Fisher, who is the owner of all the outstanding stock of the Debtor.

(d) Pending the effectuation of the reorganization Plan for the new corporation, all of the stock of the new corporation to be formed in connection with the reorganization of the Debtor will be held in trust by Messrs. F. R. Humpage and Jno. A. Jernigan for the account of the ultimate beneficiaries.

XII

CONTEMPLATED REORGANIZATION OF MONTAUK BEACH DEVELOPMENT CORPORATION

When the necessary capital for reorganizing Montauk can be obtained, it is contemplated that a security equal in face value to the present First Mortgage at Montauk, plus interest (now in default as heretofore mentioned), shall be issued for the account of the present First Mortgage bondholders at Montauk; provided, however, that this new security at Montauk shall be reduced from time to time by the amount realized and collected by the holder of First Mortgage bonds out of the stock of the new corporation up to but not exceeding one million dollars. Junior to this security, it is planned to issue a preferred stock or some security equal in face value to the present existing \$1,000,000 Second Mortgage debenture, plus interest (which is now in default at Montauk), to the account of the present Second Mortgage bondholders. It is also planned that, after providing the securities needed to raise the new money and provide for the old first mortgage bondholders and the old second mortgage bondholders (as mentioned above) any equity remaining shall be issued, 80% for the account of the old first mortgage bondholders, and 20% for the account of Carl G. Fisher.

It is understood that the proposed plan outlined in the next preceding paragraph is not a part of the plan of reorganization of the Debtor, but the present contemplated program for Montauk is set forth as information for the benefit of all parties interested in the Debtor's reorganization.

XIII

COSTS AND EXPENSES OF ADMINISTRATION

All costs and expenses of administration and other allowances made by the Court will be paid in cash.

CONCLUSION

The essence of this Plan is an economical and speedy reorganization of the present Carl G. Fisher Company through which a new corporation will be formed which would be in a position to carry on efficiently the business in such a way that it is hoped that all creditors of the old company can be paid and the operation of the new corporation contribute to the general welfare of the community in which the corporation will conduct its affairs.

Respectfully submitted,

THE CARL G. FISHER COMPANY, Debtor,

By F. R. HUMPAGE
Vice-President.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF FLORIDA

In the Matter
of
THE CARL G. FISHER COMPANY,
Debtor.

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IN PROCEEDINGS FOR THE
REORGANIZATION OF A
CORPORATION UNDER SECTION
77B OF THE BANKRUPTCY ACT
No. 1445

PROOF OF INTEREST OF CARL G. FISHER, STOCKHOLDER
IN THE CARL G. FISHER COMPANY

At Miami Beach, Dade County, Florida, in said District,
on the _____ day of January, 1935, came CARL G. FISHER of
Miami Beach, Florida, in said District of Florida, and made oath
and said that The Carl G. Fisher Company filed, on the 19th day
of October, 1934, a petition herein for reorganization under
Section 77-B of the Bankruptcy Act; that at and before the filing
of said petition the deponent was and still is the owner of 35,000
shares (of the par value of \$100 each) of the common stock of The
Carl G. Fisher Company, which stock stands on the books of The
Carl G. Fisher Company in his name; that, also, at and before the
filing of said petition the deponent was and still is the owner of
5000 additional shares (of the par value of \$100 each) of the com-
mon stock of The Carl G. Fisher Company which stock has been
pledged to Robt. H. Tyndall, trustee, to secure the payment of
\$1000 per month to Margaret C. Fisher, deponent's wife, and stands
on the books of The Carl G. Fisher Company in the name of Robt. H.
Tyndall, trustee.

That this proof of interest of stockholder is filed and
presented herein in response to notice received by deponent and
addressed to all stockholders and creditors of The Carl G. Fisher
Company notifying them that all claims and interests of creditors
and stockholders of The Carl G. Fisher Company are required to be
filed on or before January 23, 1935.

Handwritten notes:
I have filed this proof of interest
for the Carl G. Fisher Company
No. 1445
J. H. [unclear]

Stockholder of
The Carl G. Fisher Company.

Subscribed and sworn to before me this _____ day of
January, 1935.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF FLORIDA

In the Matter

of

THE CARL G. FISHER COMPANY,

Debtor.

IN PROCEEDINGS FOR THE
REORGANIZATION OF A
CORPORATION UNDER SECTION
77B OF THE BANKRUPTCY ACT

No. 1445.

PROOF OF INTEREST OF CARL G. FISHER, STOCKHOLDER
IN THE CARL G. FISHER COMPANY

At Miami Beach, Dade County, Florida, in said District,
on the 23rd day of January, 1935, came CARL G. FISHER of Miami
Beach, Florida, in said District of Florida, and made oath and said
that The Carl G. Fisher Company filed, on the 19th day of October,
1934, a petition herein for reorganization under Section 77B of the
Bankruptcy Act; that at and before the filing of said petition the
deponent was, and still is, the owner of 35,000 shares (of the par
value of \$100 each) of the common stock of The Carl G. Fisher Com-
pany, which stock stands on the books of The Carl G. Fisher Company
in his name.

That this proof of interest of stockholder is filed and
presented herein in response to notice received by deponent and ad-
dressed to all stockholders and creditors of The Carl G. Fisher Com-
pany, notifying them that all claims and interests of creditors and
stockholders of The Carl G. Fisher Company are required to be filed
on or before January 23, 1935.

Carley Fisher

Stockholder of
The Carl G. Fisher Company.

Subscribed and sworn to before me this 23rd day of
January, 1935.

Lorlyn Ellis

Notary Public, State of Florida at Large
My Commission Expires July 10, 1938

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF FLORIDA
AT MIAMI

In the matter of *
THE CARL G. FISHER COMPANY, * PROCEEDINGS FOR REORGANIZATION
Debtor. * UNDER SECTION 77-B OF THE
* BANKRUPTCY ACT
*

DEBTOR'S AMENDMENT TO ITS PROPOSED PLAN
OF REORGANIZATION DATED JANUARY 5, 1935

The Carl G. Fisher Company proposes that its proposed plan of reorganization, dated January 5, 1935, and filed herein on the same date, be amended so as to include the following provisions:

1. After the confirmation of this plan of reorganization, 1.7871 per cent of the stock of the new corporation to be formed shall be delivered to such escrow agent as Irving A. Collins, or any vice-president of Miami Beach Bay Shore Company, a Florida corporation, may direct in writing, to be held subject to the terms and conditions of the annexed copy of the Fletcher American National Bank of Indianapolis, Indiana, escrow agreement.

2. After the confirmation of this plan of reorganization, .5957 per cent of the stock of the new corporation to be formed shall be delivered to The First National Bank of Miami, Florida, or such other escrow agent as the First Camden National Bank & Trust Company may direct in writing, to be held subject to the terms and conditions of the annexed copy of the First Camden National Bank & Trust Company escrow agreement.

3. The order confirming this plan shall adjudicate that the presently existing liens of the Fletcher American National Bank, and the First Camden National Bank & Trust Company continue unimpaired upon the properties covered by the mortgages which they hold, but that the Debtor be discharged of any obligation whatsoever in respect to the notes held by said banks.

4. The claim of A. Frank Katzentine, attorney, against the Debtor for legal services rendered to the Debtor prior to the time of filing the proceeding for reorganization of the Debtor, amounting to the sum of \$500.00, shall be paid in cash.

5. F. R. Humpage, who has a claim against the Debtor for services rendered to the Debtor prior to the filing of this proceeding for reorganization of the Debtor, amounting to the sum of \$15,011.68, shall receive from the new corporation to be formed the proportion of its entire capital stock as this amount of debt bears to the aggregate amount of debt of the Debtor, for which stock in the new corporation is to be issued.

6. Nathan Kroll, by virtue of two certain levies, made under two certain writs of attachment on claims for \$5,150.00 and \$12,360.00, respectively, issued by the Supreme Court of New York on November 21 and December 20, 1933, respectively, upon certain real estate of the Debtor located at Montauk, New York, claims to have acquired a lien for such claims on said property. The Debtor has denied the validity of the asserted liens, and it is proposed that the order confirming the plan of reorganization provide that the injunction against Mr. Kroll's continuation of his suits be continued until after a hearing before this court to determine whether the validity of such liens should be tested in such court or the New York courts. Sufficient stock of the new corporation will be authorized to provide for the issuance of stock to Kroll pari passu with the other holders of the bonds of the Montauk Beach Development Corporation guaranteed by The Carl G. Fisher Company should the asserted liens be held invalid. Since the validity of such asserted liens will not be impaired by the plan of reorganization no special treatment thereof is necessary.

IN THE DISTRICT COURT OF THE UNITED STATES

SOUTHERN DISTRICT OF FLORIDA.

No. 1445.

IN THE MATTER :

of :

REORGANIZATION.

THE CARL G. FISHER COMPANY, :
a corporation, :

Debtor. :

NOTICE

To All Creditors and Stockholders of, and all other parties interested in, The Carl G. Fisher Company, of Miami Beach, Florida.

YOU ARE HEREBY NOTIFIED that a meeting will be held before the Honorable Halsted L. Ritter, Judge of the above entitled Court, at ten o'clock A. M. on the 10th day of May, 1935, in the New Federal Building, Miami, Florida, for the following purposes:

(a) To hear and consider the sufficiency of any and all acceptances and assents to the Debtor's proposed plan of reorganization, dated January 5, 1935, as amended.

(b) To hear and consider motions to confirm said proposed plan of reorganization as amended, and to declare the plan operative.

(c) To hear and consider all applications for allowances.

(d) To hear and consider any other matters which may properly come before the Court.

This notice is given in pursuance of order of the Court entered in the above matter on the 12th day of April, 1935.

DATED this 22nd day of April, A. D. 1935.

F. R. HUMPAGE

JNO. A. JERNIGAN

Trustees.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF FLORIDA.

No. 1445.

IN THE MATTER :
of : REORGANIZATION
THE CARL G. FISHER COMPANY, :
a corporation, :
Debtor. . . :

NOTICE

To All Creditors and Stockholders of The Carl G. Fisher Company, of
Miami Beach, Florida:

YOU, AND EACH OF YOU, are hereby notified that on the 3rd day
of May A. D. 1935, at ten o'clock A. M., or as soon thereafter as the
matter may be heard, the undersigned as Trustees of The Carl G. Fisher
Company, appointed by the Court in the Above matter, will apply to the
Honorable Halsted L. Ritter, one of the judges of the United States
District Court for the Southern District of Florida, in his Chambers
in the New Federal Building, Miami, Florida, for an order authorizing
the undersigned Trustees to sell at private sale certain properly be-
longing to the Debtor, known as the El Mar Apartments, situated in
Dade County, Florida, and described as follows:

Lots One (1) and Three (3) of Block "C" of the Miami
Beach Improvement Company's Ocean Front Property,
according to the Plat thereof recorded in Plat Book
2 at page 47 of the Public Records of Dade County,
Florida, together with the buildings and improve-
ments known as the El Mar Apartments, and a small
amount of furniture and fixtures therein contained
and belonging to said building;

said sale to be at a price of Forty-two Thousand and Seven Hundred Fifty
(\$42,750.00) Dollars cash, and free from the lien of the mortgage of
the First Camden National Bank, and all other liens.

DATED this 22nd day of April, A. D. 1935.

F. R. HUMPAGE

JNO. A. JERNIGAN

As Trustees.

THE CARL G. FISHER COMPANY

MIAMI BEACH, FLORIDA

U. S. A.

May 27, 1935.

Mrs. Carl G. Fisher,
Montauk, Long Island, N.Y.

My dear Margaret:-

I have had several talks with Lowry Wall. As I told you in a previous letter, he had not written to Uncle Vic on the day that he promised he would write him, but he subsequently did so; and he informed me today that Uncle Vic would loan up to \$30,000 as a construction loan, until the building had been completed, at which time Lowry says the Bank will advance the funds necessary to pay off Uncle Vic, and will take a mortgage for like amount.

Lowry also told me that Uncle Vic would require a 2% bonus on the amount advanced - in other words, if he advances you \$30,000, he would require \$600 bonus, plus interest at the rate of 6%.

I was very much interested to note that the "real-estators" have, for the moment, deserted the happy hunting ground at Miami Beach and are so-journing in New York and are offering rather strenuous competition in the matter of securing rentals of buildings to be erected on Lincoln Road.

Every now and then there is a little flurry but it is not very lasting. Some days, three or four people come in and inquire about prices on real estate; and then there is a lull which sometimes extends for a week or ten days. Of course, if these fellers had not made some commissions down here this winter, they could not take a trip to New York, so we will have to assume that they are actuated, first, by a desire to see the bright lights and, secondly, to make enough in commissions to pay for their good times while they are there. I don't much blame them for wanting to get out of here for at least a few days, because it certainly has been beastly hot. Carl secured a thermometer as a present from some Title Company over in Miami; put it out in the yard, and the first thing he knew, it blew up. The maximum reading on the thermometer was 120 degrees. I charged both him and Garrett with having put a match to it, but they both insist that that was just how hot it was out in your back yard by the garage. If I had not heard so many big stories, I wouldn't be quite so skeptical. Garrett is getting to be as bad as Carl when it comes to telling stories. Of course, I wouldn't want to have it said that I thought they exaggerated, but it very closely approaches that.

Carl showed me a letter which he received from you the other day, showing a broom, clothes out on the line, and you shaking the rugs. It wasn't necessary to have any printed matter by way of explanation. Just like going to one of the silent moving pictures.

You speak of having to pay \$1.00 an hour for having some painting done, but that does not seem to be out of line with what

5-27-35.

they are charging here for the same character of work. I hope you don't have to pay the gardener and general roust-about that much per hour.

Frankie told me last night that you had written her, and I judged she was going to answer quite promptly. I am not sure but that she told me she had immediately written you.

Fred Sanders was in this morning, and claims he has some prospects for your building. I told him all about it and sent him down to look over the plans in Zurwelle's office, and he is coming in again tomorrow to see me.

Sorry I did not know about your wishing to have the check from the Committee of One Hundred deposited to your credit here at the Beach. By now you will have received it, as I sent the check on to you several days ago.

I am sending herewith some mail which Garrett has handed to me; also a couple of bills - one from the Florida Power & Light Company, for \$13.96, and the other from the People's Gas Company for \$9.41; both of these bills being for period ending May 31st and May 23rd, respectively. I am also enclosing a bill which W. C. Whorrall, garageman, has sent in here, amounting to \$22.18, for work which he did on your Hudson car last January. He has asked that check be sent him promptly as he needs the money.

Conditions generally, and in particular, are about the same - not much change since you left.

As you will recall, a hearing was to be held on May 24th in regard to the reorganization of The Carl G. Fisher Company. At the last minute and just before we went into court, they sprung two surprises: One was a bill of the Bondholders Protective Committee, the amount of which I questioned. Of course that started a row. My strongest objection was raised because they asked me to accept stock for what was owing me, but were going to pay themselves in cash. Well, as to that, they have agreed to pay me a portion in cash of what is owing me. I am still arguing with them that I should be paid in the same manner as they are; my claim being of longer duration and covering services actually rendered over a period of three years; and there is no reason why I should not receive, as they have asked for, a cash payment in full for services rendered, and that bill of mine nowhere near covers what it has cost me, not only as regards earning capacity but also money which I am actually out of pocket because of having paid, for a long period of time, the Company's expenses out of my own pocket.

The second flare-up occurred when, in setting out what was to be done with the 25% of stock reserve for the purpose of re-financing Miami Beach and Montauk, they set it up in such a way that

5-27-35.

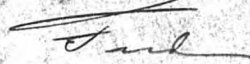
a committee of three was to be entrusted with the decision as to what portion should be used for re-financing, and what portion for payment of expenses of the Bondholders Protective Committee, and other things of like nature; and stipulating that a majority vote of the committee must be final. Hopkins and Jernigan were to be two of the committee, and I the third member. With that set-up, they might just as well not invite me into any of their meetings, because what I might offer would not amount to anything, as they could out-vote me. I argued that instead of stating that the majority vote should be final, to insert in its place a clause to the effect that the distribution of this 25% of stock should be subject to the approval of the court; and that they seriously objected to, and we, on the other hand, are now standing absolutely firm in that respect. The more they fight against it, the more convinced we are that they have something up their sleeve and that it is not entirely "according to Hoyle", because, if it were, they certainly would not object to the court's passing on it. If their intentions are absolutely straightforward and honest, then they could not properly object to a review by the court. So, the hearing has been adjourned from day to day, until either one or the other of us give in, or some mutually satisfactory plan or compromise may be effected.

From all that they tell me, you are having pretty cold weather up there. I hope you will watch out and not take cold; which you are likely to do if you are nearly as energetic as you appear to be, - as indicated in the picture on Carl's letter - and then stand around and cool off quickly.

This is quite a lengthy epistle but I thought I would have a little visit with you at the close of the day.

With best wishes and hoping that the worst of your house cleaning is over and that you will get at least one good tenant who is willing to pay a fair price for a season's lease, I am

Sincerely yours,



FRH:AVM
Enclosures

IRVING A. COLLINS

MOORESTOWN, N. J., AND MIAMI BEACH, FLORIDA

MEMO TO Mr. Carl G. Fisher
FROM I.A. Collins

DATE June 7, 1935
SUBJECT _____

Dear Carl:

I was delighted to receive your letter of May 31st, forwarded to me at Osterville where I was spending a few days at golf and recreation. It is a good thing to travel around once in a while, to see how the other fellow does, and the Oyster Harbor Club where I stopped had nothing on us.

I am delighted to know that the building is progressing at Miami Beach and other localities and I am surprised to learn that there are not any speculative houses for sale in any amount. I am wondering did those five houses sell that were built in Lake View by Mr. Peters and two or three others in that locality also.

I received your letter of June 3d on my return and note the progress of building, such as clubs, etc. and we will have to renovate our hotels and clubs to keep in competition and money wisely spent can bring good results. The planting of trees and shrubs on La Gorce and Allison Island will undoubtedly pay for the expense. Wish you would go over this with Hoerger and give him your ideas and if I should happen to miss you he can convey them to me and if the money can be raised we can go ahead and do it. I still hope that you will be there when I get there about the 21st of June. I note you are sticking around and hope your efforts will be successful in selling the Lincoln Hotel.

I have had nothing from Humpage in reference to the reorganization effectiveness. Many items of procedure will depend on the reorganization set-up and until that is arranged I cannot bring my mind to any decision about several items. Their cooperativeness will make that decision workable.

The matter of painting the cottages at the Nautilus will be a good idea, but I am afraid your estimate of \$50.00 per cottage is too small. The color scheme should be fresh and of a nature to be pleasing to the eye.

Looking forward to seeing you and hoping to hear from you again, with many kind regards, I am

Yours very truly



IAC:FEC

Tommy Milton
BEVERLY HILLS, CALIFORNIA

751 Covington Drive,
Detroit, Michigan.
June 8th., 1935.

My dear Skip:

Several days ago I came upon the letter you sent me some weeks ago requesting that I get some spark plugs for your marine engine. I am terribly sorry to have been so delinquent in the matter but it is true that the letter got misplaced and I came upon it only by accident. You will have received the plugs by this time and I hope they are satisfactory.

Since leaving Packard Van has had two damn clever ideas that we have been trying to put through with our very limited capital but we have reached a point where we must have some additional help and I am writing you with the idea that you may be able to suggest the best method of going about it.

The inventions we have are items which can be sold for a very small sum and at a price lower than manufacturers are now paying for devices to perform similar functions and they do a much better job. I think there is no question that there is a ready market for the items we have and I think it very probable that Ford as well as the

June 8 1935

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Tommy Milton
BEVERLY HILLS, CALIFORNIA

other low price car makers would be very interested
The money making possibilities of the inventions are
very great indeed and we do not need a great deal of
money to see them through.

Two substantial companies are now engaged in making
samples and otherwise investigating the proposition
but in the meantime we have to eat and it will be at
least six and perhaps twelve months before we can hope
to have any income from the royalties. Incidentally
we are thinking of royalties in terms of one or two
pennies per unit which as you know better than I adds
appreciably to the soundness of the patent situation.

We will need ten to fifteen thousand dollars to see
the thing through and for which amount we would like
to give an equity of ten to fifteen percent. We do
not need the money all at once but would like to have
our backer put the money in escrow to be drawn upon at
the rate of \$1000 per month.

Bob Stranahan of the Champion Co., has agreed to under-
write us to the extent of \$500 a month for twelve months
and does not want any equity in the business. There
ar'nt many fellows like Bob around the woods any more.

I am so sold on the proposition that I am terribly anx-
ious to get the necessary financing so I can quit Packard

June 8 1935

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Tommy Milton
BEVERLY HILLS, CALIFORNIA

and devote my time to the rapid development of our proposition.

Do you know of anyone that you think would be interested in such a venture? You know a great many people with money and I know that many of them have a lot of confidence in your judgement and it may be that you could help us locate a backer.

Until such time as we get set I would rather Colonel know nothing about the matter at all so please treat it rather confidentially. It is no deep secret at all but I don't want a coast-to-coast broadcast either.

I am taking a chance on sending this to Florida and I hope it reaches you there as we are getting hard put for cash and I shall look forward to your valued suggestions.

With kindest regards to yourself and Margaret, I am,

Sincerely

Tommy Milton

*Excuse stains - dropped my pen.
Don't want rewrite letter at the
time. TM.*

THE CARL G. FISHER COMPANY
MIAMI BEACH, FLORIDA
U. S. A.

June 15, 1935.

Mrs. Margaret C. Fisher,
Montauk, L.I., N. Y.

Dear Margaret:-

I am sorry that I have not had a chance to write you more frequently or to answer your letters more promptly. As a matter of fact, I have had really more than I could well attend to, even working over time. These conferences, discussions, arguments, etc. with the Montauk Bondholders Committee, their counsel, etc., takes up a lot of time.

I went over to Calkins' office this morning at 11 o'clock and didn't leave there until after 1:30, and was over there yesterday afternoon until after 5, - and this will give you some idea of how much time, effort, etc. I am devoting to this one job, to say nothing about 15 or 20 other jobs which have been thrust upon me. To be perfectly honest, I am about worn down and out, for the weather and conditions here are not conducive to good health or happiness. It is hot, rainy, and plenty of mosquitoes.

As you perhaps know, Carl hasn't been feeling very well. In fact, for the last week or more it was necessary to have a nurse in attendance, and Dr. Walker called two and three times a day; but he is now feeling much better. The nurse has left and there is no need for Dr. Walker's attendance. Today Carl and Garrett are taking an automobile trip, headed for the West Coast. He was in the office for awhile this morning, and then started on the trip. They expected to be back by 7:00 this evening, but I am afraid they won't get to the West Coast and back by that time.

I wrote you, among other things, that I was having a great deal of difficulty in getting the Bondholders to agree to allow the Court to approve the distribution of the 25% of stock of the new corporation to be formed, to be distributed subject to the approval of the Court. They wanted it left so that a committee composed of Lindsey Hopkins, Jernigan and myself should have absolute control, and the final say as to the distribution of this 25%. As I was the minority member of this committee, it goes without saying that they could use steam roller tactics and I wouldn't have anything to say about what was done. Rather than leave it this way, I insisted that everything done by the committee be approved by the Court. Well, they have made this concession: That any of the 25% that is used in connection with The Carl G. Fisher Company is to be ~~passed on~~ by the Court here; and whatever portion is used by Montauk is to be passed on by the Judge of the Court in Brooklyn. We have not agreed to accept it as it stands. We are still insisting on further protection, and particularly do we insist that Judge Ritter shall supervise the distribution of the entire 25%. We may make further concessions in order to get this job done, but that is where we stand at present.

Another matter of serious concern to me has been Carl's indebtedness to The Alton Beach Realty Company and the Waterside Realty Corporation. This indebtedness on the books amounts to something over \$600,000. In could not be directly incorporated in the reorganization plan of The Carl G. Fisher Company, but as we are about to ask the Court for final approval of the plan, I felt we should have something more than just a promise of the Bondholders Committee that they would wipe this out when and as they acquire control of the reorganized Fisher Company; so I started a fight on this, on the theory that inasmuch as The Alton Beach Realty Company and the Waterside Corporation were wholly owned by The Carl G. Fisher Company and that they were in reality an integral part of the Fisher Company, and being wholly owned subsidiaries, they were part and parcel of the whole reorganization proceedings and should be included. I even went to the extent of stating that if they were not willing to include these items and have them extinguished in these proceedings, that I would ask that The Alton Beach Realty Company and the Waterside Realty Corporation file a petition in the Court under this new Act, and make them a part of these proceedings, because I found a section in the Act which is applicable.

Anyway, to make a long story short - we have come to an agreement and it is now expected that on Monday there will be filed with the Court a petition for permission to amend the plan. For your information I am enclosing copy of that petition so that you can see that the total amount of Carl's indebtedness to all Companies, totalling something like \$1,300,000, will (if there are no serious objections at the hearing to be held in about ten days or two weeks), by order of the Court, be included in the plan of reorganization and will be automatically wiped out and extinguished, as and when the reorganization takes effect.

This is Saturday afternoon and we are all working here, and I don't know if I am going to be able, with the other things that I just must do, to write you as completely as I would like regarding other matters, particularly the question as to what, in my opinion, is desirable for you to do regarding the building on your Lincoln Road property, etc., but if I don't do so this afternoon, I will surely write you on Monday.

I have collected a lot of information and data regarding rents being asked by others, and it is my intention to write you a rather lengthy epistle, outlining all these facts so that you may have complete information at hand to assist in making a decision as to what you should do as regards erection of the building, etc.

May I suggest that if you have not already done so, that you immediately secure from sources there (and by "there" I mean in New York) some idea of what it will cost to air condition your building and install elevators. I find there is a very decided tendency on the part of those who are looking for places to rent, to go to the building which is air conditioned and where there is elevator service.

Mrs. M. C. Fisher -- 3.

6-15-35.

If I am correctly informed, they are getting very good rents in the new theater building, which is now under construction, and they are able to secure a higher rental because this building is going to be air conditioned and have elevator service.

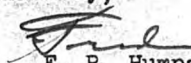
Dr. Walker told me the other day that he and other physicians associated with him are going to occupy a very large portion of the third floor of the theater building; and I understand that ~~the~~ space is pretty well sold.

The Carrier Company are the best ones to get in touch with regarding air conditioning. They have had more experience and have a better reputation for installing satisfactory equipment than any other that I have heard of or know about. I am sure they have a New York office. Also I am sure that the Otis Elevator Company have a New York office. There is another elevator outfit known as the A.B.C. But Otis seems to have the edge down here and, as you know, maintain a very good service outfit.

After this letter is dictated, it has to be written, so, borrowing a trite saying from Lowell Thomas, I will close with "So long until tomorrow" or Monday.

With kindest regards, I am

Sincerely,


F. R. Humpage.

FRH:AVM
Enclosure

June 18, 1935.

Mr. Thos. W. Milton,
731 Covington Drive,
Detroit, Michigan.

Dear Tommy:-

I have yours of the 8th. Like yourself, I have been very busy and have had your letter all this time up at the house, in one of my coat pockets.

We have laid up the boat for the season. I couldn't see my way to get it to Montauk. I suppose the spark plugs have come in, although I haven't seen the bill.

I am having sent to you, for you and Van, a couple of thermometers. These little things have caught on enormously, and we are thinking about ordering about 20,000 of them for souvenirs from our hotels this winter. We always give souvenirs of some kind, and there is nothing as clever and clean-cut as this little thermometer. It is made out in Indiana. They charge 28¢ apiece for them. I don't know what they will charge for them in large lots.

I would like to be on those ideas that you and Van have -- win, lose or draw.

I think Bendix is sort of an easy sucker for buying all sorts of patents and ideas nowadays, and I think he has extra money to do it with. Outside of Bendix, I cannot think of a soul at this time who will put money into anything except real estate or a bank, or the old sock under the bed.

In cleaning up my affairs and the organization of the new corporation, I have turned over to them everything that I have except my clothes and the furniture in the house at Montauk and the house down here, and I am working on a salary for the new corporation. I will get 20% of the stock of the new corporation for my name and my stockholders. This I am going to put into a trust fund for my stockholders, and if Montauk pulls out, it will be worth something yet.

We have sold over a million dollars worth of property, and hotel receipts, this year here at the Beach, but it has taken all of this money to take care of back taxes and over-due interest on bonds, etc., but we are almost out of the whole here.

Unfortunately, I have to take up with the Government some income taxes of several thousand dollars; which I don't owe any more than you do, but it is a mix-up and it is long past due, and while we have had a considerable reduction from the Government, there is nothing for me to do except pay it; but I am paying it on payments, the same as you pay for a carpet sweeper. When I get this paid up, if I am still alive, I will have a salary and perhaps with the small

Mr. Thos. W. Milton -- 2.

6-18-35.

interest in stock, it will take care of me.

A complete resume of this set-up will be forwarded to all stockholders as soon as the Judge finally passes on the amendments, and as soon as the lawyers have sucked the last drop of blood they can get, which should be within the next thirty days; although we thought this same thing back in January.

I wish I were in a position to come along with you like Bob Stranahan. I think I can squeeze enough to come along with you with \$100 a month. The fact that I am with you for \$100 a month may help you, and you are at perfect liberty to tell anyone you wish, that the reason I cannot give you more than \$100 a month is because I haven't it to give, as I have other obligations. I am enclosing a check for \$100.00.

Yours,

GGF:AVM
Enclosure

CARL G. FISHER.

To amend section (c) of article XI thereof to read as follows:

XI

(c) When the new corporation is formed, 75% of the stock of the new corporation which is issued in respect to the guarantee of The Carl G. Fisher Company of the First Mortgage and Collateral Trust 6% Gold Bonds of the Montauk Beach Development Corporation will be placed with a trustee or a holding company.

25% of the stock of the new corporation which is issued in respect to the said guarantee of The Carl G. Fisher Company will be held by a committee to be composed of two persons selected by the Protective Committee for the First Mortgage Bonds of the Montauk Beach Development Corporation and one person to be selected by Carl G. Fisher, to be used in part, if and as required, for reorganization purposes, such as a bonus to accompany the new money which may be required, remuneration of the Committee, expenses, etc., of the debtor; and to be used in part, if and as required, for reorganization purposes, such as a bonus to accompany the new money which may be required, remuneration of the Committee, expenses, etc., of the Montauk Beach Development Corporation; any remainder thereof, however, to be transferred to the trustee or holding company, in this paragraph mentioned, after completion of the reorganization at Montauk.

80% of all the stock of such holding company (or 80% of all the stock of the new corporation to be formed held by the trustee if a holding company is not used) shall be issued directly to the said Protective Committee to be held by it for the accounts of the individual first mortgage bondholders, and the remaining 20% shall be issued directly to Carl G. Fisher, who is the owner of all the outstanding stock of the Debtor.

DATED this 20th day of June, 1935,

THE CARL G. FISHER COMPANY,

By F. R. Humpage
Vice-President.

THE CARL G. FISHER COMPANY

MIAMI BEACH, FLORIDA

U. S. A.

June 24, 1935.

Mrs. Margaret C. Fisher,
Montauk, L.I., N. Y.

My dear Margaret:-

Some time ago Mr. Wall called me up and said that the Miami Beach First National Bank were about to declare a dividend and that inasmuch as you were a stockholder, they wanted to know whether to send the dividend check to you or have it deposited to your credit at the Bank. I am enclosing duplicate deposit ticket, which shows that \$120.00 was credited to your Savings Account at the Miami Beach First National Bank on June 7th. Just why they credited this to your Savings Account instead of to your regular account, I do not know, unless, perhaps, you have previously issued instructions to that effect. *had the check*

I have been endeavoring to write you in answer to your letter requesting my ideas as to the desirability of your erecting a building on your Lincoln Road property.

For the last two weeks I have (as I wrote you on June 15th) been struggling with this reorganization and it has not been an easy job. At times I have been almost discouraged because of conditions. However, as a result of this work and worry, we finally arrived somewhere. Anyway, much as I wanted to, I could not write you in detail and give proper thought and consideration to your building plans, during the last two weeks. As a matter of fact, it was not until the night of June 19th that we finally wore down the opposition and obtained their agreement to do what we wanted to do.

In my letter of the 15th I advised you that we had arrived at an agreement, but, as usual, when it was written up, there were too many "ifs" and "ands" in it. It was very adroitly worded, and in the form in which they had drafted it, it was not satisfactory to me; so we had to go all over it again, and it was not until the night of the 19th that we arrived at an agreement as to just how it should be worded, particularly that portion of the plan which provided for distribution or use of the 25% of stock which was set aside for re-financing, etc. I am enclosing herewith copy of the notice sent to all creditors and stockholders, which was mailed from here on Friday evening. To the notice ~~was~~ attached copy of the proposed amendment, which not only includes the amendment to Article IX, but an amendment to Article XI, which has to do with the distribution of the 25%. If you have a copy of the original plan of reorganization, you will note the difference.

As you know, Carl left here Saturday afternoon (Garrett driving); anticipating making Jacksonville Saturday night, and to have lunch on Sunday with his old friend, Bill Anderson, in Macon. I think they rather hoped to make Port Washington today; if not, then tomorrow.

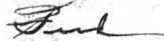
Carl kept us all exceedingly busy Saturday morning, right up to the time he left the office around 1:00 o'clock Saturday afternoon, and then left something besides for us to do in the afternoon, with the result that the three of us here worked until 5:00 o'clock Saturday evening; and we haven't yet cleaned up what has to be done. However, within the next day or two we hope to be able to see over the top.

Chase is preparing some very interesting data regarding the Lincoln Road property. Carl wanted some information one day last week which Chase wasn't able to supply, so he (Chase) has gone a little bit further than Carl suggested and is getting out some very interesting and instructive data regarding buildings on Lincoln Road, stores, rentals, etc.; one copy of which he is expecting to mail to Carl at Port Washington tomorrow, and I am deferring my answer to your letter in detail until I get this information Chase has obtained, to see how it checks up with what I have obtained from other sources. You may absolutely count on your getting a very complete letter immediately following the receipt of this letter. I am awfully sorry that there has been so much delay, but I can assure you that I have had all that I could do - in fact, considerably more; but if at the hearing which is held July 3rd there are no serious objections, it will have been worth while to have put in all the time, effort, etc., which has been put in, in securing protection by the wiping out of something over \$1,300,000 of Carl's indebtedness, which appears on the books of the three Companies. It will also prevent any possible come-back on the part of any interested parties when and as there is turned over to Carl his proportionate share of The Carl G. Fisher and the Montauk Beach Development Corporation stock. Otherwise, instead of being able to claim that he was not able to pay, with this other indebtedness unprovided for, they could very easily say that he had assets as represented by the distribution to him of his proportionate share of the reorganized Carl G. Fisher Company, etc.

I hope the weather has cleared up there and that you are now through with your house-cleaning, painting, etc., and that you have some real good prospects for the rental of the DeForrest house, and that you are now able to take a much needed rest.

With kindest regards, I am

Sincerely,



FRH:AVM
Enclosure

THE CARL G. FISHER COMPANY

MIAMI BEACH, FLORIDA

U. S. A.

June 25, 1935.

Mr. Carl G. Fisher,
Port Washington, L.I.,
New York.

My dear Carl:-

Late yesterday afternoon there was quite a serious fire at Pilkinton's Boat Yard. I am enclosing a clipping taken from this morning's Herald, which you may have seen. If not, it will prove interesting.

It states in this article that the "Shadow K" and Uncle Vic's boats were stored with Pilkinton; but, as a matter of fact, the "Shadow K" was not there, but I understand that both of Uncle Vic's boats were there, and of course the Car Ferry belonging to the Peninsula Terminal Company was there. Irv has taken Ned Purdy and gone to the Boat Yard for an inspection. He intends to write you later in the day, telling you what he saw and all that he found out.

All matters pertaining to the 49th Court house have now been cleared up. The Bill of Sale from Uncle Vic, returning the furniture to your possession, has been executed and has been sent over to the Recorder's Office for recording. The reason it was necessary to record it was because I found out that Uncle Vic had sent the Bill of Sale you gave him, to the Recorder's Office and had it recorded; so the record had to be cleared and, consequently, I have had recorded the Bill of Sale from Uncle Vic to you.

We have had transferred the water and electric light meters over to Earl, and are obtaining from the Florida Power & Light Company and City of Miami Beach the amount of deposit which you put up when the water and electric light connections were made. The total amount to be returned to you is \$35.00.

There has never been any letter written, outlining the understanding between you and Earl as to what is to take place in the event that he subsequently sells the house for a sum in excess of what he paid, plus the additional expense which he puts into the house, grounds, etc. Do you want such a letter written in duplicate; he to approve it in writing, and you to have one copy put in your files, and he to retain the other?

A letter came in yesterday from your Uncle Amos, and I am enclosing it herewith.

I also received a letter from Fred Bennett, copy of which I am enclosing. Thought you might be interested in what his prospects are.

Some little time ago you wrote a letter to the former Mrs. Frost who married a Colonel Young. We did not know just where to

mail the letter, so I wrote Charley Krom and asked for Mrs. Frost's present address, and stated in my letter to Krom that you wanted to write a short note and mention that you were well acquainted with Colonel Young.

In replying, Krom suggested that you may have confused Colonel Malcolm Young with Colonel Douglas Young. I am sending copy of Krom's letter herewith, so that you will have all the information. I am also enclosing the letter which you dictated but which, as you will note, is incorrectly addressed. On the assumption that Krom is right and that you are not personally acquainted with Colonel Malcolm Young, the enclosed letter may not suit you. If you re-write it, please do not overlook addressing it to Santa Barbara, California, and not to Evanston, Illinois.

It has rained every day since you left. In fact, it rained practically all last night, starting in at about 8 o'clock; and the mosquitoes seem to be about as plentiful as when you left.

I will keep you fully informed if anything of particular interest takes place between now and the time I leave here.

I am enclosing for your perusal copy of the notice which was sent out to all creditors and stockholders, advising of the hearing to be held on the 3rd of July, to act on the proposed amendment to the Plan of Reorganization, and while it is a fact that I showed you the original copy of these amendments as Calkins and I redrafted them, I thought perhaps you would like to have the enclosed to refer to.

As a matter of fact, in order that you may have altogether a complete file, I am enclosing the original proposal or General Plan of Reorganization, dated January 5, 1935; and an Amendment to that Plan dated March 19, 1935, and this latest Amendment above referred to. I have attached these together in their proper order, so that, if you have occasion to refer to them, you will have no trouble.

Hope you had a satisfactory trip North and arrived in good time, and that you had a very pleasant visit with Bill Anderson.

Chase hasn't gotten his data together on Lincoln Road, but hopes to have it completed some time this afternoon so that he can mail it to you tomorrow.

I notified Flinn and Jernigan that I am going ahead and complete the deal with Irv and the Miami Beach Bay Shore Company, whereby we are to pay off the Fisher Company and Alton Beach Company indebtedness to the Bay Shore Company, by transferring the Bay Front lot, above Maule's, in part payment of the debt; the Bay Shore Company also having agreed to accept the \$20,000 first mortgage which we took back on the El Mar Apartments, as part payment of that which we owe in connection with the Lincoln Cottage. Irv feels that these matters should be attended to and he would like to have it done before he leaves

Mr. Carl G. Fisher -- 3.

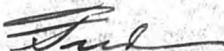
6-25-35.

for the North. I am in perfect agreement with him, and there is no reason, after having decided to do it, that we should postpone it any longer. I know you also approve of its being done now.

I am addressing this letter to you at Port Washington, on the assumption that you will be there for two or three days before leaving for Montauk.

With kindest regards, I am

Sincerely yours,



F. R. Humpage.

FRH:AVM
Enclosures

July 13, 1935.

Mr. F. E. Bryant,
Bryant & Pittman,
Olympia Bldg.,
Miami, Fla.

Dear Mr. Bryant:-

Enclosed herewith please find suggestions as to changes, additions, etc. to the By-Laws as submitted and proposed.

In one or two cases, as for instance, the matter of the seal I note you have included in the minutes of the meeting of the Board of Directors. Ordinarily this is provided for and made a part of the By-Laws and then referred to in the minutes of the meeting of the Directors, reference to same usually being under the caption "General Provisions". I do not know that it is material as to whether it appears in the By-Laws or, inasmuch as you have specifically referred to it, in the minutes of the meeting of the Directors. However, prior to looking over the proposed minutes of the meeting, etc. I had dictated my suggestions relative to some suggested additions, modifications, etc. to the By-Laws, and am not taking time to have these rewritten. What I had in mind, particularly in reference to this matter of the seal, etc., is about as follows:

The Corporate Seal of the Corporation shall be in the form of a circle, with the name of the Corporation around the border and the year of incorporation in the center, and the form impressed on the margin hereof is adopted as said corporate seal.

The Secretary of the Corporation shall be custodian of the seal, but it may be used and may be impressed on any duly authorized contract, certificate or other document by any executive officer of the Corporation.

In the last paragraph of the minutes of the meeting of the Incorporators, on page 2 I suggest that the word "or" be inserted so that this paragraph will read as follows:

"The Chairman thereupon declared the foregoing persons to have been elected to hold office until the next annual meeting of the Company and/or until their successors are elected."

On page 4 a resolution provides that checks of the Corporation be signed by the Treasurer and countersigned by J. A. Jernigan, As Secretary. I think there should be added, "or any other officer of the Corporation." Mr. Jernigan might not be available on occasions when it is necessary to issue checks of the Corporation.

July 15, 1935.

Another change which was agreed upon was in the last paragraph on page 6 of the suggested minutes. That refers to the matter of the stock to be issued to Lindsey Hopkins, Jno. A. Jernigan and F. E. Humpage, a Committee. It was agreed that this paragraph should be made to read so as to more nearly conform to the Plan of Reorganization as confirmed by the Court and as set forth in the Court Order. It seems to me that instead of attempting to outline specifically for what purpose this stock is transferred to the Committee, it is only necessary to insert that it should be held and used by the Committee in conformity with the Plan of Reorganization and as confirmed by Court Order dated July 3, 1935.

In Section numbered one, page seven, reference is made to: "the order of the Court above referred to". Wouldn't it be better rather than to use the words "above referred to", to make direct reference to the order of the Court, so that this paragraph would then read somewhat as follows: "That this Corporation do accept the terms of the Plan of Reorganization in the order of the Court dated July 3, 1935, as referred to", etc.?

That Section numbered 3, page 7 of the proposed minutes be changed to the extent of leaving out the word "subsequently" in both places where it now appears in the fourth line of section numbered three.

While it has been agreed and so stated that immediately after the organization of Carl G. Fisher Corporation has been completed and the new Corporation starts functioning, that you are to resign as President, Director and member of the Executive Committee, and that in your stead Mr. Carl G. Fisher is to be elected President, Director and member of the Executive Committee, I would appreciate a statement in writing from you to this effect. This is a precautionary measure only so that it may be made a matter of record in the event of your death, total disability, etc.

After you have read over the enclosed suggestion, if there are any items which you think should be discussed I think the matter can, perhaps, be expedited if you would be good enough to call me on the telephone.

Yours very truly,

FRH-C

F. R. HUMPAGE.

SUGGESTIONS AS TO CHANGES IN PROPOSED BY-LAWS OF
CARL G. FISHER CORPORATION.
- - - - -

1. ARTICLE I, Section 1. Stockholders Meeting.

Instead of the directors being elected specifically for the "ensuing year", it should also read "and until their successors are respectively elected and qualified."

2. It should state that the annual meeting of the stockholders should be held "at the principal office of the corporation." As it now reads, no specific place of meeting is stated.

3. The first Monday in February of each year is set for the annual meeting of the stockholders. No provision is made in the event that this particular day falls on a holiday. It should state that if said day falls on a holiday, the next following business day shall be the day on which the meeting is to be held.

4. It says that each stockholder should be entitled to one vote for each share of stock held by him. No provision is made for establishing a date of record as to the closing of the Transfer Books. There should be a statement reading somewhat as follows:

"Transfer Books of stock entitled to vote at any meeting may be closed by order of the Board of Directors for a period not exceeding thirty days next preceding such stockholders' meeting."

5. As to stockholders' meetings, provision should also be made that either by vote of the directors, or upon the demand of any stockholder, any question before the meeting shall be voted on by ballot.

6. As regards mailing of notices to stockholders: It does not state as to where the stockholders should be addressed. It should state that notices should be served on each stockholder in person, or mailed to him at his last known Post Office address, at least ten days (or two weeks) prior to the date the meeting is to be held. Two days is too short a time in which to notify stockholders of the annual meeting or of any special meeting of the stockholders. The fact that provision is made for "ample time" is not, to my mind, sufficiently definite. What might be considered "ample time" by one person might not be so considered by another. This is as ambiguous as the phrase "reasonable time" which too frequently has to be litigated. It should not be left to any individual's discretion to determine what is "ample time."

7. I think it most unwise to insert a provision that stockholders holding two-thirds of the outstanding stock may, without notice to the other stockholders, hold a meeting and the proceedings in such meeting

to be as valid "as if the meeting were legally called." No meeting of the stockholders should be held without all stockholders being notified of the intention to hold such a meeting, and it should specifically state in the By-Laws that the intention and purpose of the meeting should be included in the call for the meeting.

8. I think that objections as regards the time of calling meetings of the directors apply equally as well as regards the stockholders' meetings. More time should be given between the sending out of notices and the date of holding the meeting, etc., as referred to above.

9. ARTICLE II. Section 2. Board of Directors.

No provision is made for not sending notices in event that all members of the board of directors signed waiver of notice. No provision is made in ratification of a meeting which may have been held and on which the legality of any acts or proceedings taken at that meeting may be questioned, by making it so that upon ratification at a subsequent meeting, the legality of the previous meeting and business transacted at such meeting shall be established. Provision to that effect, reading somewhat as follows, should be inserted:

"Any acts or proceedings taken at a meeting not legally called or constituted, may be made valid and fully effective by ratification at a subsequent meeting that is legally and regularly assembled and held."

Nor is there any statement that in the event all directors are present at such meeting, that any business may be transacted without previous notice.

10. ARTICLE III. Meeting Places.

The latter part of that paragraph should also have inserted "Books of the corporation, including Stock and Transfer Books" shall be kept at the principal office of the corporation.

11. ARTICLE IV. Executive Committee.

I think the Executive Committee should consist of three, and not two.

12. ARTICLE V. Officers.

I do not think that the duties of the Vice-President are broad enough. He, or they, should be authorized, together with the President, to sign deeds, mortgages, etc; otherwise, the business of the corporation might well be held up if the signature of the Vice-President will not have the same force and effect as that of the President

in transactions of that kind; as, for instance: The President might be neither sick nor absent, but might be tied up in some conference and not available for the signing of a deed or some other document, and if the President's signature is the only authorized legal signature that can be affixed to such documents, then it might well be that the business of the corporation could not be promptly and advantageously transacted.

13. I think the duties of the Treasurer should be more specific and somewhat broadened. In the absence of the Secretary, or whether or not the Secretary is absent, the Treasurer should be authorized to sign with the President any certificate of shares of the capital stock of the corporation, or any authorized contract, note, bond, or similar obligation of the corporation.

You specify that the Treasurer shall pay debts by way of the corporation's checks. This is mandatory as now drawn. It may be necessary to maintain a petty cash account. Strictly speaking, the Treasurer would have to pay all items by check instead of maintaining a petty cash account. While this is somewhat technical, it nevertheless should be modified to the extent of permitting the maintenance of a petty cash account, etc.

14. A statement should also be inserted that the Treasurer shall cause all moneys of the corporation to be deposited in the name of and to the credit of the corporation in such depository or depositories as the directors may from time to time designate.

15. The By-Laws do not specifically provide for resignation of directors. A statement should be inserted something to this effect:

"Any director or other elected officer may resign his office at any time, and the acceptance of a resignation shall not be required to make it valid."

16. ARTICLE VI. General Manager.

The duties of general manager and assistant to general manager are not very specifically outlined. Either they should be more specifically outlined or some reference should be made to their duties, authority, etc., as embodied in any contract which may be entered into between the corporation and said general manager and/or assistant general manager. I think it preferable that reference as to duties should state "as may be set forth in any contract between the parties."

17. ARTICLE VII. Vacancies.

This provision is that a special meeting of the directors may be called by two or more directors. I think this should read "three or more" instead of "two or more"; and the length of time for notices to be sent to directors should be specifically stated; which time should certainly not be less than five days.

18. ARTICLE IX. Amendments.

There is no provision made for the revoking of action taken by the directors, in the event that the stockholders do not approve of the change in the By-Laws. In my opinion, the Article referring to the amendment of By-Laws should read, approximately, as follows:

"These By-Laws may be altered, amended or repealed and new By-Laws may be adopted, by action taken at any meeting of stockholders. These By-Laws may also be altered, amended or repealed, and new By-Laws may be adopted, by action taken at any meeting of the Board of Directors by a vote of a majority of the membership of the Board, and any such action taken by the Board shall stand and be of full force and effect, unless and until the same shall be revoked or changed by action taken at a meeting of stockholders."

19. ARTICLE X. Stock Certificates.

I think that the Treasurer should also be authorized to countersign, in the event the Secretary is not available. I think it should also state that certificates of stock when issued should be numbered and entered on the books of the corporation as issued; they should exhibit the holders' names and the number of shares, and sealed with the corporation seal; and that the stock certificates could be signed either by the President or by a Vice-President, and countersigned by the Secretary or Treasurer.

20. That there should be certain general provisions which should include the statement as to the fiscal year; a section relative to the corporate seal, and an impression made of that corporate seal; and a statement also made that while the Secretary of the corporation shall be custodian of the seal, that it may be pressed on any duly authorized contract, certificate or other document by any executive officer of the corporation.

I have only had time to make a hurried and preliminary review of the proposed By-Laws as submitted; however, believe that the suggestions as above outlined pretty well cover that which I have to offer.

F. R. Humpage.

July 13, 1935

CASH REPORT

THE ALTON BEACH REALTY COMPANY

July 1st to July 10th inc. 1935

<u>VO. NO.</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>TOTAL</u>
	Balance last report		\$135,237.08
<u>RECEIPTS</u>			
N.B.T. Roney	Reimbursement of taxes paid on ocean front property - Artlin, Inc.	\$ 818.52	
Deposit slip	Dep. on Lots- Effie M. Stolpmann	1,342.58	
The Waterside Realty Corp.	The Waterside Realty Corp.	5,401.51	
The Maule Ojus Rock Co.	I.S.C.-Maule Ojus Rock Co.	419.60	
Cashier's Check	F.R.H. & J.A.J. Trustees for The C.G.F.Co.	150.00	8,132.21
			<u>\$143,369.29</u>
<u>DISBURSEMENTS</u>			
6265	The Carl G. Fisher Co., F.R.H. and J.A.J. Trustees	Surplus (Dividend of 10%)	\$50,000.00
6266	Miami Beach Bay Shore Company	Notes Payable	17,384.51
6267	Miami Beach Bay Shore Company	Miami Beach Bay Shore Co.	22,501.38
6268	Miami Beach Bay Shore Co.	Abstract Expense	47.50
6269	Mrs. Ella Hansen Mathewson	Deposits on Lots(Refund)	180.00
6270	E. B. Leatherman	Legal Expense	2.45
6271	Dade County Tax Collector	State & Co. Taxes	22.25
6272	Miami Beach Bay Shore Co.	City, St. & Co. Taxes	193.70
6273	Harmon, Inc.	Engineering	2.84
			<u>90,334.63</u>
	BALANCE ON DEPOSIT - THE M.B.1ST NATL. BANK		<u>\$ 53,034.66</u>

July 13 1935

CASH REPORT

MIAMI BEACH BAY SHORE COMPANY

July 1st to July 10th inc.1935

<u>VO. NO.</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>TOTAL</u>
	Balance last report		\$ 82,586.99
<u>RECEIPTS</u>			
	Beach Boat Slips Corp.	\$ 1,000.00	
	M. Gair	141.75	
	Cash	1.55	
	Cash	.80	
	The Alton Beach Realty Co.		
	Notes & Mortgages		
	Receivable	17,384.51	
	Isle of Dreams Broadcasting Corp.	500.00	
	Otto Fenias	65.63	
	Winifred H. Douglas (E.B.Williams)	25.00	
	Cash (Ruth Leatherman)	70.00	
	The Alton Beach Realty Co.	22,501.38	
	Suzanne A. Gardner	140.00	
	The Boulevard Hotel	73.05	
	Cash		
	Dep.on Lots-Matthaus		
	Properties, Inc.	302.80	
	The A.B.R.Co.(Abstract Exp.)	47.50	
	Lincoln Hotel	22.79	
	Cash	.25	
	E. H. Adkins, M.D.	125.00	
	C. Fellowes	5.00	
	Cash (Robert M. Little)	40.00	
	C. W. Chase, Jr.	15.50	
	Miami Beach Nurseries	270.00	
	Guaranty Title & Abstract Corp.	243.01	
	Susan R. Cooke		
	Dep.on Lots-Christine R.		
	Turner	150.00	
	Mrs. Pamarrow Turner, Trustee	25.00	
	Virginia Scott	46.73	
	The Alton Beach Realty Co.	193.70	
	Phillips Hardware Co. (E.B.Williams)	10.00	
	Claude S. Allen	300.00	
	Rental Inc.-Houses, Etc.		43,700.95
			\$126,287.94
<u>DISBURSEMENTS</u>			
1341	The M.B. 1st Natl. Bank	\$ 70.30	
1342	Miami Post Publishing Co.	8.44	
1343	Florida Power & Light Co.	524.20	
1344	M.B.Supp.& Furn. Co.		
	W.55th St. Private Road -		
	Tax Certificate	158.70	
1345	Russell T.Pancoast	2,500.00	
1346	Snedigar & Company, Inc.	110.00	
1347	Void		

July 13 1935

CASH REPORT

MIAMI BEACH BAY SHORE COMPANY

July 1st to July 10th inc.1935

<u>VO. NO.</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>TOTAL</u>
<u>DISEBURSEMENTS (CONTINUED)</u>			
1348	White Swan Laundry	G/L-White Swan Laundry	68.86
1349	Dade Refrigerating Company, Inc.	King Cole Hotel, Oper.	698.00
1350	Dade County Tax Collector	51st St. Apts. Oper.	11.87
1351	City of Miami Beach	Water service-June	306.62
1352	Drake Lumber Yards, Inc.	Houses & Bldgs.-Blvd.Hotel	177.36
1353	Railey-Milam, Inc.	Ditto	279.08
1354	Corporation Press, Inc.	Sun.Sup. & Exp.	5.00
1355	Maule-Ojus Rock Company	Houses & Bldgs.-Blvd.Hotel	60.48
1356	The Kilgere Seed Company	Comb.Golf Courses, Oper.	100.80
1357	Hector Supply Company	Comb.Golf Courses Oper.	347.28
1358	Maule-Ojus Rock Company	King Cole Hotel Oper.	90.01
1359	Florida Power & Light Co.	Sun.Sup.& Exp.	5.10
1360	Elevator Service Equipment Co.	Maint. of Off. Bldg.	17.50
1361	Dade Typewriter Company	Sun.Sup.& Exp.	6.75
1362	Davis & Olsson Machine Works, Inc.	Comb.Golf Courses Oper.	3.50
1363	Dixie Tire Company	Bay Shore Corp.	65.30
1364	City of Miami Beach	Bay Shore Corp.	8.90
1365	Arthur Hembree	Houses & Bldgs.-Blvd.Hotel	400.80
1366	The M.B. 1st Natl. Bank	P/R wk. end. 7/6/35	447.06
1367	The M.B. 1st Natl. Bank	Appleget's P/R wk. end. 6/4/35	380.60
1368	The Electrical Equipment Co.	Comb.Golf Courses Oper.	22.96
1369	Void		
1370	Joseph Tesel	Bay Shore Corp.	1,663.20
1371	Renuart Lumber Yards, Inc.	Boulevard Hotel Oper.	45.55
1372	Gentry Bros.	King Cole Hotel Oper.	16.60
1373	Crenshaw-McMichael Seed Co.	Comb.Golf Courses, Oper.	11.05
1374	The L.C. Cook Printing Co.	Sun.Sup.& Exp.	14.25
1375	Farrey Hardware Co., Inc.	Houses & Bldgs.-Blvd.Hotel	36.45
1376	Beach Mill & Supply Co.	Ditto	291.45
1377	Void		
1378	Dade-Commonwealth Title Co.	Abstract Expense	246.67
1379	Stempler-Adams-Frazier Ins.Agcy.	Steam Boiler Insurance	1,342.22
1380	George R. Walker	Commissions Payable	110.00
1381	West Disinfecting Company	Comb.Golf Courses Oper.	30.02
1382	Panama Carbon Company, Inc.	Sun.Sup.& Exp.	38.40
1383	Alex. Orr, Jr., Inc.	Bay Shore Corp.	2.65
1384	E. B. Leatherman	Legal Expense	41.30
1385	The Texas Company	Comb.Golf Courses Oper.	184.45
1386	Dixie Tire Company	Bay Shore Corporation	33.95
1387	Hector Supply Company	Comb.Golf Courses Oper.	365.32
1388	Skagseth Stationery Company	Stationery & Printing	43.22
1389	Spruill-Cordon Paint Works, Inc.	Bay Shore Corp.	9.31
1390	Void		
1391	Jas. H. Hourihan	W.55th St.Private Rd.- Purchase of tax cert.	663.89

July 13 1935

C A S H R E P O R T

MIAMI BEACH BAY SHORE COMPANY

July 1st to July 10th inc.1935

<u>VO. NO.</u>	<u>ACCGUNT</u>	<u>AMOUNT</u>	<u>TOTAL</u>
<u>DISBURSEMENTS (CONTINUED)</u>			
1392	City of Miami Beach	W.55th St.Private Rd.- Pm't of City lien	134.36
1393	Southern Bell Tel. & Tel. Co.	Telephone Service-June	71.83
1394	City of Miami Beach	Bay Shore Corp.	7.50
1395	McClain Brothers Company	Comb.Golf Courses Oper.	154.50
1396	Standard Oil Co.	Comb.Golf Courses Oper.	8.88
1397	Miami Parts & Spring Company	Maint. of Equip.	42.86
1398	Beuchler Company, Inc.	Comb.Golf Courses Oper.	18.50
1399	Southern Bell Tel. & Tel. Co.	Maint. of Equip.	7.25
1400	Hugh S. Larrick	Commissions Paid	112.50
1401	Therese B. Bennett	Deposits on Lots	540.00
1402	Frank T. Budge Company	Comb.Golf Courses Oper.	202.44
1403	Beddow & Walton	Commissions Payable	90.00
1404	Norman-Fennell Corporation	Hotel Bill Board Advertising	100.00
1405	Southern Bell Tel. & Tel. Co.	King Cole Hotel Oper.	5.75
1406	Watersedge Realty Company	Irving A. Collins, Agent	91.55
1407	The M.B. 1st Natl. Bank	Interest Paid (Jess C. Andrew note)	278.50
			<u>13,931.84</u>

BALANCE ON DEPOSIT

\$112,356.10

DISTRIBUTION IN BANKS:

The Miami Beach First National Bank	\$ 17,768.52	
Deposits	43,700.95	
	<u>\$ 61,469.47</u>	
Disbursements	13,931.84	\$ 47,537.63
The First National Bank of Miami		42,825.17
First Camden National Bank & Trust Co.		21,691.20
Mercantile National Bank		302.10
		<u>\$112,356.10</u>

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CASH REPORT

THE PENINSULA TERMINAL COMPANY

July 1st to July 10th inc.1935

<u>VO. NO.</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>TOTAL</u>
	Balance last report		\$ 614.20
<u>RECEIPTS</u>			
	Cash	Ferry Boat Inc.	\$ 85.80
	Bimco Trading Company	Rental Inc.-Wharves & Docks	628.02
	Cash	Ferry Boat Income	12.20
	Orange State Oil Company	Rental Income-Sundry	50.00
	The Texas Company	Rental Inc.-Wharves & Docks	50.00
			<u>826.02</u>
			\$1,440.22
<u>DISBURSEMENTS</u>			
1277	The First National Bank of Miami	Interest Paid	\$ 154.17
1278	Void		
1279	The M.B. 1st National Bank	Interest Paid	280.75
1280	Chas. E. Albury, Oper. Mgr.	Tr.A/C-Chas.E.Albury, Oper. Mgr.	141.40
1281	City of Miami Beach	Water service-June	179.18
1282	Julian Langner	Promotion of Causeway Dock	29.84
1283	Reliable Southern Service, Inc.	Ferry Boat Expense	35.53
1284	Hopkins-Carter Hdwe.Co.	Ferry Boat Exp.	72.60
1285	Belcher Oil Co.	Ferry Boat Exp.	1.50
1286	Jeffrey Lumber Yards, Inc.	Ferry Boat Maintenance	5.79
1287	Harmon, Inc.	Promotion-Causeway Docks	35.64
1288	The Western Union Telegraph Co.	Promotion-Causeway Docks	8.48
1289	Sinclair Refining Company	Ferry Boat Expense	12.50
1290	Julian Langner	Deferred-Promotion of Causeway Dock	150.00
			<u>1,107.38</u>
	BALANCE ON DEPOSIT - THE M.B.1ST NATL. BANK		<u>\$ 332.84</u>

THE CARL G. FISHER COMPANY

MIAMI BEACH, FLORIDA

U. S. A.

July 14, 1935.

(SUNDAY)

Mr. Carl G. Fisher,
Montauk, Long Island,
New York.

Dear Carl:-

As you will notice, I did not get away Saturday night as planned - a number of things interfering, the most important of which was reorganization matters.

In the meantime, Doc Walker has taken me in hand and has discovered that I am short something over a million of red corpuscles and wanted to give me treatments before I left; sent me to the hospital for treatments, and what-not. However, I am still alive and able to battle with the reorganization matters and the representatives of the Bondholders Committee, who, to be very frank, aren't any too helpful in expediting this work although they are continuously harping on the subject of "speed."

Now I have made up my mind that I am going to stay here until certain things are accomplished. They insisted on certain things being done before I left. Now I am going to insist on certain other things being done before I leave, the most important of which is that the By-Laws and the set-up of the new corporation become definitely and positively fixed, and provisions made for the future.

If I don't, then they will either intentionally or unintentionally do something that won't prove advantageous to you. I am not charging anybody with anything, but you can draw your own conclusions.

When I leave here, the assets of the present Carl G. Fisher Company will all be transferred in a legal and proper manner to the new corporation, whose name is, as you know, "Carl G. Fisher Corporation." Meetings will be held, confirming all of these several things that have to be done, including distribution of the stock, etc., and the By-Laws will be drawn up and adopted.

I was quite surprised the other day to be informed you and Irv had approved the proposal made by Hopkins, Flinn, etc., that Bryant be made President and Director, and that Flinn and Hopkins should be the other two Directors. In other words, the Bondholders Committee were going to have three Directors; and there being only three directorships provided for in the original incorporation papers, that meant that the Bondholders Protective Committee would be 100% represented and your interests would have no representation.

Well, as long as the original incorporation papers provided for three Directors and I was one of the three (in the incorporation papers as filed at Tallahassee) and they couldn't get rid of me without I resigned, I decided not to resign, regardless of anybody's having agreed to the other part of the program. So, we have ended up

7-14-35.

with there being five Directors, namely, Hopkins, Flinn, Bryant, Jernigan and myself. Also, there is to be an Executive Committee consisting of five members, namely, Hopkins, Flinn, Bryant, Jernigan and myself; Flinn to be Chairman.

Evidently Bryant got in touch with Flinn, for Bryant received a wire from Flinn, reading as follows:

"Suggest Hopkins and I be made Directors and you act as President, Humpage Treasurer, Jernigan Secretary stop. Advise Humpage this arrangement satisfactory to Collins and Fisher and that Fisher will be made Director and President as soon as organization arrangements completed stop. Feel this should be done before Humpage leaves."

This specifically provides that when reorganization matters are completed and the new corporation starts functioning, Bryant is to resign as President and Director, and you are to be elected President and Director in his place.

Also I have specified, and it is agreed, that Bryant will withdraw as a member of the Executive Committee and you are to be elected in his place.

They submitted a set of By-Laws which were not altogether satisfactory to me. I don't know that you care particularly to red through the old set of By-Laws. As a matter of fact, I have only one copy to refer to, but I am sending you herewith a copy of the letter which I sent to Bryant, confirming in part my conversation with him, wherein I offered suggestions, modifications, additions and other changes in the By-Laws which they submitted. I think you will understand perfectly well from reading my letter to Bryant regarding these revisions, etc. just what I have in mind.

I am also enclosing copy of another letter which I sent to Bryant, in which I asked him, among other things, to confirm in writing the understanding regarding his withdrawal and your being elected President, Director and a member of the Executive Committee in his stead. If he does not answer it, it is a matter of record; also if he does not answer it, it will be admission on his part that the understanding which I refer to is as outlined in my letter. Anyway, I have made it a matter of record.

I have had two or three letters from Irv. I was rather disappointed to learn that he had not, up to the time he wrote me, had an opportunity to go out to Montauk and see you, but in his last letter he said that as soon as I was back and in shape, we would go out there together. In the meantime, he has gone out to Chicago to see his son John married, and probably will not be back before the middle or latter part of this week.

7-14-35.

I was quite surprised - in fact, rather upset - to learn from Irv's latest figures that the investment in the proposed Cabana Club have gotten up to almost \$200,000; that is, figuring the land in at \$70,000 (which Irv says can now be sold for \$100,000 cash) and the improvements at \$130,000, including something over 90 cabanas, swimming pool, pool for children, club house, etc.

It seems like an awful lot of money to put into a proposition of this kind. Perhaps between now and the time Irv and I see you, he will have been able to revise his figures downward, so it won't cost so much.

I understand that Irv also had a session in New York with Messrs. Flinn, Hopkins and Keys regarding the Cabana Club and the Peninsula Terminal Company matters; but they did not arrive at any decision. Irv said he thought it would be best for you, himself and myself to get together at Port Washington, and then have Flinn, Hopkins and Keys come over there and have us all there together to thrash out these several matters. I presume that idea will have your approval.

I know you will be interested in knowing the cash position of The Carl G. Fisher Company, The Alton Beach Realty Company, and the Miami Beach Bay Shore Company; so I am sending you herewith the copy which came up Friday, showing receipts and disbursements of The Alton Beach Realty Company up to July 10th, and showing a balance on hand to the credit of The Alton Beach Realty Company of \$53,034.66.

You will notice among the receipts a check from the Waterside Realty Corporation for \$5,401.51. That is the difference between the \$6,000 which I sent to Art Reed to pay taxes and what he actually paid to prevent the taxes from going to sale, and holding the matter open until September 1st. If we decide to pay the taxes, this amount that Art paid can be used in part payment and nothing will be lost. If we do not pay the taxes, we will lose the \$598.49 which we have paid.

The item of \$818.52 received from Roney is for the accumulated taxes over several years past, for that Ocean front property between the property line of the residences and the high water mark; ownership of which, in our understanding, was retained by The Alton Beach Realty Company until such time as the owners of the property fronting the Ocean reimbursed us for the taxes we had paid. When Newt Roney recently sold this Ocean front property which he had previously bought, he could not give clear title to the purchasers without paying us the accumulated taxes.

The Maule-Ojus Rock Company's payment of \$419.60 represents their monthly payment on account of their purchase of the Bay front property from The Alton Beach Realty Company.

You will notice that checks totalling \$39,885.89 have been issued to the Bay Shore Company. These clean up the Bay Shore open account

7-14-35.

and the Lincoln Cottage property. The Alton Beach Realty Company has a deed to and is now the owner of the Lincoln Cottage property, and the entire transaction between the Miami Beach Bay Shore Company and the Alton Beach Realty Company has now been cleared up and there is nothing more to worry about on that score.

I wish you would please retain this cash report, so that when I come to Montauk you can let me have it back again, as I am keeping a file of these cash reports in the event we find it necessary to refer to them at some future time.

Just one more thing in this letter: You will remember that some time ago the Beach Boat Slips people billed you for two glass bottom boats at a cost of \$65.00 each, or a total of \$130.00.

You told me that you told them to build only one boat, and that it was to cost \$40.00. Well, I have had this up with Ned Purdy several times, and he still says that you told him to build two boats and that he was to build them as cheap as he could, and whatever the cost was, you would pay it.

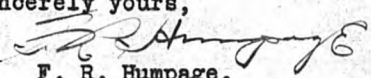
This last week I talked with him again about it. He says he thinks he can sell these two boats at \$65.00 each and get out whole. While a letter addressed to me here will arrive too late for me to take the matter up with Purdy, and as he is very anxious to do something with these two boats, will you just drop me a line at my home in North Wilbraham (which address you have, but if it is mislaid, here it is - "F. R. Humpage, Pagemoor, Silver Street, North Wilbraham, Mass." and if you want to reach me by telephone at any time, the number is North Wilbraham, 161, Ring 13), and let me know if you are agreeable to letting Purdy sell these two boats and cancel the charge of \$130.00 which they have against you.

I think this about covers everything for the time being; but if not, I will dictate another letter to you tomorrow. It is quite possible, with all the things yet to do and in order to complete this reorganization work and leave it so that I will know everything is all right, that I shall have to stay here until Tuesday night, instead of Monday night, as I had planned, but I will know more about that tomorrow, after I have had another session with Bryant and Jernigan.

I hope it is just as cool and pleasant in Montauk as it was when you last wrote me. Wish I could be there with you right now.

With kindest regards, I am

Sincerely yours,


F. R. Humpage.

FRH:AVM
Enclosures.

WAINWRIGHT & PAGE, INC.
INSURANCE
LINCOLN BUILDING
60 EAST 42ND STREET
NEW YORK

LA FAYETTE PAGE, JR.
L. S. WAINWRIGHT
J. H. WAINWRIGHT

Ans
7/5/36
CABLE ADDRESS "WAINOE"
TELEPHONE
MURRAY HILL 2-4936

July 28th, 1936

Mr. Frederick Humpage
c/o Carl G. Fisher Corp.
Miami Beach, Florida

Dear Fred,

I have written you several times regarding the credit
due me and as yet you have not answered my letters. How about
letting me know what you are going to do.

Sincerely,

J. F. Page

LFP/A

July 31, 1936.

Mr. LaFayette Page, Jr.,
Wainwright & Page, Inc.
60 East 42nd Street,
New York, N. Y.

My dear Lafe:-

I have your letter of July 28th, regarding the credit you claim due you, etc.

I have been away for about six weeks and have only just returned, which accounts, in part, for the fact that I have not answered some of your letters.

I have spent quite a little time trying to find out just what it was all about, insofar as this claimed credit of yours is concerned.

True, you sent me copy of the letter written by Kohlhepp several years ago, and you tell me that you used some of that credit, but I cannot find on the books of any of the Companies who owned the hotels, any record of any credit having been established for you; nor do I find the total amount of credit which you have used and to which you have referred as having used.

To be perfectly frank, I don't see how there is any obligation on the part of the Fisher Corporation to take care of any credit, and if there was such an obligation, it has been wiped out when The Carl G. Fisher Company went through bankruptcy proceedings under Section 77-B, which resulted in any obligation which had heretofore existed in this connection having been wiped out in the bankruptcy proceedings referred to. So, even though you may have had a legitimate claim, it seems to me as if it is of no value now, inasmuch as The Carl G. Fisher Company is now a non-entity and owns nothing and owes nothing, and is out of business.

Sorry I cannot give you any more favorable opinion or report as regards the balance of credit which you claim as being due you.

With kindest regards, I am

Yours very truly,

FRH:AVM

F. R. Humpage.

CARL G. FISHER CORPORATION

MIAMI BEACH, FLORIDA

U. S. A.

August 31, 1936.

Mr. Carl G. Fisher,
Montauk, Long Island,
New York.

Dear Carl:-

I have your three letters of August the 26th.

The sketch which I sent you of the Lincoln Hotel property is not wrong. Lot 7 was transferred from The Alton Beach Realty Company and included in the Lincoln Hotel property at your specific request and at considerable cost, and a lot of work. You insisted upon this particular lot being included under the mortgage given to Jack Trimble, and this was accomplished on April 29, 1933.

At that time you had some plan in mind whereby you thought you could eventually get control of the Lincoln Hotel for yourself and have the income from it for the rest of your life, etc. Evidently you have forgotten all about that.

I don't know what you mean when you say you know you "bought it back". It has always been in the possession of The Alton Beach Realty Company, and all of the Alton Beach stock was owned by the Fisher Company, and you owned practically all of the Fisher Company stock; so, there you are.

I was sorry to learn from my telephone conversation with you this morning that you had such a hard cold. I hope it gets better real quick.

Also note from your second letter of the 26th that the weather up there has gotten you down on your back again. Hope by the time this letter reaches you that you will have plenty of sunshine; that you will be able to get out, and that both the cold and backache, etc., quickly disappear. From your letter, it would appear that it has been nice and cool up there. Well, if you were here this morning you wouldn't like it. It is so hot that it just scorches your skin. There is a little breeze blowing, but it is hotter than the air; and the mosquitoes are getting to be thick. I couldn't sleep very well last night because of them.

In your letter of the 26th, in referring to your personal account, you say you want a credit balance every sale from now on, as well as the checks sent out. I don't know what you mean. Every month your regular account is credited with your salary checks - all three of them. Against that account checks are drawn to the special account,

but your regular account always has a substantial balance - considerably more than necessary for you to get a railway ticket South, as you refer to.

You say you won't pay any more income taxes. If you don't you will be in a hell-of-a fix. "Uncle Sam has the edge on you. They already have a Distrain Warrant out against you, and the only reason it hasn't been served and made use of is because I have negotiated with several departments, and by paying a certain amount each month, they have been kept quiet. They can tie up your bank account and your salary in less than 24 hours if they want to do so, and keep it tied up until they are paid in full. Furthermore, they can tie up every share of stock which you own in the Fisher Corporation. So, there isn't any use of saying that you won't pay any more income taxes.

For many years now I have been trying my level best to please you. I am sorry that I don't seem able to do so. I have given up my home; have lost money and impaired my health, and haven't whined or complained; but I will tell you very frankly that it hurts like the mischief to receive such letters as you have been sending me recently.

I have given you the best that I have to give - more than I would do for my own self in the handling of my personal affairs. I have deprived myself, and my wife, of all the things that I should have at my age.

The other day, in connection with the Art Reed matter, you charged me with sharp practice, and sent Art Reed a copy of your letter, and he now takes the liberty of stating that that which he has also charged me with has been substantiated by you, as per your letter.

That also is pretty hard for me to take, first, because up to the time that you had written me, you have continuously commended me for my straight dealing; second, you charge me with sharp practice without acquainting yourself with the facts; and, third, you didn't hear my side of the story. So you have convicted me in your own mind without evidence.

I find myself very much in the same position as Job, but there is one verse in the Book of Job which I think, when the facts are known and presented will cause both of you to feel as Job did, which is the 5th verse of the 40th Chapter: "Once have I spoken, yea twice; but I will proceed no further."

The facts in the Art Reed transaction will be submitted within a day or two. Art has been pestering me for some time. Both of you seem to think that I am responsible for his not being paid \$4,000 cash in lieu of the lot, etc. Perhaps you will think differently after I present the facts.

As I have said in the fore part of this letter, it is hot down here. I awoken⁹ early this morning, covered with perspiration, after

Mr. Carl G. Fisher -- 3.

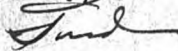
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at this date*

8-31-36.

a not very restful night's sleep. That happened not only one night but has happened several nights since I have been here. I am down here, doing all that I am doing because of my love and loyalty for you and nothing else; and I have done all of the things that I have done, and have given up all of the things that I have given up, for no other reason.

Back in 1933, when everybody was panicky and it looked as if they were going to take everything away from you, I stuck; took money out of my own pocket and went without salary. I never mentioned this before, at least not in this way. I tell you, Carl, that I am very sincere when I say to you that what you have written me recently has hurt me more than anything else could have done. I have heretofore felt that although you are somewhat reluctant to give praise, that inwardly you have given credit where credit was due; but somehow, in the last few days, I have commenced to have serious doubts. I am sorry.

Sincerely,



FRH:AVM

**SECOND NOTICE TO FILE PROOF OF
CLAIM
UNITED STATES DISTRICT COURT,
EASTERN DISTRICT OF NEW YORK.**

X
 In the Matter of :
 : In
MONTAUK BEACH DEVELOP- :
MENT CORPORATION, : Bankruptcy
 : No. 26530
 Debtor. :
 X

**TO THE CREDITORS AND STOCK-
HOLDERS OF MONTAUK BEACH
DEVELOPMENT CORPORATION, a
Florida Corporation, Debtor:**

NOTICE IS HEREBY GIVEN, pursuant to an order of the United States District Court, Eastern District of New York, dated March 19th, 1937, in the above entitled proceeding, that all persons, firms, associations and corporations, as creditors, stockholders, or otherwise, having any claim or demand against said corporation, are required to present to the undersigned Permanent Trustee, on or before May 15th, 1937, written proof of their claims or demands in such form as the undersigned Permanent Trustee shall prescribe.

Said order further provides that all such persons failing to present their claims or demands to the Permanent Trustee shall be forever barred from sharing in any distribution of any funds now or hereafter in the hands of the Permanent Trustee, or of any proceeds arising from the sale of the properties of said corporation pursuant to any order in said proceeding, and from sharing in any plan of reorganization adopted or to be adopted under Section 77B of the Bankruptcy Act, except by special order of this court for cause shown.

Said order further provides that all proofs of claim heretofore filed by any person against Otis S. Carroll and William H. Robbins as Receivers in Equity in a consolidated cause in the United States District Court, Eastern District of New York, entitled "Parke G. Haynes, complainant, against Montauk Beach Development Corporation, defendant, in Equity No. 6307" and "Bankers Trust Company, as Trustee, Complainant, against Montauk Beach Development Corporation, et al, defendants, in Equity No. 6847," and all proofs of claim heretofore filed by any person against William H. Robbins and Otis S. Carroll as Temporary Trustees in the above entitled proceeding, and any action taken with respect thereto by said Equity Receivers and/or by said Temporary Trustees, and all proofs of claim heretofore filed by any person against Thomas E. Ringwood, Permanent Trustee, shall stand as and for a proof of claim herein against Thomas E. Ringwood, Permanent Trustee, without filing any further proof of claim.

All proofs of claim or demands should be sent to Thomas E. Ringwood, Permanent Trustee, in care of his attorneys, at their office and address noted below.

Dated, Montauk, N. Y.,
March 19th, 1937.

THOMAS E. RINGWOOD,
Permanent Trustee of Montauk Beach
Development Corporation, Debtor.
ROBBINS, FOWLER, WELLS & WALSER,
Attorneys for Permanent Trustee,
Office, & Post Office Address,
91 East Main Street,
Bay Shore, N. Y.