

# Montauk - 1929

Boothbay Harbor Maine  
January 6 - 1929

Capt. A. B. Thomas,  
Carl G. Fisher Co  
Miami Beach Fla

Dear Sir;

You wrote me last  
year regarding harbor seals.

Are you interested this year.

It will take a chance if  
you will make arrange-  
ments for care of seals  
during trip on boat N. Y.

to Miami. ~~or~~ Crate kept  
in cool place and water  
changed 2 or 3 times a day.

Seals are caught only in  
later part of June.

Please write.

Very truly yours  
W. G. Adams

address  
Box 493 - Boothbay Harbor Maine.

January 10, 1929.

Mr. A. G. Adams,  
Box 493,  
Boothbay Harbor,  
Maine.

Dear Sir:

I have your letter of the sixth addressed to Captain Hewes. I will want a pair of seals delivered at Montauk about the first of May, and I would like to have a pair of seals delivered here in the next thirty days, if we can ready for them. In fact, I think I will want two pair of seals delivered in May in New York.

Will these seals live in fresh water, where there are animals such as monkeys nearby? The Curtiss Bright Company has a small menagerie, and in connection with the menagerie they have a tank about 35 feet in diameter; and in this tank they have a small island about eight feet in diameter; on the island they have several monkeys. Do you suppose the monkeys would torment the seals? The monkeys weigh about 35 pounds each and I imagine a couple of them could catch a seal and kill it.

Have you a pair of seals you could ship now? I would need a few days time to get ready for them, and must know whether they can live in both salt water and fresh water or whether either the one, salt, or the other, fresh, is better. Kindly let me hear from you.

Very truly yours,

CGF:T

January 11, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

*Non back*

My dear "Boots":

I think there should be a meeting called very soon this month as there are several most important matters on Montauk to be taken up.

First: we must decide on the budget we are to work under for the year. As you know, the bare maintenance will require approximately half a million dollars in addition to the money we have available for this year; and to do any additional work such as work on the second golf course, pole lines, water mains, additional roads, will require another additional half million, and this does not include the mortgage releases but will include the dredging. Under the bare maintenance the dredging is not included, and this is most important.

We will either have to sell two million dollars worth of property to take care of the minimum figures this year, or raise the money in some other way. It looks as though the only possible way to raise additional money outside of sales would be to have pledges made for money to be advanced by the principal ownership. Since life is proving more and more uncertain, it is well to have those who are willing to advance the money put it in writing so that it will be assured.

It looks now as though we might make a deal to allow our profits on the dredging to apply on the rental of the dredge, and this should be worked out and decided upon at once.

Then there is the matter of the overwriting commission on Redden. You remember, he was to be hired with the same arrangement this year as last year, and then you sent in a memo that he was to have a three per cent overwriting commission. This must be threshed out.



January 11, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

*Montauk*

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Mr. G. LeBoutillier,  
January 11, 1939.  
Page 2.

Since neither Howard nor myself can go north and as Caley Eragg agrees to come most any time and will be here the last of this month anyway, don't you think it well to call a meeting down here so that we can have Howard, you, Caley, and myself at least to make decisions in these matters? I think it would be well to have Haynes come down to the meeting.

Keys might come down here and take a rest at the same time; and if we could urge Dick Hoyt to come, it would make a full Executive Committee meeting. Let me have your views on the subject at once.

Yours,

CGF:T

MEMORANDUM

FROM ~~MR. FISHER~~ Art Reed

DATE Jan. 15, 1929

To Mr. Fisher

SUBJECT

health

Dear Mr. Fisher:

You have certainly had a pretty tough winter this year so far with Mr. Rickard's death, Walter's terrible accident and your own ill health. You have my sincerest sympathy but that will not help much I know. My little family has had a pretty tough winter too. The poor little white-haired grandma, Nan's mother, had to go the way of your dear mother and my mother. Home don't seem the same with her gone. On top of that Patsy caught a very severe cold and was threatened with pneumonia for a day or two. We had only got the temperature down on Patsy when I caught a cold and right in the midst of the whole affair came the announcement of Mr. Rickard's death, Walter's accident and your illness. A letter from Galloway tells me you are up and about again. Thanks for a slight bit of encouragement.

Have sent the monthly statements for December and a statement of accounts to be paid in January and February. During February the taxes and interest on the Bayview Colony house mortgages come due so it makes the cash requirements higher this month than any month of the year.

To make Bayview Colony a bit more attractive this year I have put in several more flower beds like those at the gateway. These with the roses you ordered planted along the front should add considerable attractiveness to the place. The plants will not cost anything as I will grow them from seed but I had to get a few yards of topsoil.

At Sands Point I painted two or three rooms, that is the ceilings where they started to peel and washed the walls. Where cracks appeared I filled them and repainted. I did this because people who looked at the house this last fall always spoke of the cracks and the peeling paint.

Had a touch of winter weather here Monday morning. Only seven above zero in the morning. Much warmer today.

Here is hoping for better luck, Mr. Fisher, for the balance of the season, for the return of your health and a good business season, and of course for Walter's complete recovery.

Yours very truly,

Art



Footbay Harbor Fla.  
January 21-26.

Mr. Carl G. Fisher  
Miami Beach,  
Dear Sir:

In reply to your letter dated Jan 10-29, will say that we can only catch them when they are young.

This is the best time to obtain them for exhibition as they are real tame at this time and are easily domesticated, and the longer they are kept the tamer they become.

We catch all our seals during June.



These seals will live in fresh water for long time if fed regularly and provided with shade, and a place to crawl out of the water.

They will eat many kinds of fish if fresh, either alive or dead: (if fresh)

They should have a change of water as often as possible.

They will live in salt water longer as this is their natural element.

Regarding the monkeys I don't think monkeys will bother the seals as they are quick ~~as~~ as a flash and will slide into the water if the monkeys bother them.

I think the monkeys will be afraid of them; It would be advisable



if possible to provide some  
thing for the seals to  
crawl out on, if the monkeys  
drove them from the island.

This needs to be almost  
level with the water, <sup>floating on</sup> and <sup>stationary.</sup>  
just large enough to  
hold two seals, say  
about four foot square.

They are very intelligent  
and ~~very~~ know their friends  
very quickly from strangers.

In feeding them, give them  
small fish not over 6 inches  
long the first month, and  
salt water fish if possible.

They will eat larger fish  
but it would be better to  
feed on fish under 6 inches  
at all times, (to avoid large losses)

We have no seals on hand  
at this time. We catch all seals  
in the month of June.

If you will give me some idea of each of the 3 places you may use. The area of water surface, mentioning salt or fresh water, in each case.

Also give me some idea of the method of water supply for each one.

Will be glad to give you all the information you want at any time..

If you decide to wait till June send me this detailed information so I may send directions as to their care in their different locations.

Thanking you for inquiry  
Remain

Very truly yours  
Alston G. Adams

Address

Box 493 Boothbay Harbor Me.

January 29, 1929.

Mr. Aliston G. Adams,  
Box 493,  
Boothbay Harbor, Maine.

Dear Sir:

Replying to yours of the 21st:  
At Montauk, Long Island, we have one pool  
where we want two seals that will be in  
salt water continuously made fresh. At my  
home I am going to build a small pool where  
I will have fresh water only. I want these  
two pair of seals in June, if possible, and  
will have all arrangements made for them.

The third pair of seals I will want  
next December here at Miami Beach.

I would like to pay your expenses  
to come to Montauk with the seals and give  
final definite instructions to the caretakers.

Very truly yours,

CGF:T

Ad copy

THIS SUMMER  
Eastward Ho to Montauk!

Feb 1929

Historic Montauk light! Beacon of legend and poetry, this famous maritime sentinel flashes the first friendly welcome to inbound liners . . . and to Americans bound for this new theater of play.

Neath Montauk's towering beacon on Long Island's slender tip . . . 125 miles out in the Atlantic ocean . . . where it is cool when elsewhere it is hot . . . Nature has transplanted the rolling, restful moors of Herrie England and men of vision have glorified them with a northern Riviera cast in the most beautiful forms in Tudor architecture.

The poise . . . the atmosphere . . . the charm . . . and the traditions of oldworld culture interweave with the tempo of modern life.

From gabled windows you look down on the sparkling opalescence of the sea . . . on broad, crystal beaches that once felt the crunch of Captain Kidd's boots . . . on heathered downs and crimson-coated horsemen and hounds pursuing the elusive fox.

The surf calls to you with an iridescent shower of fairy diamonds . . . thirty miles of bridle paths invite a canter . . . a golf course reminiscent of Sandwich, Troon and Prestwick and famous seaside links of Britain beckons the best in wood and iron play . . . between the first and second line of breakers the vaunted striped bass challenges your skill at angling, and fast, trim motor boats manned by experienced guides wait to take you to the "offshore grounds" where giant tuna and broadbill and marlin swordfish provide the "thrill that comes once in a lifetime "

Montauk the Beautiful is the ideal site for a summer home. And the unsurpassed Montauk Manor the ultimate for a week end or a summer vacation. Easily accessible to New York City by rail, motor or water, it offers divertissement, color and scenic charm that cannot be duplicated on the Eastern seaboard . . . Eastward Ho to Montauk!  
NOTE: Because of the great popularity of Montauk Manor, we urge that reservations for the Summer months be made now. . . Montauk Beach Development Corp., Montauk, Long Island. New York Office, The Savoy-Plaza, Fifth Avenue at 59th Street, Regent 8872.

montauk beach

Montauk

February 18, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

My dear LeBout:

I had a talk with Hal Talbott yesterday. He has so many irons in the fire now that he could not consider the Presidency of the Montauk Beach Development Corporation. However, he is considering advancing \$300,000 for the Polo Fields.

I made him a proposition along these lines; that if he would advance sums to build the fields and stables to complete the picture, we would give him approximately twenty-five acres of land, including 1,000 feet of the Sound front adjoining the Polo Fields location, with some agreement to be arrived at whereby he would maintain the Polo Fields as polo fields for a period of, say, seven to ten years.

Mr. Talbott will go to the property as soon as he returns to New York, inspect same, and then advise us if he is interested.

I have written Mr. Joe Thomas asking him for an interview and if he would be interested to act as our President. We will probably hear from him within the next ten days and I will then advise you of his reply.

Mr. Crozer is making his arrangements to take on the Montauk Manor and present a very aggressive campaign for some of the best people on Long Island as his guests this coming summer. Mr. Crozer has completed a splendid job here for us in securing a large number of Palm Beach people whom we had never been able to get here before.

Very truly yours,

CGF:T



Montauk

February 19, 1939.

Mr. Joseph B. Thomas,  
132 East Nineteenth Street,  
New York City.

My dear Joe:

The other day at Sapelo Island we had a meeting of the Montauk directors. At this meeting we regretfully accepted the resignation of Mr. Howard E. Coffin as President of the Montauk Beach Development Corporation. You know, Mr. Coffin has been ill for the past six months and has not been able to attend actively to business from that time. He now finds some surgical operations necessary and expects to spend a considerable part of the coming season in a sea voyage.

In casting about for a new President for the Montauk company, your name came up and I am pleased at the thought that you might accept same. There is a big chance for an active promoter and one familiar with the real estate business. At the present time we have a very good organization to handle the details of construction, maintenance, installation of improvements, building new golf courses, etc.

At our meeting the other day, we authorized immediate construction of a \$150,000. Yacht Club and Fishermen's Club which will be a big thing for Montauk. We also authorized the semi-completion of the second golf course and other minor improvements, as a part of our work this coming season.

We were very anxious to have a second or third hotel started at Montauk as we feel the greatest set back we are suffering now is lack of hotel facilities during the summer season. We were compelled to refuse many patrons that would be very profitable to us both from a hotel standpoint and also as an opening to the sale of real estate. The financial set up, however, which was offered us last week was not satisfactory and the second and third hotels are the most necessary things to secure for Montauk.

Mr. Joseph B. Thomas,  
February 19, 1933,  
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I don't know just when you were at Montauk last but many improvements were completed there last season, including a splendid swimming pool and casino, also a thoroughly first class well run Night Club. Several first class residences were built during the summer. Mr. Bragg is just now letting contract for his own home and guests' homes on the property which he purchased from us on the island, which will result in a total investment in this home, docks, etc. of more than \$200,000. Eight or ten enthusiasts of Mr. Bragg's make-up would lend a tremendous influence to the immediate success of Montauk this coming year, and I am in hopes that with your large acquaintance and ability in real estate you could see the advantages of Montauk, its great possibilities, and seriously consider coming in with us and acting as our President. Naturally, such a position would give you opportunity for some very unusual investments of your own.

Mr. Parke C. Haynes, our General Manager, is now at Miami Beach but will return north within a few days and I am going to ask him to stop and see you. He will have with him the trial balance sheet complete and can give you any and all information you may desire.

I am satisfied that Montauk some of these days will be the eastern terminal for fast ship and aeroplane connections to Europe; also that there are several hundred millions of profit in Montauk for the Company and to promoters.

We are having a most unusual season here this year. All hotels are running better than capacity and approximately two million dollars worth of property here has been sold within the last twenty days at the Beach. I am enclosing you one of our memoranda on hotel conditions. Kindly let me hear from you, and if you think there is a chance for you to be interested in Montauk I would like to have you run down and spend some little time here at Miami Beach looking over the situa-

Mr. Joseph B. Thomas,  
February 19, 1939,  
Page 3.

tion here where I have immediate access to all maps and information on Montauk and can give you personally a good many of my own ideas on the great possibilities at Montauk. I do hope you will find it possible to come down and spend a few days with me and go into these matters further.

I have plenty horses for you to get about on and some real good polo fields, with so many polo players on hand we are now playing on two polo fields at once three times each week.

Very truly yours,

COF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

New York, N. Y., February 28th, 1929.

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

*Montauk*

Dear Skipper:

Referring to your letter of February 20th, relative to increasing the salary of Parke Haynes:

I think that if he has a bona fide offer of \$10,000. or \$12,000. a year, he should accept it. While he is a hard conscientious worker, and honest and loyal to you, he certainly is anything but a valuable man to the Montauk Beach Development Corporation, for he allows his petty jealousies to control his actions and has set up a feeling in the sales forces that have been connected with the property from time to time and I have thought several times in the last few months of suggesting that his services be dispensed with. So it would appear from your letter that Haynes could leave now and better himself and it would not be necessary at some future time to get rid of him.

I have very much doubt at the wisdom of letting Haynes go through another Summer season with the Company, and it surely will not be difficult for a new man to take up where Haynes has left off, for there is no trick in doing so if the records and files have been kept in good shape.

Yours sincerely,

*J. W. Bruce*

Room 217,  
Pennsylvania Station.

March 5, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

My dear LeBout:

I have yours regarding Haynes.. In this same mail comes to you a communication from Haynes and copy of letter that Redden has written.

I am quite sure that Redden has been the greatest disturbing element we have had in our organization for some time, and but for my position in asking assistance from other stockholders I would have promptly thrown Redden out the window, as I have known he is a disturbing element. He has made all these remarks, that you will note in this letter regarding Montauk, in the same way against St. Simons organization and against any other organization that does not suit his wishes. He is a tremendously over-paid man with no special ability except to promote himself.

Now regarding Haynes: Haynes has the very disquieting qualities which you refer to. I have known this for a long time, but there is more or less good reason for these traits in Haynes' nature. Back of these, however, is a tremendous working-force and ability to handle exact details. If you could have a talk with Haynes and straighten him out, it might do a lot of good.

I am quite sure it is going to be difficult to fill the place Haynes now occupies in handling of details such as land measurement, completing deeds and contracts, surveys and lot descriptions. In our organization here this has been a very difficult position for one man to handle and be responsible for, and with the Pennsylvania Railroad Company you must have the same difficulty. I think our records at Montauk are in unusually good shape through Haynes'



Mr. G. LeBoutillier,  
March 5, 1939  
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efforts, and I know he can take up a new position immediately. If, after you have had a talk with him you think it would be well to let him go, I would like very much to let him go under very pleasant circumstances so that we may have the new man broke in for the job and not cause confusion.

We have in Ringwood a very painstaking and hard working official who could handle our records but not with the same speed and accuracy of Hayes. Think the matter over and let me hear from you before we decide to let him go.

I think with Redden definitely and entirely out of the organization, a lot of our troubles are going to disappear. Certainly we can blame Redden for a tremendous amount of rumor that has spread through all channels in New York financial circles. Also we can definitely blame Redden for promising the New York newspaper men an advertising account of \$300,000 or \$400,000, which would be made up by both Montauk and St. Simons. Naturally, the newspaper men would pay a lot of attention to both places with this bait. When they find out this is not so, I am not just sure who they are going to blame. We have never had any trouble with newspaper men in the past as long as we stuck to the truth and did not ask them for space. In fact, we have always had millions of lines of publicity without charge by sticking to the facts. Redden's misrepresentations have upset all this condition that has carried our organization for years.

Unfortunately, I cannot write a strong letter to Howard. Howard believes in Redden and I dislike very much to attack Redden but I am going to write Howard this letter, which is only half what I would like to say.

Yours,

COF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO TO Mr. C. G. Fisher

DATE March 1, 1929

FROM Parke G. Haynes.

SUBJECT \_\_\_\_\_

*Montauk  
Bust*

Dear Mr. Fisher:

I am sending you herewith a copy of a letter which I am informed has been sent to Mr. Rankin by Mr. Redden.

Even though the statements made in this letter were true, it is very unfortunate that such a letter should have been addressed to a man who has little or no connection with Montauk, because I feel sure that it can only serve to start a lot of disquieting rumors.

In connection with the subject of this letter, there is no information available here as to Mr. Redden's status. In the event he is no longer connected with the organization, I would like to get out of the expense of the Savoy-Plaza office, our share of which has been running at more than \$1,000 a month, exclusive of what has been paid to Mr. Redden for salary.

If you can enlighten me on this subject, I will take such steps as are necessary to make any change which may be deemed advisable.

PARKE G. HAYNES.

C O P Y

February 15, 1929.

Mr. Wm. H. Rankin,  
342 Madison Avenue,  
New York, N.Y.

Dear Bill:

This will surprise or disappoint you somewhat, in a way, and still on the other hand it may not.

We had a Montauk directors meeting down here this week and in as much as there didn't seem to be any possibility of the directors getting together and it looked as if there would be a constant squabble over organization and development programs, I decided to get out of it and let somebody else do the worrying, so resigned yesterday.

Mr. Coffin and Mr. LeBoutillier refused to accept my resignation and Carl Fisher didn't want to and wants me to continue on an advisory and retainer basis", providing I refuse to be active.

I have decided to "wash my hands" of the whole thing because I don't think we are going to get anywhere along the present plan and I would rather have someone else get the blame for it than myself. I would get all the blame if I stayed there six months longer.

The advertising appropriation has been cut to a point where they will not be able to accomplish anything in my opinion and frankly, I feel like a "bird out of the cage" to get the burden off my mind.

The chances are that they will cut out all magazine advertising. If they don't cut it out, it will probably be very slight.

I will try to see that your sketch and copy is favorably considered, but I don't think there is any hope of its accomplishing anything for you.

I hope you will not breathe a word of the foregoing to anyone. I am writing you as a friend and in the strictest confidence and for this reason I employed Gorrell and gave him every reason to believe that his job will be a permanent one, and as far as I know, it will be, but I think he is entitled to know the facts and that is why I am writing you this letter.

I wish you would tell Gorrell, in the strictest confidence that Mr. Coffin may resign, I have resigned, and while we do not know who will take Mr. Coffin's place or who will take my place, the chances are that there will be a complete reorganization of the entire layout.

Feb. 15, 1939.

It may mean that some of the Fisher crowd will stay there, in which case Steve Hannagan will probably have charge of advertising and publicity. I haven't the slightest idea what they will do in regard to advertising and I don't think they have. I don't think they have any idea whatsoever in regard to their sales policy, so I am not in a position to make any recommendations to Gorrell as to what he should, or should not, do but I want him to get the facts as quickly as possible, and if he don't want to continue there, I will try to get him another equally desirable job.

I wish you would have Gorrell tell Miss Tierney and Miss Engight also. It is quite probable that at least one of them and probably both of them will be retained there but in as much as there is no policy, no successor appointed, and no plan, I cannot tell just what will happen to them.

If either, or both, of them would like to come to Georgia I think I could find a place down here for them. The chances are there that the Montauk Beach Company will maintain the Savoy Plaza office without any change, but I think we will discontinue using it as our New York office. The object of this letter is not to throw any scare into anyone there but I think inasmuch as they have been loyal and faithful to me, I should give them them the "low-down" on just what has happened so that they won't be surprised or placed in any embarrassing position.

I expect to be in New York the latter part of next week and will go over this with you and with my office force in person at that time but I don't want any letters in the file on the subject, so am writing you to this effect and on second thought, believe it would be well for you to ask Gorrell over to your office and show him this letter and he will understand the spirit of it.

I haven't had any opportunity whatever to write you lately because we have been standing on our heads here with board meetings for both companies, reorganization plans, and a thousand and one other details and simply shut out everything with the exception of the work immediately in hand.

Please ask Gorrell to write me after you have transmitted this letter to him, so I will have an idea of about what he would like to do and wherein I can help him or any of the others. Please have Mr. Gorrell write Miss Melick in Florida and advise her confidentially of the foregoing but be careful to express it in such a way that if she told any of her friends there in the Carl Fisher organization, Carl would not think I was knocking or trying to interfere with his program. All I am trying to do by this letter is to give some little help to those who have faithfully tried to help me.

With cordial good wishes and hoping you will treat this as confidential, believe me,

Very truly yours,

(signed) C.F.R.  
VICE-PRESIDENT



March 1, 1929.

Mr. C. F. Redden,  
Sea Island Company,  
Brunswick, Georgia.

My dear Redden:

I have your ad of the Montauk Beach company for the summer program. I think the heading entitled, "This Summer", could be larger, which would give you an attractive headline that could not fail to catch the eye.

You use the words "Montauk Beach" at the bottom of the advertisement in large letters which I think should be at the top. I also think that the words, "Montauk Beach", should not be in two colors. I am one of millions who are more or less near-sighted and wear glasses. Very few advertising men understand this peculiar condition, unless they themselves are near-sighted.

All in all, I don't think the advertisement is as good as it could be by a long shot, for the reason you are trying to attract sportsmen; you say nothing at all about the sporting facilities, including enclosed tennis court, riding over wonderful turf and bridle paths though you mention bridle paths and golf. This ad is attractive but not at all forceful, in my estimation.

The picture part of this ad attracts a casual glance but is not what it could be with two riders wandering over the dunes. This particular illustration will apply to Aiken or to any one of fifty apartment house sites in New York City near Central Park.

I am returning the page copy of Wasey's, which is infinitely better from every angle. It is, of course, at a disadvantage from not being set up. However, it might be worth your while to check this ad with Howard or anybody else and get their candid opinions.

I cannot help but refer again to the fact that I



Montauk

March 1, 1929.

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Sea Island Company,  
Brunswick, Georgia.

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Mr. C. F. Redden,  
March 1, 1939,  
Page 2.

think Wasey is better by long odds than any of the other people you have selected, from any angle you wish to consider; but under the circumstances I think they don't care for the account under the conditions you place, and I don't believe these conditions will get you anywhere but will get you some poor ads and poor make-ups.

If you will devote your time to one ad which covers all the points we wish to cover, you could change the phraseology of this ad to fit any other of a dozen magazines. It is impossible for any one to write new material all the time and still give a punch in each ad, but if one ad carefully gone over carries a heavy punch, the same general idea could be used for six months with efforts to disguise it somewhat and still get the advertisement over.

I would like to see Wasey's write-up on this ad, for the reason it more definitely goes into just what we have to offer.

I am waiting to hear from you and Howard as to when you are going to be down here.

Yours,

CGF:T

C. G. Fisher.

Copies:  
Mr. LeBoutillier  
Mr. Coffin.

March 4, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City

My dear LeBout:

I enclose you herewith a very important letter from Mr. Parke Haynes, also letter which Mr. Redden has written to Mr. Rankin, Advertising Agency in New York.

I have been satisfied from the beginning of Redden's activities with the company that it would only be a question of time until he would completely hang himself, from several different angles.

First: he has a very exaggerated and false idea of his ability.

Second: he is not faithful or honorable in his transactions with his employers.

Third: he has been responsible for more misunderstandings and arguments in our company than all the rest of our employees combined.

Fourth: He has made practically and identically the same disparaging remarks about Saint Simons, Mr. Coffin and the Saint Simons organization that he has made concerning Montauk.

Of course, the idea that I would ask Redden to remain in the company after you have heard the various complaints I had to make regarding his policy, is ridiculous. On account of Howard, I thought it would be policy to offer to continue to pay half the New York office rent and to offer to give Redden a small salary until he would hang himself, which he has now properly done. Montauk can easily proceed without a man like Redden better than with his attempted assistance on one hand, and his destroying policy on

Mr. C. LeBoutillier,  
March 4, 1929  
Page 2.

the other hand. I now want to request the Board of Directors to immediately accept Mr. Redden's resignation in writing; and to further instruct him that if he has not anything else to do in the future except writing destructive letters of this kind that we should advise him we will take particular pains to see that he does discontinue correspondence of this kind. Also I would think it advisable to caution Mr. Redden that in his solicitation for various stenographers in the organization, that he confine his correspondence to personal letters.

I have not the slightest idea how Mr. Haynes secured copy of this letter and don't care how he got it, but I have known that in Redden we have a destructive force, and but for my efforts to have some harmony I would have objected strenuously to him long ago.

I would like to have our directors hand Mr. LeBoutillier their wishes immediately in this case.

We can immediately return our advertising to Wasey and Company, who are prepared to handle it in a first class manner and, incidentally, save our company the expense of Redden's salary and a lot of wasted effort. It is a shame that we have been paying a man a salary for months to write such letters as this, and also to give out personal interviews of probably a very much stronger nature.

Very truly yours,

CGF:T

Copies:  
Mr. Coffin  
Mr. Keys  
Mr. Bragg  
Mr. Chapin



MONTAUK BEACH DEVELOPMENT CORPORATION

New York, N. Y., March 9th, 1929.

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

Montauk

Dear Skipper:

I have your letter of March 4th, and enclosures, regarding Mr. C. F. Redden, and, while it is admitted that Mr. Redden wrote a very indiscreet and uncalled-for letter to Mr. Rankin about the Company's affairs, I do not think we should take any hasty action in the matter, for I doubt very much if we can obtain the services of a man having nearly the ability of Mr. Redden, who has done a wonderful job for Sea Island Beach.

I feel very strongly on this matter and would recommend that no action be taken in Mr. Redden's case until the new President has been installed and has had sufficient time to size up the situation, for I know how difficult it is to get a man of Redden's ability.

It must be admitted that Redden has not received the support of the organization - but then again, who has, of Talbot, Kohlhepp, Davis, McCaffery and Sheedy, and, to some extent, "yours truly".

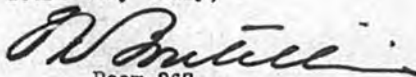
It is very important to get the discordant element of an organization such as yours outside as soon as possible, so that the petty jealousies that are constantly cropping up do not become common gossip and hurt the whole situation.

You and your group of friends have a wonderful proposition at Montauk, as you well know, and you will come into a sales time when it will be satisfactory to all. But the many rumors that are flying around New York and other places about the organization and financial status must be quieted in order to make the development a success, and this can only be done by having high type, conscientious men in the organization.

I hope you will take what I have said in the spirit in which it is written and that you will agree that no hasty action should be taken in the matter.

I feel that Redden wrote this letter under great stress, after he had talked to some of the officers after the last meeting at Sapelo.

Yours very truly,



Room 267,  
Pennsylvania Station.

March 16, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

My dear LeBoutillier:

I have yours of the ninth. I will agree with you Redden has done a wonderful job at Sea Island, but you must also agree with me Redden had a wonderful piece of property to work for and one of the best known men in the United States. I will agree with you that we do nothing further with Redden's case until a new President has been installed.

I am beginning to realize very seriously that it is difficult to operate six months of the year here and six months at Montauk without a strong organization.

There are many reasons why Talbot, Kohlhepp, Davis, McCaffrey and Sheedy did not have cooperation. With the exception of Talbot and Davis, I could easily show you why the others did not deserve cooperation, and by taking them out of any control at Montauk I undoubtedly saved several hundred thousands of dollars in expense. Davis told me he did not want the job, and Talbot could not cooperate with Kohlhepp and the rest of the organization without wrecking the organization at that time which would have been serious. McCaffrey was not competent; and Sheedy on account of his association with the Government, was letting contracts that were very expensive to us. However, let's forget all of that.

I am indeed delighted that you have found a man who you think would be the right man for us if you can make the deal. I will back you up in anybody you select and will help all I can. However, I do deeply resent one of our assistants spreading rumors with our own pen and ink and stamps. Let me assure you I am taking your letter in the spirit in which it is written.

Mr. G. LeBoutillier,  
March 16, 1929,  
Page 2.

I have one other man I want to suggest to you for consideration if your own selection does not turn out o.k. I refer to Daniel J. Mahoney, who has for years managed several of Jim Cox's newspapers -- in Miami, Dayton, Springfield, and Canton, Ohio. Dan is a big good looking Irishman about thirty-eight years of age, a splendid war record and a splendid record for efficiency. Of course, he knows advertising from A to Z. He has a tremendous acquaintance through the central west and in the east. He is not, however, a society man -- cares nothing about it and spends his leisure time at home or with his friends. He is a hard worker and might be had for, say, \$20,000 a year in salary and \$10,000 a year credit on land.

If you care to have a talk with him I can ask him to stop in to see you. He is in New York on business usually about once in two weeks. He is the only man I think of at this time who might be available.

Business continues to be good here.  
Hope to see you soon.

Yours,

GCF:T

Welaka, Fla. MARCH 11, 1929.

MR, Carl Fisher,  
Miami Beach,  
Florida,

Dear Sir:

Replying to yours of Jan, 29, regarding seals.

Please give me all information regarding the nearest railroad station to Montauk Long island Where seals may be delivered.

will make arrangements to come to Montauk to give final definite instructions to the caretakers.

Did I understand that the second pair were to be delivered, to a New York address? Please send me address if so, and any information regarding the nearest delivery point made by the American Express Co.

The third pair will be delivered at Miami in Dec.

Very truly yours,

*Walter G. Adams.*

*Address Welaka Fla. to  
April 1st*

*After April 1st Boothbay Harbor Maine.*



Seats

ASST. CLERK



The 17th day of...

of the year...

Seats

THEY ALL...  
LET YOU...  
FIRST HOUSE...  
BY SELF ATTEMPT.

THE 17th DAY...

MONTAUK BEACH DEVELOPMENT CORPORATION

New York, N. Y., March 15th, 1929.

- Mr. Howard E. Coffin,  
c/o Hotel Chatham,  
New York City.
- Mr. Carl G. Fisher,  
Miami Beach, Fla.
- Mr. Richard F. Hoyt,  
25 Broad Street,  
New York City.
- Mr. Caleb S. Bragg,  
135 East 74th St.,  
New York City.
- Mr. Hugh W. Davis,  
420 Lexington Ave.,  
New York City.
- Mr. Robert H. Tyndall,  
c/o Carl G. Fisher,  
Miami Beach, Fla.
- Mr. Victor Ehrhardt,  
c/o Jamestown Paint & Varnish Co.,  
Jamestown, Pa.
- Mr. Parke G. Haynes,  
c/o Montauk Beach Development Corp.,  
Montauk, N. Y.

Gentlemen:

For your information, I am enclosing herewith copy of letter from Mr. C. M. Keys, dated March 11th, advising of his resignation as a member of the Board of Directors of the Montauk Beach Development Corporation.

Will you please acknowledge receipt and, at the same time, advise me whether you wish to vote on this matter by letter ballot, or prefer to have me hold it for the next meeting of the Board.

Yours very truly,

*Ghe Boutilier*

Room 267,  
Pennsylvania Station.

COPY

C. M. KEYS  
#49 Broadway  
New York

March 11, 1929.

Mr. G. Le Boutillier,  
Chairman, Board of Directors,  
Montauk Beach Development Corp.,  
Pennsylvania Station,  
New York, N. Y.

Dear Sir:

I hereby beg to present to you formally my resignation as a member of the Board of Directors of the Montauk Beach Development Corporation to take effect immediately.

This follows my resignation from the Advisory Committee at the meeting at Sapelo, February 13, 1929, and is made necessary by the same reason, namely, that I cannot legally approve of steps which might result in a deficit from operations and therefore compel me to act for the protection of the bonds of the company underwritten and sold to other people by me, acting for the company. I am bound, of course, both legally and morally to keep myself clear to take all steps that may become necessary on behalf of the holders of these bonds at any time.

Please be assured that I should be happy to do all that I can at any time to help matters at Montauk, in which I have a deep personal interest, and in which I have complete faith as to the final result.

Yours very truly,

(Sgd) C. M. Keys.

March 18, 1929.

Mr. G. LeBoutillier,  
217 Pennsylvania Station,  
New York City.

My dear LeBout:

I regret very much the  
necessity of accepting Mr. Keys'  
resignation, but under the condi-  
tions which he refers to it is  
apparently best that these steps  
should be taken.

Yours,

CCF:T



MEMORANDUM

FROM MR. FISHER

DATE May 9, 1929

TO Mr. G. LeBoutillier.

SUBJECT

*Montauk*

Subjects to be discussed at the meeting on Wednesday:

I have to recommend as our new President, Mr. Dan Mahoney, of Dayton, Ohio. He is thoroughly familiar with the real estate business, has been successfully associated with James Cox for the last twenty years; has a tremendous following and acquaintance not only in New York but through the middle west. He is a politician of no mean ability and a hard worker. Mr. Mahoney wants more out-of-door work. He is not looking for a position as he has a very splendid position at the present time, but he does want a change where he can handle larger contracts and larger finances.

I would also recommend Mr. Ernest L'Ecluse of the L'Ecluse, Washburn Company, if he would consider same. He has had twenty-five years experience in the real estate business on Long Island and New York, is well acquainted with all the principal big business people in Long Island and New York; is aggressive, conservative and reliable. These are the only two men I can suggest at the present time.

We are very short on houses for salesmen and assistants, also summer cottages for rent -- particularly the houses for salesmen. Many of these salesmen have made engagements this winter to meet prospects at Montauk and many of these salesmen are able and willing to purchase a house on our regular terms of one, two and three year payments, but are not in a position at the present time to buy outright and build. I would like, if possible, to have our budget include the building of ten of these houses, their cost not to exceed \$4,000 each.

The salesmen I refer to have sold over two million dollars' worth of property for our own company through our own office at Miami Beach, and more than one million dollars' worth of property for other real estate dealers and private owners. These few salesmen whom we will have at Montauk will be of the very highest class, thoroughly familiar with the business genteel, quiet, and presenting our property in the way we would have it presented.

I think we should definitely proceed at this meeting to decide on an airplane landing for this season and the future.

We are again confronted with the same old inconvenience of applications for week end association meetings and our inability to provide for them in the hotel. This, however, cannot be remedied, apparently, for this season but we can bear it in mind.

CGF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

New York, N. Y., May 17th, 1929.

Mr. Carl G. Fisher,  
Port Washington, N. Y.

Dear Skipper:

While at your office last Wednesday, I wired Mr. Howard E. Coffin asking him if he would retain the presidency of the Montauk Beach Development Corporation and I am attaching hereto copy of wire and letter reply from which you will note he feels that the state of his health will not permit him to continue and points out the fact that he expected to function only nominally when he accepted the position.

During the past Winter, I have given a great deal of thought to what plans should be made to meet a good sales year and to make the Montauk Beach Development Corporation a success in the eyes of the buying public, and I am firmly of the opinion that it is necessary, without further delay, to head the Company with some outstanding and capable man, one that will be in a position to arrange for new finances when necessary.

Since the Railroad has given me new duties, as of October 1st, 1928, I find that I have little or no time to give to the Development Company, and, as you have expressed more than once that you desire to be relieved of responsibility in the Summer time on account of being busy all Winter, I feel someone should be chosen at once for the presidency. I think that Mr. Keys should have the matter placed before him and possibly submit his recommendations as to the party we should seek to accept the presidency.

I will talk this over with Mr. Keys in the course of a few days and you will hear from me further.

Yours very truly,

*E. Le Bontillui*

Room 267,  
Pennsylvania Station.

**MONTAUK BEACH DEVELOPMENT CORPORATION**

New York, N. Y., May 17th, 1929.

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

Dear Mr. Keys:

The Montauk Beach Development Corporation will require about \$500,000. additional money this year, and possibly more than that next year, to enable it to carry on the operation and development of the property. It has been suggested that one way of raising this sum of money would be to have all stockholders that own \$50,000. worth of stock, or more, agree to sign a note for that amount on the presumption that such a loan can be made by these prominent men without collateral.

I will endeavor to find time on Thursday, May 23d, to talk this matter over with you, if you will be available that day.

Yours very truly,

Copy to:

(Sgd) G. Le Boutillier,

Mr. C. G. Fisher -  
Mr. Caleb S. Bragg -  
Mr. Howard E. Coffin -  
Mr. Richard F. Hoyt -

Room 267,  
Pennsylvania Station.

To note.

G. Le B.

Key West Florida,  
May 23, 1929.

Mr. Carl Fisher,  
Montauk L.I.  
Dear Sir:

Please give me final instructions regarding shipping seals which I think will be about June 25. Four to Montauk, <sup>me June</sup> and two to Miami in December. My assistant who feeds and cares for seals for me, will accompany me to Montauk and instruct your men regarding feeding and care. The expense of trip Boothbay Harbor to Montauk ~~to~~ and return to be paid by you. Write me if there is space ~~xxxx~~ enough for seals to crawl out of water, and rest upon. a space about 3 to 4 feet would be sufficient. This space should not be more than 4 inches higher than water level. They must have a place to rest upon available at all times. Please write if the tide rises and falls in the pool. Give a little description of the pool as I may be able to offer suggestions that may help to make best conditions for them. Please write soon so that I may know about conditions.

Very truly yours,

*A. G. Adams.*

Address Key West Fla.  
Gen. Del.  
A.G. Adams.



-----  
Montauk

June 3, 1929.

Mr. A. G. Adams,  
General Delivery,  
Key West, Florida.

Dear Sir:

I have yours of the 23rd. The pool here is all ready except the shelf and they are building that now. Salt water is pumped from the ocean and filtered -- a distance of about 400 feet. There is no rise and fall of the tide. The pool is approximately 30 x 60 feet.

We expected to put other fish in the pool but if you think better we could give the seals a separate part of the pool. When I was at Woods Hole I saw a small shark and several other types of fish in with the seals.

I have a swimming pool at Miami Beach which I think could be used for the pair to be sent there until a proper pool is constructed. A shelf of wood could be built in the swimming pool and weighted down, which would answer all purposes until I arrive next fall and build a proper pool for them.

If you will call on Mr. Garret Heath, my superintendant and caretaker at Miami Beach, he will show you the facilities there. I will be very glad to pay your expenses from Key West up to look over the layout at Miami Beach.

Very truly yours,

CGF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO TO Mr. Fisher  
cc to Mr. Haynes

FROM Mr. Ringwood.

DATE June 7, 1929.

SUBJECT Dredging.

There are attached hereto two prints showing data on last year's dredge operation as compared to this year's.

We check up on the time weekly as daily reports take too much time and it is the weekly average which counts.

The dredge starts at 7 o'clock in the morning and works thru till 11 o'clock at night. There are various reasons, as you will note on the report, why the dredge can be shut down at odd times during the day such as, moving the equipment, plugs in the line, leaky joints on shore pipe, which would damage roads if left too long, or rubber sleeve connections giving away. Sometimes, it is also necessary to take large stones out of the stone-box which come up thru the cutter and suction line, but are too large to go thru the pump.

On the whole, I believe our operating record is much better this year than last and I am advised that the coal consumption has been cut by about one-third, due to extensive repairs made on the boiler last winter. I will not be able to check this until the monthly bills are in and yardage computed. We compute the actual yardage removed only once a month for the reason that this job takes a couple of day's sounding work and we estimate the yardage weekly, based on the yards per hour pumped the previous month.

If you wish, we will have a print of these weekly reports filed in your office.

Upon receipt of the dredge log this afternoon, I find the shut-down last evening between the hours of 5.05 and 8.30 was due to one section of pontoon line which sunk and had to be raised. Our pontoon line is now getting longer as we move the dredge farther from the shore and it is necessary to use some of these sections of old pontoon line. These pontoons will be renewed as rapidly as J. W. Hennessy's Inc. working capital permits, but this account was practically exhausted last winter by repair work.

T. E. RINGWOOD.

TER.HVL:

C. M. Keys  
39 Broadway  
New York

*Handwritten signature*

June 7, 1929

C O P Y

Mr. George Le Boutillier,  
Pennsylvania Station,  
New York, N.Y.

Dear Mr. Le Boutillier:

I judge from memorandum of June 4th from Mr. Haynes that Montauk is reaching the end of its available funds and that something will be forthcoming soon. Since I am going to Europe on June 29th, I would like to clear up anything I can do with respect to this matter before I go.

Of course, as I long ago told you, I am in the position of a bondholder and represent all of the bondholders of the outstanding issue and, therefore, ust of course take the position that all steps taken or to be taken for the financing of the needs of the company must be junior to the bond issues outstanding.

Yours very truly,

(Sgd) C. M. Keys

MONTAUK BEACH DEVELOPMENT CORPORATION

New York, N.Y., June 15, 1929.

- Mr. H. E. Coffin,  
Sapelo Island, Ga.
- Mr. C. G. Fisher,  
c/o Montauk Beach Development Corp.,  
Montauk, N.Y.
- Mr. R. F. Hoyt,  
25 Broad St.,  
New York City.
- Mr. C. S. Bragg,  
135 East 74th St.,  
New York City.
- Mr. Hugh Davis,  
Craybar Building,  
Lexington Ave. & 43rd St., N.Y.
- Mr. R. H. Tyndall,  
c/o Montauk Beach Development Corp.,  
Montauk, N.Y.
- Mr. V. Ehrhardt,  
c/o Jamestown Paint & Varnish Co.,  
Jamestown, Pa.
- Mr. P. G. Haynes,  
c/o Montauk Beach Development Corp.,  
Montauk, N.Y.

*Directors*

Gentlemen:

As you probably know the Montauk Beach Development Corporation Board of Directors meeting will be held at Montauk on Saturday, June 22d at 10.00 A.M., and as there are a great many extremely important matters to be discussed, I would strongly urge that you be in attendance.

Yours very truly,

*G. LeBontillier*

Room 267  
Pennsylvania Station.



Montauk

June 18, 1929.

Mr. E. C. Romfh,  
First National Bank,  
Miami, Florida.

Dear Ed:

When we bought this property we paid \$16,000 for an acre and 7/10 of land on the ocean front. The property is about 400 feet deep and 25 feet above the ocean. It has a magnificent view and there are very good neighbors. Arthur Brisbane purchased a house within a half mile of this property and is fixing it up and will spend his week-ends here, although he owns two other fine properties in Long Island and one very fine property in New Jersey, but he prefers Montauk.

The property I refer to runs down to a small lake of about two acres filled with pond lillies. On the property is a shell of a six room house which needs a new roof. It needs a well as there is no water pipe connection but water is easily had, and good water. The place needs a general fixing up.

It occurred to me this would be a great place for you and a splendid investment, too. We can sell you the property for just what we gave for it, namely, \$16,000. We are getting \$10,000 an acre for all our residential property, and for ocean front such as this property we are getting more than \$10,000 an acre.

Mr. McCaffray, one of our lot owners, has just built a very beautiful house on the ocean front within a mile of the property I am writing you about. He has recently added to his holdings by buying \$50,000 worth of

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Mr. E. C. Romfh,  
June 18, 1929,  
Page 2.

property from Mr. Coffin, which gave Mr. Coffin quite a handsome profit.

I am urging you, if you possibly can, to buy this property. You can buy on three years' time and we can have the house all fixed up for you and do a good job for right around \$6,000. If you want a garage on the property, with space for two cars, it will cost another \$2,500 -- if you want servants' rooms in the garage and a small laundry. I think we can do a good job at a total cost of under \$8,000.

I want to turn over this property to some friend and you are the first one I can think of; also I believe it would be a lot of benefit to you to be neighbor to Mr. Brisbane. Please wire me on receipt of this letter if you are interested.

Yours,

CGF:T

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

MIAMI, FLORIDA.  
JUNE 26, 1929.

CARL G. FISHER. MONTAUK. NEW YORK.

THANKS VERY MUCH FOR YOUR LETTER OF RECENT DATE

I CANNOT BUY THE PROPERTY AT THIS TIME.

HOPE TO SEE YOU SOON.

E. C. ROMFH.

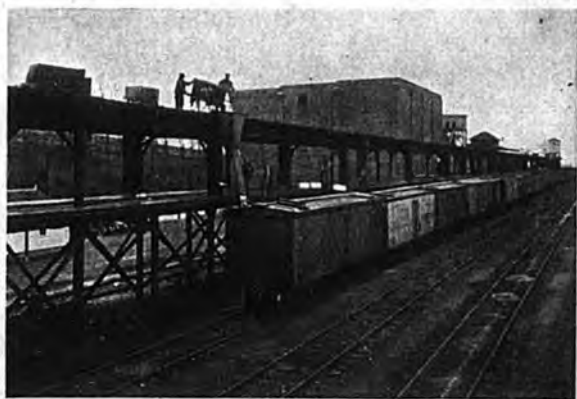
# Pennsylvania Railroad

The Standard Railroad of the World



THE PENNSYLVANIA RAILROAD  
LONG ISLAND RAILROAD  
JUN 28 9  
PASSENGER TRAFFIC MANAGER  
NEW YORK

## Dining Car MENU



### Trains of Traveling Ice-Boxes

Fourteen thousand pounds of chunk ice in each car is the capacity of the newest Pennsylvania steel refrigerator cars. That amount of ice, combined with proper ventilation, assures the freshness and safety of perishables carried.

Even on long journeys there is no danger of the ice giving out. In icing stations, placed at strategic points along the Pennsylvania Railroad lines, each car is inspected and its supply replenished—at the rate of about one car a minute!



## The End of the Sunrise Trail

If you have never stood on the high bluffs at Montauk Point, Long Island, and looked out over the vast expanse of water, with the salt sea breezes blowing fresh off miles of tossing ocean, make a resolve to do so this summer.

Montauk is a charming community of hotels, homes and gardens. Here, on a tract of 10,000 acres, overlooking the blue waters of Fort Pond Bay, Lake Montauk, Block Island Sound and the ocean, millions are being spent to create "the Miami Beach of the North". Here is a million-dollar fireproof hotel rivaling the most luxurious of the Florida coast. Two 18-hole golf courses, a polo field, a driving track, a bathing pool, indoor tennis courts, night club and casino, are but the beginning of the many improvements planned.

You can make the trip from New York to Montauk in less than three hours in a comfortable Pullman parlor car, and every mile of it is interesting and beautiful.

Pennsylvania and Long Island Railroad trains arrive at and depart from Pennsylvania Station in New York, providing direct connection.

On Fridays, eastward, and Mondays, westward, until September 3rd, through parlor car service is provided between Washington and Montauk via the Pennsylvania Railroad.

### SMOKING IN DINING CARS

Differences in personal taste make the question of smoking in dining cars an unusually difficult one to handle. Experience over a long period of years has proven that the practice is generally annoying to patrons. However, in all trains, space is especially provided, elsewhere, for those who wish to enjoy the use of tobacco without inconveniencing others. The co-operation of patrons with the management, and with the Steward in charge of this car, is, therefore, requested to the end that any possible cause of objection may be avoided.

BEVERAGES		MINERAL WATERS	
Cereal Beverages . . . . .	30	Carbonated . . . . .	Split 25-30-35
Ginger Ale (Domestic) . . . . .	40	Carbonated . . . . .	Bottle 30-35-40
Ginger Ale (Imported) . . . . .	45	Natural . . . . .	30
Ginger Ale (Dry) . . . . .	40	Purgative . . . . .	25
Sarsaparilla (Imported) . . . . .	40	Vichy . . . . .	35-45
Sarsaparilla (Domestic) . . . . .	30	Bromo-Seltzer . . . . .	20
Grape Juice (Individual) . . . . .	20		
Lemonade (Carbonated) . . . . .	35-40		
Lemonade (Plain) (Glass) . . . . .	25		
Orangeade (Glass) . . . . .	30		
Pale Moon . . . . .	30		
Coca-Cola . . . . .	Split 10		

CIGARS		PLAYING CARDS	
Imported . . . . .	25-35	Straight or Pinochle Decks . . . . .	60
Domestic . . . . .	10; 2 for 25; 15-20	Bridge Decks (2) . . . . .	1.20

CANDIES	
Pulled Cream Mints 25	Chocolate Peppermints, half pound 60
Ultra Assorted 35	Assorted Chocolates, half pound 65
	Aspirin Tablets 25

In order to avoid embarrassing situations the management requests the co-operation of passengers in a strict observance of the Prohibition Law and requests that passengers kindly refrain from the use of intoxicating liquors as beverages while upon trains.

The name of your waiter is

### DINNER

SOUPS—Puree of Green Split Peas 35; Cup 25  
Clam Bouillon, Hot or Cold 30  
Clear Green Turtle 50  
RELISHES—Sliced Tomatoes 40  
Ripe, Green or Stuffed Olives 25  
Sauerkraut Juice 25  
Tomato Juice 25  
FISH—Codfish, Saute, Meuniere 80  
Kipperd Herring on Toast 45  
Consomme 35; Cup 25; Jellied, Cup 25  
Celery 35

### SPECIAL DINNER \$1.10

PLEASE WRITE ON MEAL CHECK "SPECIAL DINNER" AND EACH ITEM DESIRED

Poached Codfish, Parsley Sauce  
Boiled Potatoes or String Beans  
Cold Boiled Ham and Ox Tongue  
Lettuce and Potato Salad or Mixed Pickles  
Individual Chicken Pie or Green Peas  
Roast Prime Ribs of Beef  
Browned Potatoes or Corn on Cob  
Vegetarian Dinner with Poached Egg  
Includes Bread, Rolls or Muffins and Tea, Coffee, Cocoa or Milk

### HOT WEATHER SUGGESTIONS

Clam Bouillon 30 Jellied Consomme, Cup 25  
Sliced Eggs on Lettuce, Mayonnaise 65  
Billed Ham 80 Sliced Ox Tongue 85 Roast Beef 1.00  
Assorted Cold Meats 1.10 Sliced Chicken 1.00  
Pickled Lambs Tongue, Vinaigrette 65  
(POTATO SALAD SERVED WITH COLD MEATS)  
Imported Sardines 60 Baked Beans, Hot or Cold 45  
SANDWICHES—Cold Roast Beef 50 Ham or Cheese 30  
Chicken 50 Club 75 Tongue 30 Fried Ham 45  
Fried Egg 35 Fried Ham and Egg 55  
SALADS—Apple and Celery, Mayonnaise 65  
Head Lettuce, French Dressing 40; with Tomato 60  
Pineapple, Cucumber or Egg, French Dressing 55  
Chicken 1.00 Combination 60 Potato 40  
Dressings:—Asparagus Tips, Vinaigrette 50  
Mayonnaise 20 Russian 25 Roquefort 25  
DESSERTS—Chilled Cantaloupe 35 Chilled Watermelon 40  
Berries with Cream 40  
French Ice Cream 35; with Crushed Berries 45

Browned Roast Beef Hash with Poached Egg 75  
Minute Steak, French Fried or Hashed Browned Potatoes 1.00  
GRILLED—Lamb Chop 55 Young Chicken (Half) 1.25 Sirloin Steak 1.50  
Ham and (1) Egg 65; (2) Eggs 80  
Bacon and (1) Egg 65; (2) Eggs 80  
Ham 80; Half Portion 45  
Bacon 80; Half Portion 45; per Slice 15  
EGGS AND OMELETS—Poached on Toast (2) 50  
Eggs—Boiled, Fried, Shirred or Scrambled (1) 30; (2) 40  
Omelets, (2) Eggs, Plain 55; Ham, Parsley or Jelly 70  
VEGETABLES—Carrots, Saute 30 Lima Beans 30 Corn on Cob 30  
Fresh Asparagus, Drawn Butter 50 String Beans 30  
Beets in Butter 30 Stewed Tomatoes 30 Fresh Spinach with Egg 35  
Potatoes:—Boiled 25 Hashed Browned 25  
French Fried 30  
BREAD, ETC.—Vienna, Raisin, Graham or Rye 15 Rolls 15  
Toast—Dry, Buttered or Raisin 20; Milk 30  
Boston Brown 15 Bran Muffins (2) 15  
Doughnuts (2) 15 Whole Wheat Wafers (2) 15  
Bran Cookies 15 Crackers 10

DESSERTS—  
Apple Pie 25  
Deep Dish Fresh Cherry Pie (Baked on Car To-day) 30  
Orange Marmalade 30 Hawaiian Pineapple 30 Orange 20  
Preserved Figs in Syrup 45 Preserved Strawberries 30  
Bar le Duc 35 Guava Jelly 30  
Stewed Fresh Rhubarb 30 Wafers 15  
CHEESE AND CRACKERS—Swiss Gruyere 35 Imperial 30  
Cream 30 Roquefort 40 Yeast Cake 10  
COFFEE, TEA, ETC.—

Iced Tea, Coffee, Cocoa (Pot for One) 25  
Coffee, Tea, Postum, Cocoa (Pot for One) 25 (Demitasse) 15  
Kaffee Hag or Sanka Coffee (Pot for One) 25  
Certified Milk (Individual Bottle) 20 Malted Milk 25  
Buttermilk 20  
Service charge of twenty-five cents will be made for each person served outside of Dining Car.  
Pay only upon presentation of check; see that extensions and totals are correct.

Passengers are requested to report any unusual services or attention on the part of the employees. This enables us to recognize the exceptional efficiency which we wish to encourage in our service.  
D. N. Bell, Passenger Traffic Manager, Philadelphia, Pa.  
F. W. Conner, Passenger Traffic Manager, Pittsburgh, Pa.  
C. E. Milliron, Superintendent, Dining Car Service, New York, N. Y.

Steward in Charge

## A Railroad in Terms of its Tracks

The total trackage operated by the Pennsylvania Railroad System, as of December 31, 1928, was 28,035 miles. This consisted of 11,515 miles of first track, 4358 miles of second track, 918 miles of third track, 700 miles of fourth track, and 10,543 miles of sidings.

Two facts of unusual importance are indicated by these figures. The total trackage is nearly  $2\frac{1}{2}$  times as great as the first track, or line mileage, reflecting the density of the traffic carried by the Pennsylvania Railroad, and the large proportion of multiple track which it operates.

The extremely large siding mileage, exceeding the total trackage of many entire railroad systems which would be included among the more important lines of the country, reflects largely the enormous industrial and mining development in the communities and general territory served by the Pennsylvania Railroad, and indicates the extent of the facilities necessary to provide for the resulting and immensely complex inbound and outbound business.

The total track mileage of the Pennsylvania Railroad System is much the largest on the American continent.

You may take this Menu if you so desire

MEMORANDUM

FROM MR. FISHER

DATE July 12, 1929

TO Mr. Paul Kunschik.

SUBJECT

Issue to Mr. C. F. Chapman (Editor of "Motor Boating")  
One Thousand Dollars' worth of my Montauk stock.

CGF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO. TO Mr. Fisher

DATE July 13, 1929.

FROM T. E. Ringwood.

SUBJECT Cost of Piers.

With reference to your inquiry on the cost of the Hotel Pier, the contract price on this pier was \$5,600.00; we used some old piling and also some of the larger trees cut off Mr. Bragg's lot which gave us a credit of \$160.00, making a unit cost of \$5,440.00. This establishes a unit cost of \$2.38 per square foot.

The only piers of similar construction which could be used for comparison, are those built by Mr. Bragg and the unit cost of his piers is \$2.78 per square foot. Mr. Bragg's piers have more fender piling and are somewhat more elaborate, but I believe we have more pier for the money.

Both of these piers are substantially built, in from 9 to 10 feet of water. Both were more or less "hurry-up jobs" which did not allow the ordering of material direct from mills in the South, which results in some economy, rather than if the contractor has to pick it up from stock in Brooklyn yards.

None of our pier costs, of course, compare in economy with those at Miami Beach for the reason that Mr. Conklin's men used to get about \$6.00 a day as against \$12.00 and expenses which dock builders in this part of the country receive. Also, it is possible for the Miami contractors to go back of town a few miles and cut



MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO. TO \_\_\_\_\_

DATE \_\_\_\_\_

FROM \_\_\_\_\_

SUBJECT \_\_\_\_\_

yellow pine piling off any acreage which they happen to own ( which I know Mr. Conklin did), so the cost of the piling and lumber is comparatively low.

However, I believe our unit costs on pier construction here at Montauk are in line with local costs and somewhat under the average.

T. E. RINGWOOD.



TER.HVL:

REGISTERED MAIL

THE CARL G. FISHER PROPERTIES

MEMO TO Mr. Carl G. Fisher

DATE July 30, 1929.

FROM Paul Kunschik

SUBJECT Transfers of Montauk Stock

There have been transferred from your holdings of Montauk Beach Development Corporation Class A stock the following:

300 shares	Gilbert LaGorce
200 shares	Steve Hannagan
100 shares	C. F. Chapman
100 shares	Walter E. Thompson

In adjusting our records of Stocks Owned, we should have information as to the proper charge for this stock. Will you be so kind as to indicate your wishes in this matter, that is, whether the stock is a personal gift by you, whether it is advertising expense of Montauk or Miami Beach, or whether it is compensation for services rendered to Montauk or Miami Beach.

In making these transfers it was necessary to break up two certificates of your holdings and the balance was reissued to you as trustee and the certificates were forwarded to this office. Inasmuch as they are assets of The Carl G. Fisher Company you should sign the assignment on the back of the certificates and have Walter Thompson sign as witness, filling in the date, and return to this office to be filed with other securities.

PK:MKH.

*Personal*

*Paul Kunschik*  
PAUL KUNSCHIK

# MEMORANDUM

FROM MR. FISHER

DATE August 7, 1939

TO Mr. Paul Kunschik,

SUBJECT

Replying to yours of the 30th regarding distribution of the stock:

This distribution is made on the basis of long service with the company, either here or at other points and I thought the boys had earned something in the shape of a bonus and I preferred to pay it myself.

CGF:T

MEMORANDUM

FROM MR. FISHER

DATE August 7, 1929

TO Mr. Paul Kunschik,

SUBJECT

Replying to yours of the 30th regarding distribution of the stock:

This distribution is made on the basis of long service with the company, either here or at other points and I thought the boys had earned something in the shape of a bonus and I preferred to pay it myself.

OGF:T



Montauk

August 19, 1929.

Mr. A. G. Adams,  
Boothbay Harbor,  
Maine.

Dear Sir:

One of our seals died.  
We are preparing two small aquarium  
at Miami Beach where we will have a  
continuous flow of water and will  
have two seals in each aquarium. We  
think best not to take them down till  
about the first of November. What do  
you know about shipment at that time?

Very truly yours,

CGF:T

Boothbay Harbor Maine

August 31, 1929.

Mr. Carl Fisher,  
Montauk L.I.

Dear Sir:

On arrival at Boothbay Harbor Maine Aug 26, found letter dated Aug. 19, saying you had lost one of your seals by death.

Am sorry and will say that we lost two but I find that it was because they had not been fed properly. If they are fed enough of proper food there should be no losses providing water conditions and shade are given attention.

Regarding shipping seals in November will say that I think you can ship them earlier, but will get information from Miami regarding air and water temperatures during October and write you immediately when I have this information

I made a special trip to Miami to see Mr Heath regarding instructions for care of seals and what was essential for enclosure for them. I note you say you are to have two aquariums. for them at Miami. I understood Mr Heath to say that you would have a pool for them.

They would do much better in a pool .

Very Truly Yours,  
*A.S. Adams*

Expenses Key West Fla ,to Miami and return to Key West Fla, consuming two days and one night including transportation, meals and lodging  
24.50

Made this trip at your request of letter written early in the Summer while at Key West.

*CF*

September 6, 1929.

Mr. A. G. Adams,  
Boothbay Harbor,  
Maine.

Dear Sir:

Replying to yours of August 31st:  
My letter probably misled you, when I  
mentioned "aquarium" instead of "pool".

We thought we would have a pool  
which would be continuously filled  
with fresh water by electrically oper-  
ated pump and also connected with the  
bay by an opening into the bay. In  
addition to the seals, we would have  
a large number of brilliantly colored  
fish.

I am having check sent you from  
Miami Beach.

Will be glad to hear from you re-  
garding the proper time to move the  
seals, and also what you mean by "shade".

Yours,

COF:T

MONTAUK BEACH DEVELOPMENT CORPORATION  
REPORT OF AUDIT

Philadelphia, Pa., September 3, 1929

Mr. G. LeBoutillier,  
Vice President.

Dear Sir:

We have made an examination of the books and accounts of the Montauk Beach Development Corporation, Montauk Point, New York, covering the period from the beginning of the enterprise in November, 1925 to June, 1929, inclusive, and submit the following report.

This property development project involved the construction of a hotel, village, yacht club, golf club, tennis club, laundry and the organization of various companies which performed a large part of the construction work, and also a company through which purchases were made, presumably at better prices than could otherwise have been obtained.

It was found that there were unusual accounting conditions existing which do not prevail in ordinary accounting practice and which perhaps, would only be permissible in a large development project of the character of the one here discussed.

Each of the above projects, excepting the village, had cash funds, receipts and disbursements which had to be examined separately, and while they functioned to a certain extent as distinct projects, they were, nevertheless, merely links in the chain which comprised the development project as a whole, all working to the one end, which was the sale of ten thousand acres of land and the development of a community of high class summer homes. All of the petty cash funds were checked in the course of our examination and the one in the general office was short \$7.50, which was supposed to represent postage purchased and not recorded. It was found that four different persons had access to this fund and had the combination of the safe in which it was kept at night. It ordinarily amounted to \$600.00 but was increased as required. It is, therefore, recommended that it should be placed in the sole custody of one person who should be required to account for the full amount of it at all times. It is also recommended that the combination of the safe should be changed and thereafter known to only two persons in the office.

No audits of the outside accounts such as the hotel, various clubs, horse show, laundry, etc., were made by the Auditor. The persons in charge of such operations keep their own accounts, make collections and pay bills therefrom and turn over the balance, if any, to the Auditor, and in case of a deficit the corporation pays it.

The general cash funds derived from the sale of stock, bonds, land and other sources were carried at times in ten different



banks and thirteen different accounts. Six of these banks were in New York City, one in Miami Beach, Florida, one in Indianapolis, Ind. and two in East Hampton, New York. There were a great many transfers of funds from one bank to another and frequently the recorded information covering the transactions were very meager. The records in use included a cash received book in which, however, all cash received had not been entered. The disbursements which began in December 1925, were entered in a voucher book and a cash disbursed book. The former had not been put into use until August, 1926, and neither book covered all transactions. After summarizing the cash received and cash disbursed records in similar manner to which ordinary cash books may be treated, it was found that the disbursements exceeded the receipts by over \$4,000,000.00. It therefore became necessary to analyze the thirteen bank accounts which disclosed that large cash transactions were covered by journal entries as indicated below:

Cash Receipts.

Entered in cash book	\$8,703,800.34
Covered by journal entries	3,009,011.21
Charged to banks from voucher record book	2,520,733.83
Total	<u>\$14,233,545.38</u>

Cash Disbursed

Entered in cash book	12,882,262.54
Covered by journal entries	1,307,555.77
Credited from voucher record book	164.33
Total	<u>\$14,189,982.64</u>

Balance on hand June 30, 1929, carried in six different banks	43,562.74
---	-----------

We recommend that hereafter all cash transactions be recorded in the cash received and cash disbursed books, and sufficient information entered to clearly explain the transactions.

It was found that original papers were not always filed with the vouchers and payments had been made at times on merely verbal instructions. We were informed also that increases in salaries had in the past, been given on verbal authority of officers who are not now with the corporation. Estimates for work performed were paid without any audit being made of them by the Accounting Department, which was not manned to do that work. Vouchers and some checks were signed by the Treasurer when he was present, but as only a part of his time was spent in the north, the balance of it being in Florida or elsewhere, the signing of vouchers and checks devolved upon the Auditor, and as there were no countersignatures, it permitted the raising of pay checks which is elsewhere referred to in this report. Vouchers and checks are now being signed by the Chief Engineer, but are not being countersigned.

Report of Montauk Audit  
Page 3.

5

Funds to meet the payrolls were usually transferred in a lump amount to the Osborne Trust Co. without details being given in the voucher. The bank, however, was furnished with a statement of the amounts payable to the laborers, and it prepared the pay envelopes accordingly. The foreman distributed the pay envelopes. The Executive payrolls were paid through a different bank by checks issued personally by the Auditor and as no audits of these disbursements were made, manipulation was easily performed. The salaries of the New York office force were paid in a lump amount to the person in charge of the office and distribution was made by him to the several employees.

6

In Exhibit "A" in which we have attempted to list in detail only the large receipts and disbursements, on account of the great volume of smaller items and the long period covered in the audit, there are shown large disbursements to contracting companies which were organized and partly owned by the Development Corporation. Equipment was, in some cases, purchased for these companies and their payrolls were met by the Development Corporation. Payments for work performed were made to them based on cost, plus large percentages, and the thought prevails that if bids had been let on a competitive basis, money could have been saved. Percentages over cost of 12½%, 20%, and 30% were allowed different contracting companies. In the case of the Montauk-Struck Co., Exhibit "B" shows that a dividend of \$51,000.00 or 200% was paid by them to the Development Corporation in June, 1927 and at dissolution of the construction company an additional amount of \$21,838.86 was paid to the Development Corporation as its share of the final profits. The Montauk-Struck Co. was engaged on fourteen different jobs at the same time as follows:

1	Fisher Office Building	8	Pumphouse
2	Hotel No. 1	9	Second Thirty Cottages
3	First Twenty Cottages	10	Commissary
4	Hotel Service Building	11	Steel building
5	Stores and Apartments	12	Schultze and Weaver Residences
6	Executive Houses	13	Sewage disposal
7	Garage	14	Reservoir

Construction cost, plus overhead, plus 12½% commission was paid on these contracts.

It will be noted that the general balance sheet, Exhibit "C", shows an increase in the total assets, during the two years ended June 30, 1929, of \$9,027,571.01, a large part of which, however, does not represent cash outlay, as indicated below:

Property investments	Increase	\$1,231,007.90
Development costs	"	2,626,517.88
Other investments, stocks	"	39,500.00
Deposit in lieu of mortgaged property sold	"	830.00

Deferred assets	Increase	4,997,321.32
Profit & Loss - Debit balance	"	241,525.38
		<u>\$9,136,702.48</u>
Less Current Assets	Decrease	109,131.47
		<u>\$9,027,571.01</u>

The increase in the property investment account represents actual expenditures on account of the following:

Hotel completion	139,434.25
Hotel furnishings	329,798.45
Service building	20,022.38
Service building furnishings	5,195.77
Landscaping	29,514.66
Laundry and equipment	90,684.01
Houses under construction	29,393.95
Fisher residence	85,130.23
Yacht Club and pier	112,442.87
Golf Club and course No. 1	192,629.75
Golf Course No. 2	49,454.63
Tennis building and landscaping	164,810.00
Unused architects plans	<u>25,325.41</u>

Less houses sold and miscellaneous items Cr. 42,828.46  
\$1,231,007.90

The increase of \$2,626,517.86 in development costs does not represent all actual expenditures, for in March 1928 there was placed in the books, an entry for \$810,413.23, covering 40% of the following projects, with the statements that it was done to charge to "Development Costs" the excess cost of income producing property, incurred by reason of location, labor and material markets, etc., all construction being wholly incident to real estate development and having an estimated investment value of 60%

Hotel	\$604,701.44
Laundry	36,345.60
Shepard Neck VII	123,851.82
Executive Houses	24,835.45
Indust. Section	<u>20,678.92</u>
	<u>\$810,413.23</u>

This amount was subsequently adjusted on account of sales of houses, and at June 30, 1929 amounted to \$807,484.19. The effect of this entry was to add to the costs properly chargeable to the land now being offered for sale. However, these costs, real or inflated, were not used in computing the profits made on land sales, as reported to the Federal Government, as the "Inventory Cost" hereafter referred to, was used in determining the profit. The offsetting reserve account for the above amount termed "Allowance for Excess Cost"



is gradually being wiped out by charging thereto 40% of the yearly accruals of depreciation on the income producing property. Of the balance of 60% of accrued depreciation, about 75% thereof was charged to "Development Costs" and the remaining 25%, to expenses of operating the property. Thus the "Development Cost" is gradually being increased by the addition of a proportion of the annual depreciation accruing on the income producing property. This procedure has not as yet had any detrimental effect to the Corporation in its income tax returns so far as operating revenues are concerned as the income producing property has been operated at a loss. The 75% above referred to was based on the assumption that the total development project was at that time about 25% complete. In the tax returns of profits received from houses sold, the profits reported were necessarily excessive due to the fact that 40% of the cost of the houses had been charged to Development Costs to increase the cost of the vacant land remaining to be sold.

Attention is directed to the item of \$3,659,257.32 shown under Deferred Assets as "Inventory-Real Estate". This amount is the balance remaining after all sales to June 30, 1929, were deducted from the amount \$5,230,780.20 set up by journal entry on March 31, 1928 as representing the estimated cost after the development has been completed, of the property in the Central Zone, in which, subdivision of areas for sales purposes, has been made. This amount also included some few parcels of land outside of the Central Zone, which have been sold. The property outside of the Central Zone has not yet been inventoried for sales purposes and therefore no amount has been set up on the books as representing the estimated cost of that property at completion of the development. The estimated cost of the land at completion of the development, is based on the assumption that about \$25,000,000.00 will be spent, with the expectation that the sales returns will amount to about three times that amount. The actual cost of the land to date, excluding all development costs and building projects, as shown in the general books, is \$2,691,331.52. It was noted, however, that there were included in the "Development Costs" certain land expenditures which evidently should be transferred to the Land Account. It was also noted that the data entered in the Development Ledger was incomplete for the earlier periods, and it is therefore recommended that the expenditures recorded in that ledger should be analyzed and proper explanation of them entered.

Sales of land are not credited in any part against the original cost thereof and despite all sales made to date, the original amount expended in the purchase of the land has remained intact. All sales of property are credited to the "Inventoried Cost" of the land, excluding, of course, the estimated profit which is credited to Income on completed sales, and to a Suspense Account termed "Reserve for Unrealized Profits" in cases where the sales are on the installment plan.

The value of the land used for the hotel, yacht club, golf



club, etc. has not yet been charged to those particular projects and the costs shown in Exhibit "C", Sheet 1, represent only construction charges.

9

Land warrants were issued to purchasers of the \$1,500,000.00 First Mortgage 7% bonds, entitling them to a bonus in land amounting to the fact value of their bond purchases, the value of the land to be computed on the regular sales prices. These bonds were subsequently retired, either by purchase or in exchange for the First Mortgage 6% bonds now outstanding, but the inventory cost of the property taken under the land warrants was charged to "Bond Discount, Financing Costs, etc.", the total amount of which, remaining unamortized on June 30, 1929, was \$484,071.89. From twenty-five to thirty percent of the "Bond Discount, etc." charged off each year is charged to Income Account, while the balance is charged to "Development Costs". The percentage charged to Income represents the estimated proportion of the development work that is complete. Similar treatment is accorded the interest on bonds and taxes paid each year. Interest on bonds, taxes, and depreciation are not accrued each month, as is the usual accounting practice, but are handled annually or as payments are made.

10

There has been a certain lack of cooperation between the construction forces and the Accounting Department, which made it impossible for the Assistant Auditor, who has charge of the accounts to keep accurate, detailed records of expenditures and material used on specific jobs. The general ledger on June 30, 1929, showed surplus material on hand of \$20,507.80 but an inventory of unapplied material taken on April 4, 1929, and as brought up to June 30, 1929, amounted to only \$8,268.18, leaving \$12,238.62 that was unaccounted for. This inventory was the first that had been taken and included reclaimed material which had not been reported to the Accounting Department. Material had been used without any reports having been made to the Assistant Auditor and projects were started, of which he had no knowledge until he discovered them by driving over the development.

11

In examining the payrolls it was learned that the time clerk could not furnish complete distribution by jobs of the wages earned. The time clerk does not actually perform the duties of that position as the development plan covers a large area and the workmen are frequently scattered to jobs far apart and therefore it is the practice for the timekeeper to accept the figures furnished by the foremen, which are frequently incomplete, thus leaving it up to the Assistant Auditor to rectify the time distribution as best he can. Some of the jobs worked on are for outside parties who should be billed for the labor and material furnished, but without proper time and material reports it is impossible to render correct bills. We strongly recommend that a number be assigned to each construction job and that a copy of the authority for each job be furnished him and that foremen be required to make proper distribution of labor and material according to job numbers.

Report on Montauk Audit.

Page 7.

In this connection we wish to commend the work of the Assistant Auditor, Mr. Gerald Niese, a young man who prior to his present position had several years experience in the services of the Pennsylvania and Nickle Plate roads in accountint for construction and operating work, and therefore realizes the necessity for complete and accurate accounting for labor and material. He has a very adequate system of accounts outlined for his present work and if given proper cooperation and sufficient assistance he will be able to properly account for every cent spent and make proper check of all receipts from the various enterprises involved in the development.

(12)

We are of the opinion that all of the accounting should be done in the general office, that all receipts should be turned in there and all disbursements made from that office in order that proper and complete records may be maintained. We are also of the opinion that no financial statement that has so far been rendered to the Advisory Board, has been complete, in that the full receipts and disbursements of each branch of the development have been separately given. In preparing the Income Statement, Exhibit "B", we have included therein the revenues and expenses for the three months ended June 30, 1929, as obtained from the hotel books, with the data taken from the general books of the corporaton, in order that the informat on given would be as complete as possible. In the two annual periods also shown in that + statement, the revenues of the hotel represent the amount turned over at the close of the season to the Corporation, and the expenses shown represent the bills subsequently paid. This Income Statement covers the entire operating period of the corporation. Any revenue obtained from the sale of water to outside parties is credited to expenses of operating the water plant, in order to avoid it being classed as a public utility and becoming subject to taxation and certain regulations under New York State laws.

The rental of \$1,989.52 shown in Exhibit "B", sheet 1, as received from the C.G. Fisher Co., covers the use in Florida of an autobus purchased by the Montauk Beach Development Corporation for \$5,000.00 It was sold in Florida for \$1,500.00, the net loss to the Development Corporaton after deducting the rental received, was \$1,510.48. We were informed that the engine in this bus was not strong enough to operate up the grades in the Montauk Development.

Materials and Supplies

13  
Materials are being carried, under the caption, "Surplus Materials", on the books of the Corporation, as of June 30, 1929, at a value of \$20,507.80 for which there is no authentic record to cover, no detailed materials and supplies account being maintained.

As materials and supplies are purchased their value is charged out direct from the face of the invoice.

12  
When materials ordered for a specific job are not all consumed on that job, no attempt is made to reclaim their value, the thought being that when such materials are used on other jobs they would be used without value. From the above it can readily be seen that actual costs of individual jobs are distorted.

12  
A survey of materials lying on the ground, in different localities developed that 4", 6" and 8" cast iron pipe, ells, bends fittings, fire plugs and hydrants, gate valves, galvanized pipe, etc., the major portion of which was purchased for Golf Course No. 1 but not used, are not included in the material assets of the Corporation. There is also considerable material, charged out when purchased, in the building back of the laundry which should be included in the surplus material account. This material consists of Mobile Oil (practically a carload), Pipe Covering, Calcium Chloride, etc

12  
In connection with the above, we suggest that a clean up of all materials be made, such materials to be sorted as to commodity and piled in such a manner that no confusion will result in taking an inventory, which should be taken as soon as possible.

13  
A material account record book should be opened up with the value of material on hand, as developed by the inventory, and this difference between the inventory value and the value shown on the books as surplus materials, adjusted to the proper accounts.

13  
Some arrangement should also be set up to furnish the Auditor with sufficient information, when material is drawn from stock, to enable him to not only credit the materials and supply account, but to charge the proper job with the costs of such material. Material drawn in excess of requirements should be covered by credit memorandum and returned to stock.

14  
Under the caption "Review of Purchases and Stores Operations", we suggest the establishment of a central receiving station in charge of a custodian under the jurisdiction of the Purchasing Agent and in this connection our observation leads us to believe that space in the rear end of the Laundry Building (at present in a chaotic condition) would be an ideal location for such a receiving station, as well as a storehouse.



Considerable quantities of supplies are being purchased each month for maintenance of houses in Shepard Neck Village and other operations of the Corporation and it is our thought that the retail profit on such supplies could be saved if the supplies were standardized and stocked in the storehouse.

Timekeeping, Payrolls, etc.

15  
It was practically impossible (with the exception of the confidential payrolls) to audit, with any degree of satisfaction the payrolls of the corporation for the reason that no record of employees or rates of pay were on hand, in the office of the Auditor to check against the payments of wages. Foremen hire and discharge men; they also keep the time books and at the end of each pay period prepare payrolls which, together with the time books, are forwarded to the office of the Auditor, who proves the extensions and prepares a type-written payroll. For the reasons stated above the Auditor was not in a position to verify rates of pay or know whether names appearing on the payrolls represented bona-fide employees.

Payrolls did not bear the official approval of any officer of the Corporation.

In connection with the audit of what is known as the confidential payroll, covering salaries paid officers and office force, prepared and kept by E. V. Conway, Auditor and Assistant Secretary, it developed that during the period September, 1927 to July, 1929, Mr. Conway had raised his salary check from \$300.00 to \$350.00 monthly, total amount involved \$1,150.00.

Mr. Conway, when questioned regarding the misappropriation of funds, could give no reason for his action other than he thought he was worth more than he was receiving and raised his salary check accordingly.

6  
The confidential payroll referred to as being kept by Mr. Conway, was merely a pencil written list of the names and amounts due each officer and any change that was desired was made by simply erasing the original figure and entering another. Conway had one list for use of clerk who wrote the checks and another for use of the General Manager when he called for the list of salaries, for use in preparing forecast of funds required to carry on the work. The pay checks of the officials were drawn on a New York City bank on which Mr. Conway was the sole person authorized to draw. Thus the defalcation was readily carried out and would, no doubt, have continued for a long period, without discovery, had it not been brought to light in the course of the audit.

Ordinary precaution on the part of officials higher up



16 would have prevented the manipulation cited above, as no check of the actual amounts paid have been made, so far as we could learn, during the incumbency of Mr. Conway.

The amount of the defalcation (\$1,150.00) has since been made good by Mr. Conway.

17 The present method of timekeeping, which is loose and has been since the beginning of operations, presents an opportunity for the padding of payrolls, and in this connection we suggest that service records, designed to show the full name, occupation, date of employment and rates of pay, be established and maintained in the office of the Auditor and that test checks be made periodically of the men at work to determine that names shown in time books represent bona-fide employees of the Corporation. We also recommend that a "Wages Payable" account should be opened in the general ledger to which all payrolls should be credited and against which all paid pay checks and wage receipts should be charged.

#### PURCHASES AND STORES OPERATIONS

18 The Purchasing Agent, Mr. A. W. Howe, is located at 52nd St. and East River, New York, and has one clerk to assist him in the office work. He purchases materials and supplies upon receipt of requisitions from Department heads at Montauk. He also purchases certain materials and staple groceries for the Fisher Hotels at Miami Beach, Florida. Most of the material purchases for the Development Corporation at Montauk is of an emergency nature and practically all of his orders are telephoned and confirming orders issued.

19 Requisitions on Purchasing Agent as prepared by department heads at Montauk, have since July 1, 1929, been approved by General Manager Haynes, where value of material is \$100.00 or over. Although a regular form of requisition is provided, miscellaneous sizes of paper and letter heads are used by originator in many instances instead of the prescribed form. Requisitions are not prepared by commodity, and materials of all kinds are grouped on one requisition. Requisitions originating at the Hotel are prepared weekly, but those of other departments are prepared at irregular intervals.

A Stores Organization is not provided to handle unapplied material.

Considerable material is purchased by local people at Montauk, of which the Purchasing Agent has no knowledge and because of this fact he is not given an opportunity to check prices.

The following employees of the Development Corporation are authorized to make purchases direct, and the Purchasing Agent does not have any knowledge as to the extent such purchases are made or prices paid.

1. Parke G. Haynes, General Manager	Montauk
2. T. E. Ringwood, Chief Engineer	"
3. J. Brennan, Property Manager	"
4. C. Hess, Asst. " "	"
5. Hugh Reidy, Supt. Golf Construction	"
6. J. Kord, Shop Foreman	"
7. J. J. Hoerger, Supt. Construction	"
8. Alex. Smart, Construction Foreman	"
9. Murdo Morrison, In charge of Polo	"
10. G. E. Watson, Secy. of Golf, Tennis & Yacht Clubs	"
11. G. L. Adams, Asst. Secy Golf Club	"
12. E. V. Conway, Auditor	"
13. W. E. Lapp, Clerk, Laundry & Commissary	"
14. A. T. McNeil, Foreman, Laundry	"
15. F. L. Abel, Manager Hotel, Summer	"
16. F. Otherson, " " Winter	"

Each head of department stores such unapplied material as ordered by him and no authentic list or inventory exists showing material on hand. There is no order in the storing of this material, and scrap is not segregated from the new or usable material.

There is no centralized delivery point for material ordered by the Purchasing Agent, and frequently material is delivered to the wrong department, necessitating additional costs in ultimate delivery.

Copies of Purchase Order are distributed as follows:

- 2 copies to originator of requisition
- 1 copy to Accounting Department
- 1 copy to General Manager
- 1 copy for Purchasing Agent's File.

One of two copies sent to originator is endorsed as to acknowledgment for receipt of material and forwarded to Accounting Department where it is matched to invoice and paid. In a majority of cases this copy is merely signed and not properly filled out as provided.

In response to our inquiry as to who determines policy of requisitioning some material on Purchasing Agent, and balance ordered locally direct on dealers or obtained through a cost plus contractor in connection with labor, we were informed by the General Manager Haynes, that he dictates this policy and mentioned particularly that he prefers to have his Construction Foreman Alex. Smart, purchase lumber, as according to his views, the Construction Foreman is better qualified than the Purchasing Agent. He also stated that he felt the local dealers should be patronized even though the material cost more than would have to be paid from other sources, for the reason they had purchased lots of established business at Montauk.

Purchasing Agent Howe informed us that he had received no requisitions for lumber during the past year and in only one case had he been asked to secure prices on some mill work, but before he could obtain prices, he was told by local people at Montauk that they could not wait and mill work was then obtained locally.

The value of purchases from the Montauk Lumber Corporation, taken from vouchers, amounted to \$7,180. for 1928 and \$9,900. for first seven months of 1929. As an example voucher 6645, amount \$2,051.50, covers material purchased locally from this concern during May 1929. The Construction Foreman has a current price list at which Montauk Lumber Corporation will furnish material, and in three instances this year he had asked one other concern to quote on a bill of material -- in each case Montauk Lumber corporation was low.

Our thought in the matter, nevertheless, is that lumber from a purchasing viewpoint is no different from other commodities, and unless there are other reasons to justify local purchases with practically no competition, the Purchasing Agent should be brought in to the picture and determine prices and costs with other sources of supply.

Another instance of local orders on dealers is purchase of linoleum, without obtaining competitive prices or even price at which material was to be furnished.

D. Fisher, Proprietor, 5¢ to \$1.00 Store, East Hampton, furnished and laid 243 sq. yards  $\frac{1}{4}$ " battleship linoleum in the Hotel, bill rendered was \$1,219.00. The work was arranged for before summer Manager of Hotel arrived and bill as rendered was approved by the Property Manager Brennan, Hotel Manager Abel took exception to the bill and after considerable discussion settled for \$1,000. The work was done over a period of approximately three weeks, and had a price been determined before work started, with a check on the work as it progressed, no doubt a lower cost would have resulted.

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In order to bring the procurement of material within the confines of established business procedure, we suggest the following for consideration.

Procurement of all materials and supplies and stock of unapplied material to be under the jurisdiction of one officer of the Company. This officer to be the Purchasing Agent, who will report to the Board of Directors or a designated Vice President and carry out the policy as may be determined.

A representative of the Purchasing Agent to be located at Montauk, whose duties will be to carry out policy of the Purchasing Agent with respect to local purchases and pass on terminology of requisitions forwarded to New York for purchase, to eliminate delay in obtaining complete information. This representative to have jurisdiction over receipt of material, which should be centralized and he will also have a custody of unapplied materials and scrap.

This will consolidate the purchasing or procurement of materials and supplies, and provide one point of contact with sellers and eliminate the present practice of each department making purchases.

The prescribed form of requisition should be used in all instances and separate requisitions should be prepared for material of each different commodity. Requirements of material should be anticipated by prearranged schedule as much as possible which should reduce the number of emergency purchases or cases where need of material is not made known until work has progressed to a point where it is required immediately.

Estimating requirements and preparing requisitions at stated periods will contribute to more efficient operation by the Purchasing Agent, and also reduce telephone and delivery costs. Date material is wanted should be shown on requisitions as a guide for the Purchasing Agent.

All requisitions originating at Montauk after proper approval should be turned over to the Purchasing Agent's representative at that point, who, when necessity requires, will arrange to purchase locally in name of purchasing Agent, from sources predetermined by Purchasing Agent Howe.

Such orders issued locally should be priced and include terms of purchase in same manner as orders issued from the New York office. Copies of all local orders to be sent to the Purchasing Agent, at New York, in order that he may be acquainted at all times with conditions in this respect.



Other requisitions should be reviewed by local representative for proper description and assurance that none of the material ordered can be furnished from stock, and after initialed as to this action, they should be forwarded to Purchasing Agent Howe at New York who will arrange for purchase.

The local representative of the Purchasing Agent should be in charge of the Central Receiving Station, where all materials ordered by the purchasing Agent will be consigned. He should have in his possession all blue copies of unfilled orders, inspect incoming material, see that it is delivered to proper department, and properly fill in and receipt blue copy of purchase order. In addition to information now provided for, it is proposed to show date of receipt, how received, whether parcel post, express, freight, or truck; and whether prepaid or collect. In other words, the blue copy which is the receiving record should be complete to support checking and passing of bills for material as well as transportation charges. It should then be approved by head of department receiving material and forwarded to Accounting Department.

The Accounting Department should not pay bills for material and supplies unless covered by Purchase order with proper receipt and approval, and it is suggested that copies of vouchers in payment of materials and supplies be assigned a separate series of numbers and filed separate from other vouchers, in order to provide ready reference to information as to value of purchases from sellers, etc.

With reference to material furnished by contractors on a basis of cost-plus, in connection with work involving labor, some of the contractors are paid a straight 10% on material, examples (Bevis & Newman - Pearson Construction Co.), while on others two to two percents are allowed, examples (John Holving and Montauk Plumbing & Heating Co.) under the latter arrangement a premium of 20¢ is paid for every dollar expended for material.

All scrap should be under custody of representative of Purchasing Agent and sold by the Purchasing Agent.

It may be to advantage to consider stocking active material at Montauk under custody of the Purchase agent, and perhaps discontinue some of the present cost plus work -- doing the labor with forces of the Development Corporation. Of course, this suggestion would not be in order if it conflicts with a justifiable policy of the Corporation.

The purchase of groceries and perishable supplies for the Hotel, Golf Club and Yacht Club could be consolidated, inasmuch as they are similar supplies, and one stock of staple groceries could be maintained at the Hotel for all three operations. Blanket orders for perishable supplies could be issued by the Purchasing Agent after he has developed quality and prices from different sources of supply.

It is suggested the purchase record in office of the Purchasing Agent be brought up to date. This record is arranged by commodity and includes prices on which business is awarded. We were told this record would be brought up to date, and that its present condition is the result of the pressure of other work. A printed form for tabulation of prices is also suggested, and for pick-up items the back of the requisition could be used for this purpose. When requisition forms are next printed, space for this tabulation could be outlined on back of original requisition.

Numerous cases of local purchases and material obtained in connection with cost plus work were shown to Purchasing Agent Howe. In order to determine the extent of this practice and amount of money involved would necessitate the examination of approximately 7500 vouchers.

The whole matter has been reviewed with Purchasing Agent Howe, and he informs us he is entirely in accord with our views, and only asks for proper support and cooperation of the department heads of the Development Corporation. His frequent trips to Montauk will give him personal contact with his representative, who would be the one source for supplying the Purchasing Agent with information as to conditions and the general situation.

While the arrangement suggested would involve an additional employe, attached to the staff of Purchasing Agent Howe, this additional expense would be more than offset by the savings effected through the discontinuance of the present practice of heads of departments making purchases direct, not to mention the economies that would result by utilizing the facilities of the Purchasing Agent, an Central Receiving Station, and the proper control of unapplied material and scrap.

Respectfully submitted.

J. L. Bradley  
J. N. Hagerty.

September 10th, 1929.

Mr. G. LeBoutillier,  
Vice President, New York.

Dear Sir:

The following is a resume of the information we obtained from different sources with reference to the concerns located at Montauk and with whom the Montauk Beach Development Corporation does business.

Albin Pearson Interests at Montauk Point:

Montauk Sand and Gravel Co., Albin Pearson, President and Stockholder:  
This concern furnishes builders' supplies, sand, gravel, etc. They lease sand and gravel pits, located on the property of the Development Corporation, for which they pay a royalty.

The lease is for two years and expires January 2nd, 1930.

Pearson Construction Co., Albin Pearson, President.  
This concern does considerable work for the Corporation, some of which is on the basis of cost plus 10%. The amount paid this concern for construction work up to June 30th, 1929 was over \$360,000.00.

Montauk Utilities Company, Albin Pearson, Stockholder.  
Furnish miscellaneous supplies.

Montauk Arms, Albin Pearson, partnership Parke G. Haynes.  
This is an apartment house, recently constructed on property purchased from the Development Corporation. We were unable to establish the holding of each partner.

Fort Pond Realty Corporation, Albin Pearson, Owner

Montauk Improvement Corporation, Albin Pearson, Stockholder.  
This company, which was capitalized at \$55,000.00, was recently dissolved, the stockholders taking their shares in land. We understand that Mr. Pearson did not attend the meeting at time of dissolution, but that he was represented by Mr. Parke G. Haynes.

Eastern Engineering Corporation, Albin Pearson, Stockholder.  
This concern is engaged in trucking, grading, ditching, etc., and we understand that it is given practically all work of this nature for the Development Corporation.

John McCory, Mason, Montauk Point.  
Mr. McCory is a brother-in-law of Chief Engineer Ringwood of the Development Corporation.



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John Holving, Painter and Decorator, Montauk Point.

Mr. Holving does the major portion of this kind of work and- for the Development Corporation on the basis of cost plus 10% profit and 10% overhead.

Montauk Lumber Corporation, Montauk Point - Controlled by Officials of the Osborne Trust Co., East Hampton, N.Y.

This concern is located on property leased to them by the Development Corporation. The present three year lease expires June 19, 1930. They furnish practically all lumber and mill work used by the Development Corporation, and interests or operations affiliated with the Development Corporation. This would indicate that the overhead of the Montauk Lumber Corporation includes a profit, which could be earned by the Montauk Beach Development Corporation, if the lumber was bought direct or if the yard was operated by the Development Corporation.

Bevis & Newman -- Owners of electrical business, Montauk.

WE understand that this concern does all of the electrical work for the Pearson interests at a cost less than that charged to others.

Montauk Plumbing & Heating Co., Montauk.

This company is operated by Alexander Orr who came to Montauk from the south.

Cornell Brothers - Contractors, Montauk Point.

This concern constructed the new Yacht Club as well as Mr. Fisher's new residence. We understand that practically all material for these operations was purchased locally. For example, the lumber was purchased by the Contractor from the Montauk Lumber Corporation.

Charles Appleyard - Plumber - Montauk Point.

Practically all of the plumbing work for the Development Corporation is being done by Appleyard.

E. Harry Howard -- Trucking, Grading, Ditching, etc., Montauk.

Very little business, if any, is now given to this concern by the Development Corporation.

E. B. Tuthill & Co., Montauk. Owned by E. B. Tuthill

Managed by Perry Duryea, his son-in-law.

This concern has been furnishing fish and other sea foods for the Montauk Manor Hotel and a review of their invoices indicated that certain sea foods, which could not be furnished from Montauk, were arranged for from New York by Tuthill.



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Invoices for these sea foods included telephone calls by Tuthill to New York, also cost of barrels for packing and express charges from New York to Montauk, plus 10%. This matter was brought to the attention of the Manager of the hotel, and as a result these excess charges have now been discontinued, and some of the orders formerly placed with Tuthill are being placed elsewhere. In connection with the above, we understand that Perry Duryea is looked upon as a Republican Boss for the community. He is also Chairman of the School Board and a member of the Election Board Commission.

Montauk Fish & Supply Co., Montauk Point. Jake Wells, Owner.  
Very little business was done with this concern this year, but we understand that the hotel is now placing some of their fish business with them.

While we have no evidence of collusion between employees of the Corporation and contractor and dealers, we feel that the interests of the Corporation were not always considered when contracts were let or materials purchased and while estimates furnished by contractor in connection with work performed are signed by department heads and approved for payment by the General Manager, they were unable to show us that any audit had been made of contractors records to determine that the estimates for labor and material charges were correct. In this connection, your attention is invited to the following:

Voucher 6614. John Holving, Painting and Decorating Hotel.

104 hours foreman	\$156.00
266 " labor	311.25
Insurance	25.70
Material, itemized but not priced	347.75
Total	\$840.70
10% Overhead	84.07
10% Profit	84.07
	<u>\$1008.84</u>

John Holving - Painting Golf Club House.

Note foreman	
329 hours labor	\$388.13
Insurance	21.35
Material, itemized but not priced	
	255.42
Total	664.90
10% overhead	66.49
10% Profit	66.49
	<u>\$ 797.88</u>

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Voucher 4113 - 5¢ to \$1.00 store.  
D. Fischer, E. Hampton, New York.  
This voucher covered the cost in connection with the  
purchase and laying of 2-1/3 yards of linoleum in Sanger House.

2-1/3 yards linoleum	\$16.34
1 gallon cement	2.00
1 gallon varnish	6.75
Labor to varnish	10.00
Labor laying linoleum	4.00
	<u>\$ 39.09</u>

The above are representative of many similar vouchers  
passed by heads of departments, without question.

To safeguard the interests of a the Corporation, arrange-  
ments should be set up to cover a day to day check of all labor  
performed and materials used in connection with contract let on a  
cost plus basis. Contractors' invoices should also be examined  
to determine that the prices billed are correct.

In conclusion we feel that there is an apparent lack  
of cooperation between department heads. This was particularly  
brought out during our visit when it came to our attention that  
due to failure, on the part of C. E. Watson, Secretary of the  
Golf, Tennis and Yacht Clubs, to promptly approve bills as to  
receipt of material, although requested to do so by the Assistant  
Auditor, an amount of approximately \$200.00 in discounts was lost to  
the Corporation.

Respectfully submitted.

J. L. Bradley  
J. N. Hagerty.

September 10th, 1929.

Mr. G. LeBoutillier,  
Vice President.

Dear Sir:

In connection with the examination of the books of the Montauk Beach Development Corporation we have prepared and attached hereto, for your information, a comparative income statement of the operations, of the Montauk Manor for the summer season of 1928 and 1929.

Any consideration given to the statement should be predicated on the fact that certain items of expense are included in the operations May 1st to July 31st, 1929, that were omitted from the operation May 1st, to July 31st, 1928. The items referred to are as follows:

Vice President's Salary	\$2,499.99
Renewals and Repairs -- approximate	7,000.00
Insurance	1,427.04
Taxes -- State and County	2,413.83
Taxes, Revenue	119.20
Compensation Insurance	200.00
	<u>\$13,660.06</u>

In addition to the above there is an increase of approximately \$2,000.00 in the compensation paid the orchestra for the season 1929.

The statement shows an apparent increase of \$14,754.47 in the cost of provisions 1929 over 1928. This is explained by the fact that all provisions received up to and including July 31st, 1929 were charged to operation while all of those for the year 1928 were not.

An examination of the income account, covering the winter season October 9th, 1928 to April 30th, 1929, developed an operating loss of \$22,865.52. If it does not interfere with the policy of the Corporation we suggest that as a matter of economy the Manor be closed during the winter months.

Yours truly,

J. L. Bradley  
J.N. Hagerty.



Referring to the report of Messrs. Bradley & Haggerty on their examination of our books during August, I am giving the following explanation of the points raised by them. I have numbered the paragraphs on the report of the Auditors, and the explanations are numbered correspondingly in this memorandum.

1. In accordance with recommendation of the Auditors, all cash funds have been put in the sole custody of one man, and only one man knows the new combination to the safe. A slip containing the combination has been placed in an envelope which is sealed, for use in case of emergency, and the seal on the envelope is inspected daily to ascertain whether the same has been disturbed.
2. The Auditors do not seem to be clearly informed in the matter of audit of the outside operations such as the hotel, clubs, laundry, etc. A representative of the Accounting Department has made regular monthly audits of the Golf Club, laundry and hotel during the entire season, with the exception of the case of the hotel for the month of August, the management of the hotel having denied the Accounting Department access to the hotel books at the time we desired the accounts.
3. The use of Cash Received and Cash Disbursed books as recommended, would undoubtedly give us more readily available information, but would not, in our opinion, in any way add additional safeguard. These books have not been used in the past due to the fact that we have not felt like employing additional personnel necessary to carry on certain unessential refinements in accounting.
4. Since October 1st, 1928, all disbursements have been supported by either approved voucher analyses or an approved bill, and no payments have been made on verbal instructions. Since September 1927 no increases in salary have been made on verbal authority. All checks at the present are signed by the Treasurer, except in infrequent emergency cases, at which time they are signed by the Chief Engineer. At the time the report of the Auditors was made the Chief Engineer was signing checks for the temporary period during which General Tyndall was in Camp with his Division.
5. Recommendations of the Auditors have been carried out in the matter of the hourly payroll and an employment record is now kept in the Accounting Department with an individual service record card for each employee giving all data relative to employment, including rate of pay. These are O.K.'d by an executive officer. All changes in rates, new employment, resignations, etc. are carried on individual cards which must have the written approval of an executive officer before the Accounting Department will put them into effect. Executive payrolls and all salaries paid by check are paid out of our regular bank account instead of through different banks. This change was made in accordance with the recommendation of the Auditors. These payrolls are checked up and approved by an executive officer before checks are drawn, and the cancelled checks are inspected by an executive officer when the same are returned by the bank. Employees of the New York Office force, contrary to the statement made by the Auditors, are paid by check exactly as all other monthly and semi-monthly salary payments are made.



The Yacht Club employees in the New York Station are paid in cash by Mr. Howe on a payroll made up and approved by him, and individual receipts for payment are sent by Mr. Howe to the Accounting Department.

6. The statement of the Auditors relative to cost plus contracts on large building operations covers a period with which the present management has no connection or information. In fairness to the Corporation, though, it might be said that the 200% dividend referred to as having been paid by the Montauk Struck Construction Company was paid on a purely nominal capitalization, so that the profit should in all fairness be based on the volume of the operation, rather than on a percentage of capital involved.
7. A large portion of the report covers strictly Accounting features and refers to total increased assets during the two years ending June 30, 1929, amounting to over Nine Million Dollars. As indicated by the Auditor's report, this increase is not actual, but is rather accounted for by the peculiar system of accounting which was drawn up by Mr. Kunschik to meet the peculiar needs of Real Estate Development, operation and sales, and has proved most useful in the Miami Beach development. The underlying principal of this system is the assumption of the expenditure of Twenty-Five Million Dollars for property, improvements and development expense to complete the entire development, and all of the Central Section of the Development, plus all other property sold, is carried on our books at a cost based on the actual expenditure of the entire Twenty-Five Million Dollars. As I understand it, the reason for this system is the practical impossibility of continually re-costing the property from time to time as additional money is spent, which would result in a larger payment of Income Tax and a complication of Accounting at a greatly unwarranted cost of Accounting operation. The Auditors of the Pennsylvania Railroad Company question the disposition of the Government to accept this method. However, our Income Tax return has been made up for the past two years on this basis, and we will not know the result, I assume, until we hear from the Bureau of Internal Revenue on the subject.
8. The value of land used for the hotel and clubs has not be charged to the particular projects in view of the fact that these various projects have been, up until this summer, all operated as a part of the development and were not considered separate operations. In order properly to charge the land to the particular projects it would be necessary for the Advisory Committee to determine just how much land each project should use, and to place a price on such land. This action would merely involve a book operation and would in no sense change the totals arrived at in our statement.
9. The operation described in this paragraph is a part of the Accounting and Cost system which was installed by Mr. Kunschik and Mr. Kohlhepp.
10. The recommendations of the Auditors as to the surplus material account have been carried out. The general books now contain an inventory of surplus material and all changes in the surplus material account are recorded as the same are made, so that the account should reflect the actual value.

of the surplus material on hand at all times. We are now at work cleaning up the area around our Shops and Warehouses and sorting out and making inventory of all the supplies and materials stored in this area. This material includes a great deal of heavy material such as structural steel, water pipes, sewer pipes, etc., which require a number of men and some heavy equipment, and the work has been held up due to the fact that up until now men and equipment have not been available from the Second Golf Course job.

11. In accordance with the recommendation of the Auditors a number will be assigned to each construction job, a copy of the authority for each job will be furnished to the Auditor, and the foreman will make distribution of labor and materials according to job numbers.
12. I am in complete accord with the recommendation of the Auditors that all of the Accounting should be done in the General Office in order to enable the Corporation to maintain proper and complete records. However, in view of the fact that the Clubs and Hotel are operated entirely apart from the general operation of the Corporation, Advisory Committee action will be necessary to carry out this recommendation.
13. This point was covered in paragraph No. 10. The recommendations of the Auditors have been carried out. We have not, however, had a man actively in charge of surplus materials in view of the small volume of the account and the charge-outs are covered by a weekly report rather than by requisitions for each transaction. The small volume of the account and the small number of transactions does not seem to justify an elaborate system requiring a great deal of time.
14. Early this season, and before the Auditors came to Montauk, at a meeting held at the hotel attended by Mr. Fisher, Mr. Croser, Mr. Bragg, Mr. Abel, Mr. Tyndall, Mr. Watson and myself, it was agreed that we would establish a central receiving station in charge of a custodian under the jurisdiction of the Purchasing Agent. However, within a very few days, and before the plan could be put into effect, orders were given for a drastic cut in payroll which precluded the carrying out of the plan.
15. This point is covered in Paragraph No. 5.
16. Through the installation of new methods recommended by the Auditors, the recurrence of a situation of this kind could hardly be possible.
17. The recommendations of the Auditors in this connection have been carried out as set forth in Paragraph No. 5 with the exception, however, that a Wages Payable Account has not been opened in the General Ledger. This account on our general ledger would, of course, supply us with compiled data which now must be gathered from various places in the books, but I do not see that it would give us any additional safeguard. This is another one of the accounting refinements which in the interest of economy has not been installed.
18. Practically all of the criticism made by the Auditors on the purchasing system is warranted. The situation has, in my opinion, been brought about largely by the fact that the Purchasing Agent and Purchasing Office has been located in New York City, and by the further fact that during the

past two years the policy has been one of economy which would not permit the employment of personnel recommended by the Auditors to carry on the Purchasing operations in New York with additional purchasing personnel in Montauk, and the operation of a stores organization in Montauk. Local purchases are practically all in the nature of emergency purchases, or are very small items on which the savings, if any, to be made by purchasing through the Purchasing Agent would be negligible and would be offset by the cost of handling. Our requirements are so varied due to the peculiar nature of our business, that it would be impracticable for us to attempt to carry a stock of the various small items which we require from time to time. Furthermore, it has been the policy of the Corporation since operations were first started at Montauk to favor local business men wherever feasible. This is done to encourage purchases of property by local business men and support them so that we could be assured of a continuing source of needed materials readily at hand. In the case of lumber purchased at the Montauk Lumber Company, the total volume of lumber purchased during two years is so small that no substantial amount could have possibly been involved in an overcharge. Furthermore, as the Auditors state, in each instance where we requested competitive figures the Montauk Lumber Company was the low bidder. In each case where time was available we always have got competitive bids on all lumber and building material, but as the Committee knows, practically every piece of construction work done this year was of a rush nature where the time required to secure competitive bids was not available. In the case mentioned by the Auditors in which we asked the Purchasing Agent to get us figures on building material, we ourselves got competitive figures, had most of the material delivered on the job and had the construction job well under way before we had any response from the Purchasing Agent, and we naturally advised him not to go further with the matter.

The matter of the linoleum price is one where the organization at Montauk is wholly at fault. His linoleum should have been ordered through Mr. Howe, but was not. The situation arose at the time when the entire organization was rushed in the preparation for the opening of the summer season.

The recommendations of the Auditors as to the organization of a Purchasing Department are excellent, and would be needed if we were contemplating any volume of purchases. The Committee has acted to do away with the Purchasing Agent entirely in order to cut down the payroll. If the recommendation of the Auditors in connection with the organization of a Purchasing Department is carried out, Committee action will be necessary.



October 3, 1929.

Mr. G. LeBoutillier,  
267 Pennsylvania Station,  
New York City.

Dear LeBoutillier:

/as it is absolutely necessary to have some plan of financing for 1930, and as there does not seem to be any new suggestion, I am submitting the following:

You will notice from the enclosed estimate of condition at December 31, 1929, that if the J.C. Willson option is exercised and we have a favorable reply from the Benson Estate allowing us to release approximately 600 acres under the payments of \$225,000 that have already been made on the mortgage and allow us to release the additional approximately 827 acres at \$230. an acre, we will have on hand to start the new year about \$110,000.

Looking over the situation and realizing that the Pennsylvania Railroad is more familiar with the values at Montauk than any other organization or group of men, I would like to suggest the following plan:

The remaining amount of land under the Benson mortgage, after the Willson option is exercised (The west w end of the property), amounts to approximately 2421 acres, which carries an average release price of approximately \$200 an acre. If the Pennsylvania Railroad or its subsidiaries would loan \$700. an acre on this land, it would allow us a little over \$1,200,000 for operations. This, with the \$110,000 carried over could run us through next year and well into 1931 without a sale. In other words:

2421 acres at \$700. an acre	\$1,694,700.
Required amount to Release 2421 acres	<u>482,500.</u>
	\$2,212,200.

Of course, it is known that the Pennsylvania Railroad can sell its bonds under five per cent and, therefore, could make a small profit by loaning to this corporation at six per cent. They would have ample collateral for their loan, would be developing property that is beneficial to their road. An additional value to the collateral is that approximately \$70,000. has been spent on Golf Course and Water works on this property.



Mr. G. LeBoutillier,  
October 3, 1929.  
Page 2.

We all admit that the value under the option for the 1427 acres was about half the value of that land. If that land is worth \$1,000 an acre, with the improvements that are in this 2421 acres, it is worth half again as much, which would be a fair basis as the loan would not equal sixty per cent of the value.

I believe that this is the one solution to raise money and it is proposed to one of the most interested parties in the project. This money could be furnished only as needed and spent only on a budget approved by the Executive Committee, of course.

Mr. Howard Coffin has put in a great deal more money than he intended and has shown his faith by assisting the property in that manner.

Also Mr. Caleb Bragg has invested more than he originally intended.

Mr. Keys is interested only insofar as the security and payment of his bond holders. Beyond that, he never intended to invest in real estate out here.

The writer has gone to the limits of his financial ability at this time and will make every sacrifice of his holdings if necessary to insure this plan being consummated.

Very truly yours,

C. G. Fisher.

CGF:T

Copies to Mr. Keys  
Mr. Coffin.

COPY

C. M. KEYS  
39 Broadway  
New York

October 3d, 1929.

Mr. G. Le Boutillier,  
Room 267, Pennsylvania Station,  
New York City.

Dear Mr. Le Boutillier:

I am, of course, exceedingly hazy about Montauk Beach matters, having dismissed it from my mind when we made the agreement to help the company out for a brief period this summer.

I think that when Mr. Coffin gets here there should be a general meeting of all parties concerned. From what I hear rather vaguely, this company cannot go on without additional financing. No additional financing is possible from my office. In all discussions preliminary to any meeting, please note the above fact very carefully as being a definite established fact.

Yours very truly,

(Sgd) C. M. Keys.

Boothbay Harbor Maine.

Oct. 7, 1929.

Mr. Brennan  
Dear Sir;

Sent a letter to Mr. Fisher Montauk recently regarding shipping seals to Miami. Have had no reply and wondered if he had received it or had been away.

I wanted to know if he had saved crates to reship them in as they should be shipped with water containers and if you had not saved crates I wished to send cases.

Also if you had nets to catch them without injuring them. I made a proposition to give my time gratis to take care of the catching, and crating them and looking out for them enroute to Miami and to stay two or three days at Miami to find out about the feed for them and give them a good start.

The expenses from Boston to Montauk and Miami and return to Boston to be paid by him.

I am very anxious that the seals make the trip in good shape and live after they get there. If they are handled properly this can be accomplished. I want to sell more seals if possible in that part of the State of Florida but if they do not live it will be a disappointment to Mr. Fisher and to me also. and will hurt the sale to other parties.

I would be most grateful to you if you could let me know by return mail if he had received the letter and let me know if you had the crates the net to catch them with.

If he does not care to do this please let me know at once as I want to leave here for Boston Fri. Oct. 11

If I can help you in any way please let me know how and I will do all I can to help you and Mr Fisher to make a successful undertaking of the matter.

Very truly yours,

A.G. Adams  
Boothbay Harbor Me.

*A. G. Adams*

Montauk

October 7, 1929.

Mr. G. LeBoutillier,  
267 Pennsylvania Station,  
New York City

Dear Mr. LeBoutillier:

Inasmuch as C. M. Keys & Company have declined to make any further advances, the Montauk Beach Development Corporation is in no position to continue any form of activity or organization.

The Company has not sufficient funds at this time to meet any further current obligations or dredging contracts or other constructive programs and will not be able to meet payrolls after next week.

If the Bondholders, or prospective purchasers of stock wish to avoid the publicity which will follow a complete shut-down at Montauk and the failure to meet already existing current obligations, with the accompanying certainty of serious depreciation in property values, it will be necessary for them, or someone, to provide the funds required to pay bills and keep the organization intact during the period of the stock sales negotiations, or a reorganization of the Bondholders. Inasmuch as either a sale of stock, or a Bondholders' reorganization will eliminate the present stockholders from the picture, it would seem that the only ones who can suffer from failure to provide current funds would be the prospective stock purchasers and the Bondholders.

In order that we may not be embarrassed by lack of funds to pay our current obligations, we are planning to discontinue all activity on Wednesday and to let all the personnel go with the exception of five or six key men.

Very truly yours,

Park Haynes

General Manager.

PGH:T



Mr. G. LeBoutillier

October 7, 1929.

Parke G. Haynes.

In accordance with our conversation, I have submitted to Mr. Fisher the tentative proposal which has been brought to you looking toward the purchase of all of the outstanding stock of the Montauk Beach Development Corporation. The entire situation was discussed thoroughly among Mr. Fisher, Mr. Bragg, General Tyndall and myself, and the proposal is, in principle, satisfactory to Mr. Fisher and Mr. Bragg.

It was felt, however, that a plan could be worked out which would be more favorable to the prospective purchasers, and, at the same time, more advantageous to the present stockholders, and I am submitting the following plan for consideration.

I propose that the prospective stock purchasers purchase 437 acres of land from the Montauk Beach Development Corporation at a total cash price of  $\frac{1}{2}$  of the amount which they propose to pay for the stock -- or \$393,698.50: This would be at the rate of \$900.91 per acre: that this land be conveyed to the present stockholders for  $\frac{1}{2}$  of their stock at par, or at the rate of \$4,500. per acre, payable in stock at par; and that the prospective purchasers pay \$1.00 per share cash for the remaining  $\frac{1}{2}$  of the stock of the present stockholders.

In addition, the prospective purchasers would assume the guarantees of the Carl G. Fisher Company, and Carl G. Fisher on the present outstanding \$4,000,000. of First and Second Mortgage Bonds, furnishing such guarantee as would be accepted by the bondholders in substitution for the present guarantees of The Carl G. Fisher Company and Carl G. Fisher.

This proposal includes, in addition to the above items, the repayment to Carl G. Fisher, The Carl G. Fisher Company, and the Waterside Realty Company, a total of \$235,411.24, which has been advanced to the Montauk Beach Development Corporation from time to time, and is carried in the form of open accounts and notes. This repayment, however, can be effected partially by the conveyance to Mr. Fisher of the home which has been built for him at Montauk, and the 18 acre site on which it is located, at a price of \$181,000, representing the actual cost of the

buildings, landscaping, grading, equipment, etc., plus \$4,500. per acre for the site. This would leave \$54,411.24 to be paid to Mr. Fisher and associated companies in cash.

The advantage accruing to the prospective purchasers under this plan arises from the fact that the Montauk Beach Development, the stock of which would be held entirely by the Purchasers, would receive \$393,698.50 in cash. Assuming that the land to be conveyed to the present stockholders would be selected from the Benson tract, which can be released at \$230.00 per acre, only \$181,921.24 of the cash received by the Corporation would be required to release the property to be conveyed to the present stockholders, and Mr. Fisher's homesite, and to pay off the cash balance which would be due to Mr. Fisher and Associated Companies, leaving \$211,777.26 working capital for the Montauk Beach Development Corporation, thereby reducing the actual cost of the stock to the prospective purchasers through the accumulation of cash working capital, and the payment of a large item of present indebtedness at the cost of a relatively small area of land.

The advantage accruing to the present stockholders would be the immediate realization of some cash on their investment, and in addition the acquisition of 437 acres of real estate which might at some future date have enough value to let the present stockholders out without loss.

The present stockholders would, of course, agree to make no sales or development efforts which would be prejudicial to the welfare of the Montauk Beach Development Corporation.

The attached statement outlines the effect of the proposal in figures. This is based on the prospective Purchasers' proposal to take over the present stock at 20¢ on the dollar, or \$2.00 per share, amounting in the aggregate to \$787,397.00 for the total outstanding \$393,698½ shares of stock.

ACCOUNT OF C. G. FISHER  
and  
Associated Companies.

Open accounts payable to C.G.Fisher Company	130,417.24
Open account payable to Waterside Realty Co.	55,000.00
Note Payable to Carl G. Fisher Company	<u>50,000.00</u>
Total due C.G.Fisher and Associated Companies	235,411.24
Cost of House, outbuildings, grading, landscaping and equipment	100,000.00
18 acres homesite @ \$4,500. per acre	<u>81,000.00</u>
Total credits	<u>181,000.00</u>
Balance cash due C.G.Fisher Company and Associated Companies	<u>\$54,411.24</u>

Total Proposed Purchase price \$787,397.00

Purchase of 437 acres of land from  
Montauk Beach Development Corp. @ \$900.00  
per acre for conveyance to present stock-  
holders for  $\frac{1}{2}$  their stock \$393,698.50

Payment of \$1.00 per share cash  
to present stockholders 393,698.50

787,397.00

Purchase price of 437 acres of land from  
Montauk Beach Development Corporation @ \$900.91  
per acre for conveyance to present stockholders  
for  $\frac{1}{2}$  their stock 393,698.50

Release cost 437 acres @ \$230. per acre, 100,510.00

Release cost, C.G.F. homesite, 18 acres  
@ \$1,500. 27,000.00

Balance due C.G.Fisher & Associated Cos. 54,411.24

Total necessary expenditures to complete  
transaction 181,921.24

Balance Working Capital available \$211,777.26



October 10, 1929.

Mr. A. G. Adams,  
Boothbay Harbor,  
Maine.

Dear Mr. Adams:

We moved our seals to a pen in our lake near the opening into the Sound. The pen, apparently, was too lightly constructed and the seals got away. Two of them paired off and went up the beach about 3/4 of a mile where they are often seen by the fishermen. One lonely little fellow staid around the lake and is here yet and is seen frequently sunning himself on a rock near shore and he will almost come to your hand for a fish, but we have not been able to catch him. We have not anybody down here who knows how to catch him as all our experts have gone south, so we will have to have another four seals, and we will accept your proposition and will be glad to have you bring the seals down to Miami Beach and we will stand your expenses.

We must give several days notice so that they will be on the lookout for the seals down south.

Very best regards.

Yours truly,

CGF:T

We will ship back the crates.

October 18, 1929.

Mr. G. LeBoutillier,  
267 Pennsylvania Station,  
New York City.

My dear LeBout:

We will have one of our 150 H.P. Diesel motors for Aerocar on the test block within two weeks. Don't you think it would be good business for the P.R.R. to finance the construction of the first Rail Car, at a cost of not to exceed \$20,000.? If it runs over this amount the company will absorb the difference. I don't think it should cost more than \$25,000 at the outside. I have got to make some arrangement for somebody to finance this first car and, naturally, I would like to have your folks do it.

I can sell my stock in the company at a very good price, but my stock is such a small part of my investment, and considering the possibilities I don't like to dispose of this small amount of stock which is a considerable part of the total amount stock out of the company and has such a splendid future to help me make a few millions to throw back into Montauk.

Don't think for a minute I have changed my mind on Montauk and that I am going to quit on the job if there is any way to avoid same.

Yours,

CGF:T

Boothbay Harbor Maine.  
November 14, 1929.

Mr. Carl Fisher,  
Mentauk L.I.  
Dear Sir:

Was unable to catch four seals, but have made arrangements with Youngs Millien Dellar Pier Association to have the four they have, and can ship them to Miami Nev., 30 or Dec., 2. Will catch and crate them and proceed with them at this time, as per recent letter.

Please let me know if arrangements meet with your approval as seen as possible.

Very truly yours,

*A. G. Adams*

*Address*  
*Box 514*  
*Boothbay Harbor*  
*Maine*

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 2

CGFP 19 FI MIAMI BEACH FLO NOVEMBER 19, 1929

A. G. ADAMS. BOOTHBAY HARBOR. MAINE

ON ACCOUNT DELAY IN GETTING BUILDINGS AND EQUIPMENT  
WE WOULD PREFER TO WAIT UNTIL NEXT FALL FOR THE SEALS

CGF:T

C. G. FISHER.

3:40 PM



November 14, 1929.

Mr. A. J. Thomas,  
Montauk, New York.

My dear Jack:

The stock market monkey shines have cut a lot of figure in some of our plans at Montauk, to this extent: We had a splendid deal on for a thousand acres of land to the east of the lake and had every reason to believe it was going through, but it has not gone through and I doubt if it will go through for some time. The financing of the Company is entirely on my shoulders now as the principal interests I had with me have all seemed to suffer considerable by the reaction in stocks.

I am wondering if you or any of your friends would be interested in 600 acres we have free from the mortgage. This 600 acres lies practically any place in Hither Hills where it can be selected. I would like to secure a loan on this 600 acres of \$300,000., which under the conditions of improvements already made I think is a very reasonable loan. If not a loan, I would also consider selling same. I wish you would think about it and let me hear from you. It is a tremendous good loan, if it is made into a loan, and also we can name a price that would be a very good investment. I only wish you could get your people interested so you could take 600 acres and do something with it in the way of small estates. I am sure there would be buyers for the property.

In the meantime, aside from this acreage, don't forget you are supposed to come down here some time this winter, and if you come soon you will avoid the big jam.

Yours,

CGF:T

THE MONTAUK BEACH DEVELOPMENT CORPORATION

New York,  
November 16, 1929.

Mr. C. G. Fisher,  
c/o The Montauk Beach Development Corp.,  
Miami Beach, Florida.

Dear Skipper:

You will recall Thomas Le Boutillier 2nd purchased two of the business lots facing Montauk Highway about two blocks east of the office building for \$18,000., part of which was paid in cash and part by furnishing DeBois fence. Since Tom's death the estate is anxious to make an appraisal of all his assets and they want to know what they should put these two lots in at as of September 18th last.

The list price which he paid was \$18,000. Will you kindly give me the benefit of your experience, and tell me what these two lots could have been sold for last September.

You can be assured that I will keep the source of my information confidential.

Yours sincerely,



Room 267  
Pennsylvania Station.

November 19, 1929.

Mr. G. LeBoutillier,  
267 Pennsylvania Station,  
New York City.

My dear LeBoutillier:

Replying to yours of the 16th:  
I don't believe we had any buyers for  
Tom's lots last September or at any time  
during the season. As you know, about  
two lots were sold in that business dis-  
trict. With the business district building  
going ahead, the lots would be very cheap  
at \$25,000., and until the business dis-  
trict does pick up, I don't believe there  
is any market for the lots at even \$10,000.,  
but \$25,000 would be a fair price on the  
lots to actually bring when there is more  
business and enough to warrant additional  
stores and apartments.

Yours,

CCF:T

ANDREW J. THOMAS  
ARCHITECT

2 WEST 46TH STREET • NEW YORK  
BRYANT 2810

November 25th, 1929.

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

Dear Mr. Fisher:

Your letter of November 14th at hand, and I was very pleased to learn that you and Mrs. Fisher had arrived at Miami safe and sound. No doubt by this time you are both settled and enjoying the wonderful sunshine which you have without charge at Miami.

It was very unfortunate that you were not able to carry through your deal for the thousand acre tract at Montauk as I am sure that this development would have pushed Montauk ahead very rapidly.

As to the possibility of me being able to interest some people in a development or mortgage at Montauk, I am rather afraid that I will not be able to offer you much encouragement. Nevertheless, I shall speak about same and will advise you if I can do anything.

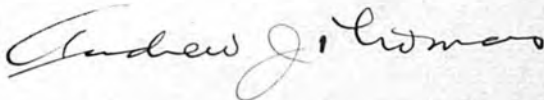
Again you extend that very kind invitation to visit Miami this winter, and I surely would love to do so, but I doubt whether I will have the time to spare.

I might add that I miss you at Montauk, and feel quite sure that upon your return this Spring I will have a surprise awaiting you.

With best wishes, I am

Very truly yours

AJT:DM





November 29, 1929.

Mr. Andrew J. Thomas,  
Montauk, Long Island.

My dear Mr. Thomas:

Thanks for yours of the 25th. Regardless of whether or not you or your friends are interested in the Montauk proposition, I do hope you and Mrs. Thomas will get a chance to get down here this winter and see what is going on. I think you owe it to your business to look this place over.

Very truly yours,

CGF:T

1929 or 30

Montauk Gift Stock

	<u>Amount</u>	<u>Total</u>
Margaret G. Fisher	66,500.	
G. LeBoutillier	25,000.	
John H. Levi	15,000.	
James M. Cox	10,000.	
Hugh W. Davis	10,000.	
Parke G. Haynes	10,000.	
Ernest L'Ecluse	10,000.	
Dan J. Mahoney	10,000.	
Robert H. Tyndall	7,500.	
Wm. H. Galloway	7,500.	
Paul Kunschik	7,000.	
Jess G. Andrew	7,000.	
Edna Champion	5,000.	
John Englis	5,000.	
Stuart Gayness	5,000.	
Earl Kiser	5,000.	
Tommy W. Milton	5,000.	
T. E. Ringwood	5,000.	
Alex Smart	5,000.	
Steve Hannagan	4,000.	
A. W. Howe	4,000.	
John O. LaGorce, Trustee	3,000.	
Lee Appleget	3,000.	
Capt. G. B. Hewes	3,000.	
LaFayette Page, Jr.	3,000.	
Walter E. Thompson	3,000.	
Owen D. Odell	2,500.	
Arthur B. Reed	2,000.	
E. H. Bird	1,500.	
Mike J. Dolan	1,500.	
Murdo Morrison	1,500.	
G. F. Chapman	1,000.	
Mike J. Glenn	1,000.	
Joe Hoerger	1,000.	
Hugh Reid	1,000.	
Capt. Charles H. Thompson	1,000.	
John M. Rutherford	<u>500.</u>	\$258,000.

1929 or 30

Montauk Gift Stock

	<u>Amount</u>	<u>Total</u>
Margaret C. Fisher	66,500.	
G. LeBoutillier	25,000.	
John H. Levi	15,000.	
James M. Cox	10,000.	
Hugh W. Davis	10,000.	
Parke G. Haynes	10,000.	
Ernest L. Coluse	10,000.	
Dan J. Mahoney	10,000.	
Robert H. Tyndall	7,500.	
Wm. H. Galloway	7,500.	
Paul Kunschik	7,000.	
Jess C. Andrew	7,000.	
Edna Champion	5,000.	
John Englis	5,000.	
Stuart Gayness	5,000.	
Earl Kiser	5,000.	
Tommy W. Milton	5,000.	
T. E. Ringwood	5,000.	
Alex Smart	5,000.	
Steve Hannagan	4,000.	
A. W. Howe	4,000.	
John C. LaGorce, Trustee	3,000.	
Lee Applegat	3,000.	
Capt. C. E. Hewes	3,000.	
LaFayette Page, Jr.	3,000.	
Walter E. Thompson	3,000.	
Owen D. Odell	2,500.	
Arthur B. Reed	2,000.	
E. H. Bird	1,500.	
Mike J. Dolan	1,500.	
Murdo Morrison	1,500.	
G. F. Chapman	1,000.	
Mike J. Glenn	1,000.	
Joe Hoerger	1,000.	
Hugh Reid	1,000.	
Capt. Charles H. Thompson	1,000.	
John M. Rutherford	<u>500.</u>	\$256,000.