

# Montauk - 1930

LONG ISLAND, N.Y.

# MONTAUK MANOR



ON THE SLENDER SEAWARD TIP  
125 MILES OUT IN THE ATLANTIC





— McLaughlin Aerial Survey.

Montauk Yacht Club, whose pier is the embarkation point for the world's most famous sword-fishing grounds. Club privileges are available to Manor guests.



The unobstructed Atlantic provides Manor guests with exciting surf sports away from crowds and contamination. Beach Club privileges also are extended.

LOCATED on the slender tip of Long Island, 125 miles out in the cool Atlantic, Montauk Manor lies in the center of a domain of pleasure equalled nowhere else on earth. Feudal in its conception and architecture, yet smartly modern in its comforts and pleasures, The Manor

becomes your own exclusive estate, cooled by ocean breezes, and offering every carefree sport and pastime of smart country life . . . to be enjoyed with congenial companions from The Manor's carefully selected guest lists. Season extends from June 15 to September 15.

Easily reached from New York by the Long Island Railroad . . . or your car.



Readily accessible from New England by ferry from New London, Conn.



Montauk pastimes are out-of-door pastimes. Whether for active sports such as riding (above), or restful relaxation or tea in the garden, you'll be out in the healthful sunshine and clean, fresh air much of the time. Below right: A system of aerocar transportation gets you quickly to all points. Bottom: In addition to fine outdoor courts, tennis players have the use of the world's most pretentious enclosed courts, day or night, rain or shine.



— Curtiss-Wright Flying Service.



Above: Montauk's 18-hole golf course has been likened to the famed Scotch seaside courses — a test for "pro" and amateur alike. Below: Children particularly are provided for — not only with a complete playground but with supervision and competent instruction where desired. Bottom: Children and adults alike enjoy bathing and competitive programs in the pool of the impressive Beach Club, where Manor guests are extended privileges during their stay.

These views tell much of Montauk Manor's story, yet they cannot picture the bracing marine climate, the sunny days and cool, breeze-swept nights, the unusually pure drinking water, the keen sea-atmosphere that whets jaded appetites and stimulates new interests and a new enjoyment of life. Sport for those who wish runs the gamut — salt- and fresh-water fishing, surf and pool bathing, beach sports, golf, tennis, riding, sightseeing — and club privileges in exclusive nearby clubs assure you of enjoying all these at their finest. Yet for all its gaiety, Montauk Manor itself is peacefully secluded. Its real charm lies in the choice of vacations — gay diversions when you're in the mood — or complete rest and relaxation that renews your mental and physical health and well being.

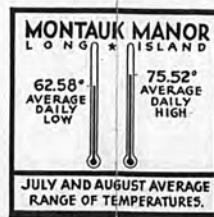
Accommodations are limited during the period from June 15 to September 15. It is advisable to write for reservations well in advance. Address communications to Wm. M. Gale, Manager, Montauk Manor, Montauk Beach, New York.

Associated Carl G. Fisher Hotels, Miami Beach, Fla.

The FLAMINGO . The NAUTILUS . The KING COLE . The LINCOLN . The BOULEVARD



IT'S COOLER OUT AT SEA . . . Virtually surrounded by water, and swept by ocean breezes, Montauk Manor averages ten degrees cooler than the sweltering, congested cities. You'll sleep under blankets at night, and welcome the crackling log fires that enliven the public lounges during the evenings.



HAY-FEVER SUFFERERS . . . Enjoy virtually the same freedom from irritation that they would find on the decks of an ocean liner. In addition, The Manor maintains a complete physio-therapy department under the direction of "Doc" Nelson, who has been in charge for eight summer seasons.



LONG ISLAND, N.Y. LONG ISLAND, N.Y.

# MONTAUK MANOR

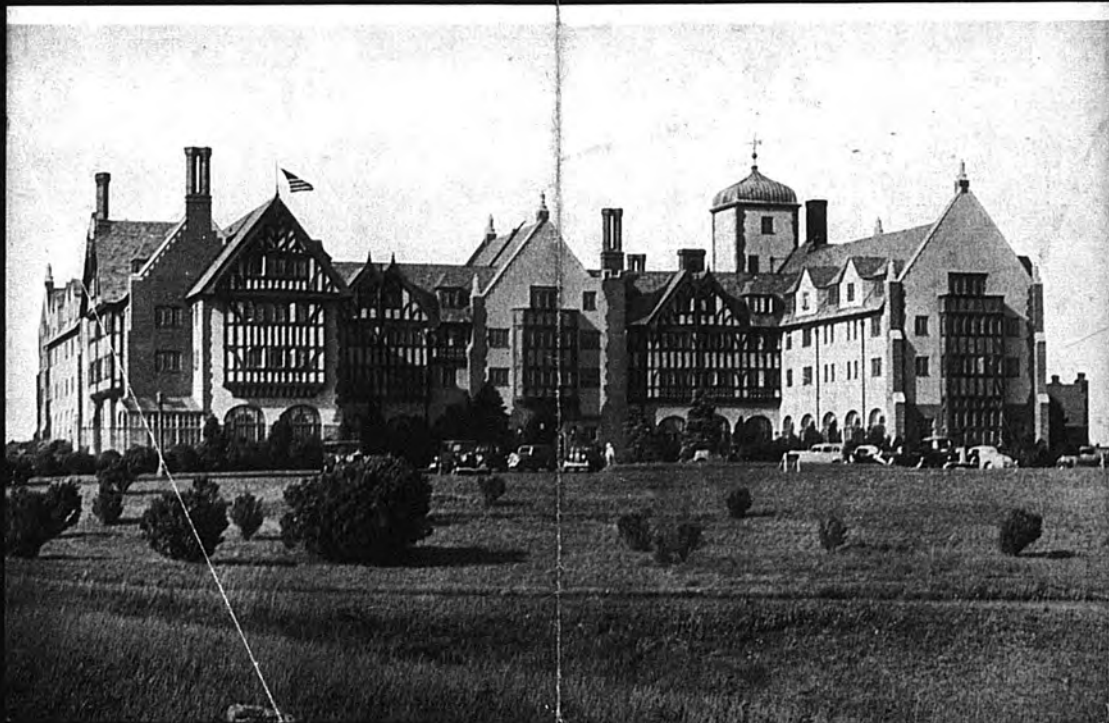


ON THE SLENDER SEAWARD TIP  
125 MILES OUT IN THE ATLANTIC

# MONTAUK MANOR



ON THE SLENDER SEAWARD TIP  
125 MILES OUT IN THE ATLANTIC



LECLUSE, WASHBURN & CO.

REAL ESTATE

9 EAST 41ST STREET

~~← 8 WEST 40th STREET~~

NEW YORK

January 9, 1930.

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

Dear Carl:

You may possibly have heard from Parke Haynes that I have been making a determined effort to dispose of Montauk as a whole along the lines which you and I discussed at Montauk just before you left. As Parke will be leaving the end of this week, I thought it best to have you advised as to what I am doing, as further negotiations will probably have to be taken up with you direct.

The first group of people whom I discussed with you at Montauk and who were being interested through Mr. Edward McCormack, did not materialize, but Mr. McCormack and myself are now working on a matter that may not involve all of the property, but if carried through, would involve about one-half of the property and would result in these people assuming this mortgage so that your Miami Beach holdings would be released. This man is Mr. James B. Regan.

For a number of years Mr. Regan operated the Knickerbocker Hotel at Broadway and Forty-Second Street and was very close to the Astor interests. He is well off financially himself and tells us that he has two or three well known banking interests in New York who would be very much interested in going into this matter with him. Mr. McCormack has been all over Montauk with Mr. Regan and there is a possibility that reasonably quick results may be obtained. It may be that the early part of next week sufficient progress will have been made so that they may request a sort of refusal on the purchase of the property for a few days, in order to work out details. I believe that you would be justified in granting this, if sufficient interest is developed. I would not think of having you do this, however, unless they do show real interest, as I am working on two other sources that look promising and should produce results.

Mr. Carl G. Fisher:

Jan. 9, 1930.

These two other sources are in conjunction with the office of Amos Lamphear of 217 Broadway, New York. Mr. Lamphear has done considerable business with the Deering people and as a matter of fact, he has been trying to secure a building in New York for them, in which they would use the Cocoanut Grove property as part payment. Mr. Lamphear tells me that this property represents an expenditure of close to \$10,000,000.00 on the part of the Deering people, but that they have been willing to put it in free and clear at \$3,000,000.00 in the purchase of New York property.

I have been talking Montauk to Mr. Lamphear and he has introduced the purchase of Montauk to Mr. Ritchie representing the Deering interests as a suggestion and I believe they are reasonably well interested. The price I have quoted Mr. Lamphear is \$10,000,000.00 for the whole of Montauk, they to assume the existing mortgages and to put in the cocoanut grove property at \$3,000,000.00 or a total of \$7,671,500, which would leave a cash difference of \$2,328,500.00. Of course, I have no idea as to the value or marketability of the cocoanut grove property, but felt that if it has a reasonable value or market at anything like this price, this proposition would be of interest to you, and there would be no question in my mind of the Bankers Trust Company accepting the Deering people on this mortgage. I believe they have something like \$4,000,000.00 or \$5,000,000.00 cash available for some purpose, so that in addition to the cash they might put into Montauk, they would also have plenty of resources for continued development.

The other source of inquiry through Mr. Lamphear's office is William Wrigley, Jr. Mr. Lamphear was instrumental in interesting them in some water front industrial property in Long Island City, which has a value of about \$1,500,000.00. Mr. Wrigley's representative here believes that he would be very much interested in Montauk, as its development by him would give him the most prominent piece of recreational property on the Atlantic Seaboard and with his Catalina Island operations, should give him all the publicity that he could possibly hope to get. The price quoted in this

Mr. Carl G. Fisher:

Jan. 9, 1930.

instance is the same - \$10,000,000.00, they to assume the mortgages and to allow him credit for the property in Long Island City at \$1,500,000.00, the Montauk Beach Company to receive cash and mortgages for the difference.

It will take some little time to work out these things, but I feel very much encouraged by the interest already shown by these three parties. They all have ample resources to do for Montauk what it needs and in each instance, they have sufficient practical experience and contact with eastern interests so that it should spell success for Montauk in any case.

I have been putting in a great deal of time; in fact, almost my entire time since you left in trying to produce a satisfactory purchaser. I have not written you regarding it, as up to this time I have not had a great deal of encouragement. I might say that I have had the matter up with Mr. Otto Kahn through his real estate representative, but have been unable to get Mr. Kahn down to Montauk, and only today learned that he was leaving for Palm Beach and would be glad to look into this matter in the Spring, but would not do anything until then.

I do not want you to get the idea that we have been broadcasting the sale of Montauk. We have only approached such interests as we feel are well able to buy and where there is reasonable prospect of their being interested. We have not or will not do or say anything that we feel will in any way prejudice your interests or your company's interests there. We naturally are very much interested in bringing this about or in enlisting financial aid both for your sake and for our own, as we have considerable outside interests which will more or less be affected by the progress at Montauk.

I will write you next week as soon as I have more information as to the interest shown.

Sincerely yours,

  
ERNEST A. L'ECLUSE.

EAL/Mc



L'Ecluse, Washburn & Co.

9 East 41st Street  
New York.

January 9, 1930.

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L'Ecluse, Washburn & Co.  
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Sincerely yours,

ERNEST A. L'ECLUSE.

EAL/MC

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January 10, 1930.

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

Dear Carl:

Since writing you yesterday I have had quite a little encouragement from the William Wrigley, Jr. source. His New York representative tells us that Montauk looks very interesting to him. He talks to Mr. Wrigley at Catalina two or three times a week and I am to go into this matter in more detail on Monday.

He believes that the thing which will interest Mr. Wrigley most is to acquire a one-half interest in the property or possibly a controlling interest, and have you retain your interest and go along with him, Mr. Wrigley to give sufficient guarantee to satisfy the mortgage and release your Florida property. He would also be prepared to do the things and put up the necessary money to put Montauk on the map in the biggest kind of way. The only figures so far that I have quoted are as follows:

Mr. Carl G. Fisher.

8,000 acres of unsold property at \$1,000. per acre	\$8,000,000.00
Money expended in developing pro perty, construction of buildings, roads, golf courses,	5,796,000.00
TOTAL WHOLESAL VALUE -----	13,796,000.00
Total Mortgages against the property -----	4,671,500.00
EQUITY OF MONTAUK BEACH CORPORATION -----	\$ 9,124,500.00.

You will see that half of this equity would be a little over \$4,500,000.00. If Mr. Wrigley were to put in as part payment for this half, his property in Long Island City at a value of \$1,500,000.00, we would still receive something like \$3,000,000.00 for a half interest. While the total of this equity may be subject to some paring down, yet there is sufficient margin for a most advantageous deal.

I will keep you informed as to the progress I make, as I realize you might be induced to consider some other proposition that may not be anything as attractive, believing that no other desirable proposition was available.

As regards the other prospects, I am not so optimistic about results from the Deering people, as they do not seem to be the logical people and there is not the reason for their going into it, nor do I think they would be in position to do for Montauk all that it needs.

The third proposition with Mr. James B. Regan -- we will have some further developments on this the first of the week, but as this only involves a part of the property, it naturally is not as attractive and I do not think Mr. Regan 's development would be nearly as good as Mr. Wrigley's. To my way of thinking, Mr. Wrigley's intense interest in sports and his desire for extensive publicity spells for us the best type of buyer.

Yours very truly,

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Yours very truly,

ERNEST A. L'ECLUSE.

EAL/Mc

Copy to Mr. Carl G. Fisher

January 10, 1930.

Mr. Ernest A. LeCluse,  
L. LeCluse, Washburn & Co.,  
9 East 41st Street,  
New York, N.Y.

Dear Ernest:

I have copy of your letter of January 9th addressed to Mr. Fisher relative to your efforts in connection with the proposed sale of Montauk property as a whole.

If the Mr. Ritchie with whom you are working, who claims to be representing the Deering Estate, is the Mr. Ritchie who was formerly in the real estate business in Miami, having I think developed and sold a piece of ground adjacent to Coral Gables known as Schenley Park, and operating under the firm name I believe of Ritchie, Barnhart, I would proceed with great caution with this man.

He is reputed to be a fast worker, and I have been told that he makes claims as to his clients which he is not able to sustain. He came to us about two years ago claiming to represent a well-known banker from Pittsburgh, and offered to make a trade with us involving about \$1,000,000.00 worth of property. Our investigation led us to believe that his proposal was not bona fide, and we did not go through with it.

If this is the same Mr. Ritchie, he may represent the Deering Estate, and may be authorized to trade, but I think I would check the matter up carefully before committing myself, if I were you.

Sincerely yours,

Parke G. Haynes.

Dear C. G.

I understand that Mr. LeCluse is not pushing this deal but is working on another about which he is very much interested.

# LECLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41st STREET

← 8 WEST 40th STREET

NEW YORK

January 10, 1930.

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

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Yours very truly,

  
ERNEST A. L'ECLUSE

EAL/Mc



January 13, 1930.

Mr. Ernest L'Ecluse,  
9 East 41st Street,  
New York City

My dear Ernest:

Thanks very much for your letter of the 9th. I hope that either one of these deals may go through. Of course, the property is priced very reasonably at the figures you quote and for a large company who can carry on the various improvements there it will be a splendid deal. I am in hopes the sale can be consummated for two different independent clubs next year, and I think two independent clubs with the right people in them should be a tremendous big thing for Montauk.

Regardless of the sale of the property to either interest, you can say that I hope to live at Montauk the rest of my natural life during the summers and I will do all that I can help finish the job.

Things are starting off big here. I know you will be interested to see the way our hotels are going. LeBoutillier expects to be here this week and he is returning immediately. For your interest, Parke may have told you I thought it desirable to let Mr. Appleton quote a price of \$200,000. on twenty acres of our water front at Fort Pond Bay. I don't know that it will do any harm for Mr. Appleton to continue to try and interest the French Line in an eastern terminal.

I wish you could run down with Parke for a couple days and see the improvements here. It won't do any harm and I think you will enjoy a little sunshine and fresh air.

Yours,

GGF:T

P.S. Just have your second letter. If you can interest Mr. Wrigley interests, on either a half interest of the controlling interest, it will be entirely satisfactory with me.

LEGLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41st STREET

~~6 WEST 40th STREET~~

NEW YORK

January 17, 1930.

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

Dear Carl:

I have made considerable progress in the negotiations with Mr. James B. Regan affecting Montauk. Mr. Regan and his associates were not prepared to consider Montauk as a whole and before Mr. Haynes left, I discussed with him the possibility of your being interested in disposing of a part of the property, and particularly the mortgaged area, by a purchaser assuming this mortgage.

Mr. Regan has associated with him a downtown banking house and between the two of them, I am satisfied that the Bankers Trust Company would consider their assuming this mortgage sufficient so as to release the Carl G. Fisher Company and its holdings from the obligation of this mortgage. Mr. Regan and his associates would also be prepared to carry on the property within the mortgaged area and spend the money necessary to complete its development and sale. I feel sure that Mr. Regan and his associates will be prepared to assume this mortgage and put up sufficient cash to pay the necessary expenses and commissions, if you felt prepared to have conveyed to them the unsold property within the Bankers Trust Company mortgaged area.

On offering this suggestion to Mr. Haynes he was of the opinion that you would give serious consideration to such an arrangement. While I realize this is a most attractive offer for a purchaser, yet I can see where you may feel justified in giving this consideration, particularly where the company will retain the property on either side of improvement and where this remaining property may be sold for a sum sufficient to more than satisfy the outstanding stock with a return to them of their investment and interest.

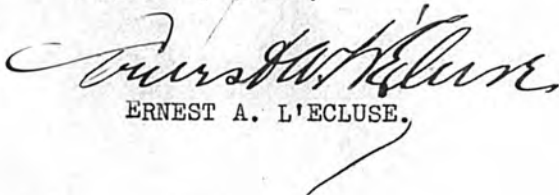
Mr. Carl G. Fisher:

Jan. 17, 1930.

I do not care to proceed further with them until I have an expression from you that it would be with your approval if carried through. They would require possibly two weeks to thirty days to complete the transaction and have asked for some information which I would not feel free to give until I had your approval. As Mr. Haynes is not available, I cannot proceed further without some authority.

I have received a letter from the William Wrigley Company that the matter has been discussed with Mr. Wrigley and that he would not be interested just at this time. I think his representatives in the east are very much interested in this matter, but are unable to arouse the same interest in him. At the present time the Regan source is the only real encouragement that we have.

Very truly yours,



ERNEST A. L'ECLUSE.

EAL/Mc

P.S. Please wire your approval or fix an hour for me to telephone you on Monday.

E.A.L.

January 20, 1930.

Mr. Ernest L'Ecluse,  
9 East 41st Street,  
New York City.

My dear L'Ecluse:

I have yours of recent date regarding your talk with Mr. Regan. As I understand your letter, you were thinking we would be interested in transferring the mortgaged part of our property to Mr. Regan for the amount of the mortgage plus your commission.

I cannot understand why Mr. Parke Haynes would encourage you to think we would consider such an arrangement. It may be I don't entirely get the contents of your letter, but in order to save time I am getting this letter off to you today. We would not, under any circumstances, sell all of the property to the east or to the west of the improved area.

L'ECLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41ST STREET

~~← 6 WEST 40TH STREET →~~

NEW YORK

January 25, 1930.

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

Dear Carl:

I am writing you now to more or less keep you advised as to the promising results of my negotiations with Mr. James B. Regan and his associates for the purchase of the Bankers Trust Company mortgaged area of Montauk.

From conversations I have had, there seems to be practically no question of their making this offer and I have simply been delayed in putting forth a definite proposition due to the fact that it is their desire to complete all their financial arrangements and to know to what extent they will have to provide money for the future, before they definitely commit themselves to the purchase. From the questions they have asked me to answer, I gather that their plan will include the erection of either a lake front or an ocean front hotel, the building and furnishing of at least twenty-five houses, and also making financial arrangements so that if they obligate themselves on the Bankers Trust Company mortgage, they will be prepared to meet it when due, even though land sales do not take care of such portion of it as they might hope for. I think there is a bare possibility that they may have in mind the taking over of this mortgage immediately or soon after closing this transaction, as part of their financial plan.

The proposition which I believe they will be prepared to make, and which I think will be done by Tuesday or Wednesday of next week, is to either assume or take over the Bankers Trust Company mortgage, and in doing this, release the Carl G. Fisher Company's obligation and your personal obligation, the Montauk Beach Development Corporation to convey to them the unsold land with improvements within this mortgaged area, and they are to provide sufficient cash to pay for the legal expenses and any commissions necessary to carry the transaction through. As I wrote you before, this would leave the stockholders of the Montauk Beach Development Corporation

Mr. Carl G. Fisher:

Jan. 25, 1930.

retaining the former Benson properties of approximately 2,500 acres in the Hither Hills Section and 1,400 acres in the Wompananit Section, which I think you will agree with me should have an average value of \$1,000.00 per acre in its present state. The company would also have certain credits in the way of mortgages and accounts receivable, which I believe would almost offset the Benson mortgage. This would leave the stockholders in practically the same position as if we had carried through the proposition which you and I discussed the day before you left Montauk.

You will recall under this arrangement the stockholders were to receive a sum, either in cash or mortgages, which would represent their original investment plus interest, and that if necessary you felt prepared to even take a loss on your stockholdings in order to carry through a deal. Under the proposed sale which we discussed, the stockholders would only receive the amount of the mortgages with no opportunity for the unearned increment on the land, while under this arrangement, if Mr. Regan and his associates are as successful as I feel sure they will be, there is a possibility for the stockholders to get possibly double this amount through disposing of the property wholesale, or perhaps more than this through future development of their holdings.

My belief is that most of the stockholders in Montauk feel that they have put money into something which they would more or less like to gamble with, on the chance of big returns in the future. I believe that if the matter were put up to them, most of them would prefer to take their chances on the future value of this remaining property rather than to take a sum now that would represent only their investment plus interest. I realize, however, that they cannot expect you or some of the larger stockholders to carry Montauk for them until this point is reached, and with this heavy obligation coming in 1932, probably most of the stockholders would be unprepared to meet this situation out of their own pockets, if sales from the property itself would not be sufficient to take care of it.

I have made some inquiry from friends in the Wall Street section and they tell me that Halsey, Stuart & Company are considered one of the strongest banking houses there and I feel certain that with Halsey,

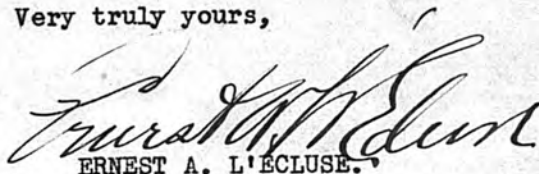
Mr. Carl G. Fisher:

Jan. 25, 1930.

Stuart & Company's backing or support, there will be no difficulty with the Bankers Trust Company releasing you and your company. Of course, I have said nothing to the Bankers Trust Company regarding this, but believe Mr. Haynes has talked with Mr. Keyes and has his assurance that he would be glad to release you upon any good responsible group assuming this obligation.

I will telephone you on Tuesday or Wednesday when I have this definite proposition.

Very truly yours,



ERNEST A. L'ECLUSE.

EAL/Mc

L'ECOLUSE WASHBURN & CO  
9 East 41st Street, New York.

January 25, 1930.

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

I am writing you now to more or less keep you advised as to the promising results of my negotiations with Mr. James B. Regan and his associates for the purchase of the Bankers Trust Company mortgaged area of Montauk.

From conversations I have had, there seems to be practically no question of their making this offer and I have simply been delayed in putting forth a definite proposition due to the fact that it is their desire to complete all their financial arrangements and to know to what extent they will have to provide money for the future, before they definitely commit themselves to the purchase. From the questions they have asked me to answer, I gather that their plan will include the erection of either a lake front or an ocean front hotel, the building and furnishing of at least twenty-five houses, and also making financial arrangements so that if they obligate themselves on the Bankers Trust Company mortgage, they will be prepared to meet it when due, even though land sales do not take care of such portion of it as they might hope for. I think there is a bare possibility that they may have in mind the taking over of this mortgage immediately or soon after closing this transaction, as part of their financial plan.

The proposition which I believe they will be prepared to make, and which I think will be done by Tuesday or Wednesday of next week, is to either assume or take over the Bankers Trust Company mortgage, and in doing this, release the Carl G. Fisher's company ~~max~~ obligation and your personal obligation, the Montauk Beach Development Corporation to convey to them the unsold land with improvements within this mortgaged area, and they are to provide sufficient cash to pay for the legal expenses and any commissions necessary to carry the transaction through. As I wrote you before, this would leave the stockholders of the Montauk Beach Development Corporation retaining the former Benson properties of approximately 2,500 acres in the Hither Hills section and 1,400 acres in the ~~compenant~~ Section, which I think you will agree with me should have an average value of \$1,000.00 per acre in its present state. The Company would also have certain credits in the way of mortgages and accounts receivable, which I believe would almost offset the Benson mortgage. This would leave the stockholders in practically the same position as if we had carried through the proposition which you and I discussed the day before you left Montauk.

You will recall under this arrangement the stockholders were to receive a sum, either in cash or mortgages, which would represent their original investment plus interest, and that if necessary you felt prepared to ~~w~~ even take a loss on your stock holdings in order to carry through a deal. Under the proposed sale which we discussed, the stockholders would only receive the amount of the mortgages with no opportunity for the unearned increment on the land, while under this arrangement, if Mr. Regan and his associates are as successful as I feel sure they will be, there is a possibility for the stockholders to get possibly double this amount through disposing of the property wholesale, or perhaps more than this through future development of their holdings.

My belief is that most of the stockholders in Montauk feel that they have put a money into something which they would more or less like to gamble with, on the chance of big returns in the future.

I have made some inquiry from friends in the Wall Street section and they tell me that Halsey, Stuart & Company are considered one of the strongest banking houses there and I feel certain that with Halsey, Stuart & Company's banking or support, there will be no difficulty with the Bankers Trust Company releasing you and your company. Of course, I have said nothing to the Bankers Trust Company, regarding this, but believe Mr. Haynes has talked with Mr. Keys and has his assurance that he would be glad to release you upon any good responsible group assuming this obligation.

Very truly yours,



LECLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41ST STREET

← 6 WEST 40TH STREET →

NEW YORK

January 25, 1930.

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

Dear Carl:

The day Mr. Haynes left, he and I had a further talk with Mr. Moses regarding the parkway through Montauk and at that time Mr. Moses suggested that the Montauk Beach Development Corporation enter into an agreement or actually dedicate to the Park Commission the necessary land for the parkway two hundred and fifty feet in width through the Benson property to the west and to the east of the mortgaged area, this dedication to be released from the Benson mortgage, and in addition, to convey the necessary park land for the two hundred and fifty foot parkway through the Bankers Trust Company mortgaged area. This dedication through the Bankers Trust Company mortgaged area is to be subject to their mortgage and if the Park Commission could not obtain a release from the Trust Company's mortgage, then it would be optional with the Commission whether they proceeded with the other portions of the parkway.

They have apparently had quite some discussion on the matter since that time, as Mr. Moses called me down to his office on Thursday and has given me a map, copy of which I enclose, and is sending me a memorandum setting forth their proposal. Generally it is as follows.

If your company will dedicate to them now a strip three hundred feet in width through both sections of the Benson property, and dedicate forty acres instead of thirty acres of additional property for a park at the point, they will enter into an agreement to have these two portions of the parkway graded within a year and at least twenty feet of pavement completed, and will not require any agreement or obligation from the Montauk Beach Development Corporation regarding the route through the mortgaged area. On the contrary, they will have this pavement carried through Second House Road to Montauk

Mr. Carl G. Fisher:

Jan. 25, 1930.

Highway and then follow the present Montauk Highway to the westerly line of the 1,425 acres. This can either be done by an agreement to that effect, or by having the conveyance made and provide for the property to revert to the Montauk Beach Development Corporation in case they did not carry through their part within the stipulated time.

There are two further requirements. First, that you restrict the property within one hundred feet of this parkway to residential use, and second, that the Montauk Beach Development Corporation agree to open generally along the Long Island Railroad right-of-way, a commercial road and to make this available for commercial use within three years after the parkway is made available. The parkway will take care of commercial trucking until that time. They have not specified just how this commercial route is to be paved or its exact width. It is their plan to continue this commercial road generally along the railroad through the park area and then down to Montauk Highway at the westerly line of the Hither Hills Park.

My belief is that the Town of Easthampton should be willing to improve and maintain the section of the commercial road which would be within the limits of this 2,500 acre tract of the Benson property, and the present Second House Road would provide the necessary access to Montauk Highway from the end of this commercial road near the present supply yard or laundry, or they can use the new road just south of the railroad company's property and then reach the Montauk Highway by using the existing road on the east side of Fort Pond. Any details of this sort, I am sure can be easily worked out.

In asking for this extra fifty feet in width for the parkway and the extra ten acres at the point, Mr. Moses felt that it was reasonable when his Park Commission was willing to do this part of the work and make no requirement of you or the company regarding the parkway through the mortgaged area. He tells me that ultimately they would expect to have forty feet of pavement along this parkway route.

The parkway itself would not be subject to any parking or camping, and would be properly policed by state troopers so as to insure enforcement of their

Mr. Carl G. Fisher:

Jan. 25, 1930.

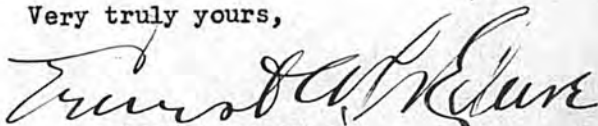
regulations. I believe this is a most desirable thing for your company to do. It will give considerable desirable publicity to Montauk, will open up portions of the company's property which are now somewhat inaccessible, and at the same time lend an environment to the adjacent properties which will be desirable and should result in obtaining better prices.

I have discussed with Mr. Regan and his associates the desirability of carrying this parkway through the area which they might acquire, and I am quite sure that they are most favorable to doing this. If they were to take over this mortgage from the Bankers Trust Company, it would be possible then for them to immediately convey and release this area so that this could be a continuous parkway. In talking with Mr. Moses, I have gathered that it is his hope and desire to make a continuous parkway from New York to Montauk Point. I know that other portions of this are under consideration at this time.

The more I learn of Mr. Moses' interest and of his plans for Long Island, I become more and more convinced that we all should co-operate with him fully. I was not in absolute accord with his methods in the first stages, but I can see now that we stand to gain more through co-operation with him than through opposition because of failure to agree on details or methods of procedure.

As soon as I receive this proposal from him, I will forward it immediately. Mr. Haynes has given a great deal of time to this and has had several conferences with Mr. Moses; so I am sure he will be able to tell you more of the details and probably impart his enthusiasm for it.

Very truly yours,



ERNEST A. L'ECLUSE.

EAL/Mc  
Enc.

L'ECLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41st STREET

~~8 WEST 40th STREET~~

NEW YORK

January 27, 1930.

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

Dear Carl:

I enclose herewith the letter from Mr. Moses, President of the Long Island State Park Commission, in regard to the parkway through Montauk. This letter coincides with my talk with Mr. Moses and with the letter which I wrote you on Saturday.

I talked with Mr. Ringwood regarding it and he is quite enthusiastic about the matter. I am sure Mr. Haynes is fully as conversant with this as I am, so that he can tell you first hand, all detail matters that are not covered in this letter and which he has learned from conversations with Mr. Moses and Mr. Howland.

Yours very truly,

  
ERNEST A. L'ECLUSE.

EAL/Mc  
Enc.

LONG ISLAND STATE PARK COMMISSION  
 WESTMONT LAKE STATE PARK  
 BABYLON, LONG ISLAND

*Fidelity Union Saver*  
*Trust Co.*

January 25th, 1930

Mr. Ernest A. L'Ecluse  
 9 East 41st St.  
 New York, N.Y.

Dear Mr. L'Ecluse:

May I ask you to forward this letter with the map sent you yesterday by Mr. Howland to Mr. Fisher and Mr. Haynes indicating that these papers are in accordance with your understanding of our agreement.

You will note that the new proposition as reviewed by us yesterday contemplates the dedication of the parkway right-of-way and of additional acreage at the Point only through the land actually controlled by the Montauk Development Corporation. It also contemplates the building of the new service road in the future as originally contemplated by us. It does not, however, require the dedication of the parkway right-of-way through the property on which the Bankers Trust Company holds the mortgage. In other words, our cooperation on the beginning of construction of this road is not contingent upon the dedication of a continuous parkway right-of-way.

In view of the fact that the dedications under this plan are considerably less than was originally contemplated, we feel that it is essential that we have a right-of-way of three hundred feet instead of two hundred and fifty feet for the parkway, and a dedication of forty acres instead of thirty acres at the Point.

The essential features of the agreement which is attached are as follows:

1. FROM HITHER HILLS STATE PARK TO THE WESTERLY BOUNDARY OF THE AREA COVERED BY THE MORTGAGE OF THE BANKERS TRUST COMPANY:

We are to receive a three hundred foot dedication for parkway purposes up to this point. We are also to receive a

Mr. Ernest A.L'Ecluse

-2-

1/25/50

written agreement that you will provide a commercial artery with a right-of-way of at least sixty-six feet, with a suitable pavement at least twenty feet in width running from a point near the south end of Fort Pond Bay up to the east line of Hither Hills State Park just south of the Long Island Railroad right-of-way. The right-of-way through our Hither Hills State Park will be provided by us. This agreement will provide that the company will have this artery completed for public use within three years after the completion of the Montauk Parkway.

2. THROUGH THE AREA COVERED BY THE MORTGAGE OF THE BANKERS TRUST COMPANY:

The present Montauk Highway will be used through this area and the new pavement will be laid on the present right-of-way.

3. FROM THE EASTERLY BOUNDARY OF THE AREA COVERED BY THE BANKERS TRUST COMPANY MORTGAGE TO THE POINT:

We are to receive a three hundred foot dedication for parkway purposes as indicated on the map and in the proposed deed.

4. ADDITIONAL LAND FOR PARKING AT THE POINT:

The company will dedicate approximately forty acres as indicated on the map and in the proposed deed.

5. RESTRICTIONS:

There shall be no business, advertising signs, filling stations or commercial developments of any kind within one hundred feet of the edges of the new parkway right-of-way and within one hundred feet of the parking area at the Point. The State will provide entrances at points to be agreed upon and not less than one thousand feet apart. These entrances will be staggered so that they will not be opposite each other. Under this arrangement, the entrances on each side will be not less than two thousand feet apart.

6. AS TO ABANDONMENT OF THE PRESENT MONTAUK HIGHWAY PARALLEL TO THE NEW PARKWAY:

OPERATOR FORM 18  
MONT LAKE STATE PARK  
BABYLON, LONG ISLAND  
2.1 V.L.E. BY

COPY

STATE PARK COMMISSION  
MONT LAKE STATE PARK  
BABYLON, LONG ISLAND

Fidelity Union Bank

Mr. Ernest A. L'Ecluse

-5-

1/25/30

We shall agree to do everything we can to bring about the abandonment of these sections by the town and shall be glad to advocate this in writing and by appearance before the Town Board. I am attaching a memo as to the acreage involved.

We should like to have a decision on this matter at the earliest possible moment.

Very truly yours,

ROBERT MOSES

President

RM:GP  
Encls.

January 25, 1950

MEMO AS TO ACREAGE INVOLVED

WESTERN SECTION

Area of right-of-way for parkway in Western Section (covered by Benson mortgage)	92.3 acres
Area of proposed Montauk Highway abandonment	<u>26.0</u> "
Net Area	66.5 "

EASTERN SECTION

Area of right-of-way for parkway (Benson mortgage)	84.4 "
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ADDITIONAL LAND AT MONTAUK POINT

Land for parking at the Point	<u>40.0</u> "
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TOTAL ACREAGE	<u>190.7</u> "
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COPY

January 28th, 1930.

Dear Skipper:

Hampton Shores Purchase

I spent yesterday afternoon with these people, trying to come to some satisfactory adjustment of the matter. Mr. John Cole, who is the President of the Company and with whom I have had my previous talks, is disposed to cooperate and play ball. His associates, however, are evidently among the many people who are hard pressed for money and they are disposed to be insistent on carrying out the terms of the original contract.

I have investigated the matter and find that this unfortunate and untimely purchase was made, pursuant to action of the Advisory Committee of the Montauk Company, duly recorded in their minutes, and that there is no question about the liability of the Montauk Company to carrying out the contract. Acting on this authority, LeBoutillier negotiated the purchase through and in the name of a Mr. West, one of his friends - using West's name to obtain a better price for the property than the price obtainable if the Company's interest had been disclosed. "Boots" feels that under these conditions we cannot possibly subject West to the embarrassment of being sued for specific performance, and I agree with him that such a suit would result in a decree or judgment against the Montauk Company.

I have made every effort to get the agreement of the Hampton shores people to cancel the contract of purchase, retaining the down payment of \$11,442.80 already made. They are unwilling to do this and at first insisted on carrying through the contract in accordance with its original terms. This would require us to pay an additional \$17,164.20 February 1st, and the balance of the total purchase price of \$114,428 in three annual installments of \$28,607 each, with interest at 6% from November 12, 1929, on November 12, 1930, November 12, 1931, and November 12, 1932. I have finally obtained their agreement, subject to your approval, to the following modification of the contract; -

1. The Montauk Company to assume the contract in its own name and to pay on February 1st of this year \$5557.20 (this gives them a total down payment of \$15,000 on the contract).

2. The balance of the purchase price is to be payable (with interest at 6% from November 12, 1929, payable semi-annually) in the following installments: -

\$15,607 September 15, 1930;  
28,607 " 15, 1931, and the balance of  
59,214 April 1, 1932.

3. The Montauk Company, or you on its behalf, to give to the Hampton Shores Corporation an option or call to purchase 2500 shares of stock of the Montauk Company at \$10 per share, at any time on or before May 1st, 1932.

These people take the position that, in view of the fact that they are selling the property at less than they paid for it (which I know to be true) they are entitled, if they accommodate us with respect to the terms of the payment, to receive from us an option to purchase stock which will enable them to have a chance to profit in the event Montauk goes over big in the next two years. The man who is principally insistent on this is Frank Houston, the executive Vice-President and active Manager of the Chemical Bank. Notwithstanding the fact that he is a hard trader, I should like to keep his interest in Montauk and believe he can be of benefit to us, and giving them an option to buy \$25,000 par value of stock at par would not be a material loss to you if the option were exercised. It may result in our getting some very substantial cooperation from them.

In any event, this is the best trade I am able to make and I recommend its acceptance. I also recommend that the option be given by you personally, rather than by the Company, as this will thereby avoid any complication with the existing outstanding warrants in favor of the existing bond holders.

Will you please wire me authority to close, or otherwise, upon receipt of this letter?

Warm regards.

Faithfully yours,

(Signed) H. W. D.

Hugh W. Davis

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

Miami Beach, Florida,  
February 3, 1930.

Mr. Ernest L'Ecluse,  
9 East 41st Street,  
New York City.

Dear Ernest:

I wired you today in accordance with the enclosed confirmation.

The Agreement was substantially satisfactory. There are a few minor details, however, which we think should be revised before definite action is taken. I am enumerating these as follows:

In the description of Parcel A, the last mentioned distance is 330 feet and should be 300 feet. This is no doubt a typographical error.

The first paragraph on the second page, immediately below the description of Parcel C, provides for the construction of a commercial artery with "suitable pavement". This description is so general that it might leave ground for misunderstanding. We are suggesting that the paragraph be made a little more specific by stating that the pavement be at least equal to the surface of the present Montauk Highway -- that is, clay, oil, and sand surface.

In the first paragraph on the fourth page there is a provision that the deed conveying title to the Long Island State Park Commission, shall convey free and clear of all encumbrances. We shall want to amend this by stating that the title shall be free and clear of all encumbrances except and save the existing restrictions. These restrictions are contained in the Benson Deeds conveying the property to us and, of course, we are not in a position to dictate any changes in the restrictions that now exist.

In the same paragraph there is provision that the area conveyed shall be used for boulevard and parkway purposes

Mr. Ernest L'Eoluse,  
February 3, 1930,  
Page 2.

and more specifically restricts the property against garages or stables. We feel that this should be made a little broader and the restrictions should include against the use of the area for any business purposes.

The paragraph beginning at the bottom of page 4 and ending at the top of page 5, provides that entrances from the parkway shall be agreed upon and shall be not less than 1,000 feet apart. This is satisfactory for all of the property with the exception of the area included in File Plat 5 (Shepherd Neck area). We feel that the existing roads in File Plat 5 should be permitted to stand and join up with the parkway. This involves only two roads along the southwestern portion of File Plat 5. Unless this exception could be made, we would have to have the file plat amended which would require the signatures of all the property owners and would probably throw the consummation of the transaction back several months.

With these minor changes, we feel sure our Committee will approve the agreement and that we will be able to sign it and send to you just as soon as the meeting is held the latter part of this week. Will you kindly submit this letter to Mr. Moses and explain the situation to him?

Very truly yours,

PGH:T

HOWARD E. COFFIN, OWNER

# SAPELOE PLANTATION

TELEGRAPH ADDRESS  
DAREN, GA.



FREIGHT AND EXPRESS  
TOWNSEND, GA.  
BRUNSWICK, GA.

SAPELOE ISLAND  
SAPELOE, GA.

February 5, 1930.

*Montauk*

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

Dear Carl:

As you know, I was laid up almost continuously during the time of my official connection with the Montauk job and did not therefore come closely in contact with the details of the managerial difficulties.

While I have been unable to visit St. Simons or to take any part in the conduct of our Sea Island Company affairs, because of my physical condition, I am hearing a good deal of the same sort of stories of friction that I think you must have listened to at Montauk. I would like to ask you to write me quite frankly as to your size-up of the causes of any difficulties at Montauk during the period of Mr. Charlie Redden's association with the company. It is probable that we are having the same sort of difficulty here and in any event I am going to have to try to take hold of the situation shortly and straighten it out. Who or what do you consider the cause of the friction in the Montauk organization, and just what were the circumstances which led to Mr. Redden's disassociation with the Montauk Beach Development Corporation?

Sincerely yours,

*Howard Coffin*

Miami Beach, Florida,  
February 6, 1930.

Mr. Z. Marshall Crane,  
Dalton, Massachusetts.

My dear Mr. Crane:

We are in receipt of your letter of January 30th as to the financial condition and the development of the Montauk Beach Development Corporation. I will give you roughly the assets and liabilities and will instruct our Montauk office to forward you a Balance Sheet.

**Assets:**

The Montauk Beach Development Corporation now owns approximately 7500 acres of upland, carried on the books as representing a purchase price of \$2,723,774 (undeveloped) and having an estimated present wholesale value, averaging \$2,000. per acre, amounting to \$15,000,000.

The development of the area to date; including in excess of 42 miles of improved roads and streets, 16 miles of water mains, 18 miles of pole lines; together with piers, bridges, jetties, yacht basin, channel, nursery, board walk, etc., represents a cost in excess of 2,250,000.

Buildings and other improvements on the property belonging to the company, including hotel, garage, auditorium, golf club house, golf courses, yacht club (with Campanile stock), 36 residences, office building, polo barns, clubhouse and field, stables, kennels and school house, represent a cost in excess of 3,000,000.

Purchase money receivables, representing the sale of property at an average price of approximately \$8,000. per acre (including \$288,000. segregated for the release of property from Bankers Trust mortgages) amount to 738,000.  
20,988,000.

Mr. Z. Marshall Crane,  
February 6, 1930,  
Page 2.

Liabilities:	Brought Forward	20,988,000.
<u>Liens:</u>	Bankers Trust 6% 1st Mortgage due April 30, 1932	\$2,876,000.
	Bankers Trust 6% 2nd Mortgage due April 30, 1932	1,000,000.
	Miscellaneous purchase money mortgages (maturing after July 1, 1930)	791,125.
<u>Current:</u>	O. M. Keys due July 1, 1930	220,000.
	Accounts Payable	8,902.
	Inter-Company accts.	<u>210,725.</u>
		5,106,752.
Capital:		
	Equity representing outstanding Common Stock	\$15,881,248.

In addition to the above,  
Mr. Fisher has advanced \$200,000. which does not show  
on this statement. As you will see from the above,  
the development has reached a point where the picture  
is about complete and additional expenditures are neces-  
sary only as the property is sold. The second golf  
course is 75% completed but the club house for this  
course has not been started.

Mr. Z. Marshall Crane,  
February 6, 1930,  
Page 3.

The market conditions all over the country were such that it was hard to have anybody turn their attention to real estate in the past two or three years, but now that the market is quieting down to normal, we believe we will go into a real estate cycle. While there were many unfortunate situations developing from the stock market deflation, it was most welcome to us as we have felt that we were unable to do much with our real estate until it reached a stable state. With this, I think you will find other developers of real estate agree. With the exception of this particular spot here at Miami Beach, there has been very little real estate moving through the country except in densely populated cities in the business districts. Montauk is the most beautiful spot of all and will come into its own, we are sure.

If there is any additional information we can furnish you, we will be glad to do so.

Sincerely yours,

RHT:T

Robert H. Tyndall.  
Vice Pres. and Treasurer.

P.S. In reply to your enquiry regarding the interest of the Pennsylvania Railroad: The Long Island Railroad is naturally interested because of their holdings on the water front and the future possibilities of large boats docking there, which has been the dream of many shippers in the last twenty-five years and the subject is getting warmer and warmer.

The only financial interest the Pennsylvania Railroad has at this time is in some of the bonds that are held by individuals, we having paid them all of the purchase price for the land bought from them.

R.H.T.



February 6, 1930.

Mr. E. Marshall Crane,  
Dalton, Massachusetts.

My dear Mr. Crane:

I am having General Tyndall, our Treasurer, write you particulars about what we have been doing at Montauk, also the last balance sheet.

It has been a strenuous pull for me to keep going there and I have just recently sent \$200,000. up to take up our interest. We have all our bills paid and we have some very good prospects.

The collapse of our big club deal was a very serious blow to us. In this deal we would have sold a million dollars' worth of property to a club of very substantial men. At the time they entered into the agreement, they felt so strongly they advanced us \$200,000 on open account; but pending the final agreements the advance was made as a loan. The principals went off to Europe with the expectation of closing up the entire transaction the first of October. However, the stock market condition entirely erased any possibilities of proceeding with the Club at this time, and instead of our receiving about \$800,000 in cash we were put to the necessity of raking up the \$200,000. to return on this advance and I am making these arrangements now at Miami Beach in some new bond issues on two of my hotels here.

4 The steamship companies have continued to at least have surveying parties and engineers looking at the property and I am satisfied that it is only a question of time until we will have a substantial steamship landing at Montauk.

If you expect to be in Miami Beach any time this winter, I would be very glad to talk this matter over with you.

Mr. Z. Marshall Crane,  
February 6, 1930.  
Page 2.

I am asking General Tyndall to send you a copy of our Bond Issue on both the Flamingo and the Lincoln Hotels and I would like very much if you have some spare funds, to have you take some of these bonds. The principal amount of the funds received from these bonds will go into Montauk.

For fear you have not seen it, although I am sure we mailed you one last spring, I am sending you copy of our new Montauk booklet.

Very truly yours,

CGF:T

P.S. Since dictating the above, we have just received the contracts with the New York State Park Commission in which the Commission, in consideration of our granting them a 300 foot right of way through our property (excepting the business district) will construct immediately a beautiful boulevard on the high grounds of our property. We concede the State Park Commission 40 unimportant acres at the east end of the property to square up their lines and somewhat enlarge their park. The State Park, instead of being a nuisance which we were somewhat afraid of, is a real benefit. It serves to police the grounds and puts real authority in the control of sightseers. This last improvement will probably cost the State Park Commission more than a million dollars before they complete the job and is one of the very vital things we would be compelled to do ourselves at some time in the future. I am quite pleased at the completion of this deal. At least, this deal is complete up to the point where we have signed the agreements with a few minor corrections which I am sure the Commission will concede.

CGF

February 10, 1930.

Mont

Mr. H. W. Davis,  
155 East 47th Street,  
New York City.

Dear Hugh:

I have yours of the 27th. I told Mr. Crozer I wanted to show him some appreciation of the efforts he was making and offered to give him a block of my stock. He thanked me but stated he did not want it and if I send it he would send it back to me. From what he said in a very friendly manner, I could only feel that he had not sufficient interest and he did not expect to have such interest in the future of the property.

You know, and I hope LeBoutillier is well aware of the fact that while I want Montauk to be a financial success I did not go into the job to make the last nickle out of it, and I would like very much to know if LeBoutillier would receive some of my stock as a present, in appreciation of the efforts he has made in our behalf.

Nothing on earth can keep Montauk from going over some of these days; possibly under some other conditions, but I have not yet been able to see myself or have anyone show me where our policy there has not been generally along the right track. We have followed practically the same policy as we followed here, and all things considered we have made a lot of progress at Montauk.

I think we have made a mistake here in not making the Nautilus a Club. We have at present more golf players than we can accommodate and there is quite a little friction from visitors of national repute at Miami and here at the Beach who cannot be accommodated promptly. The membership is full up and this is somewhat aggravating at times. If we had a Club membership for the LaGorce, we could easily have \$100,000. annually in dues, which would make up for any shortage of players on the LaGorce Course.

Mr. Hugh W. Davis,  
February 10, 1930  
Page 2.

The new golf course being built north of the Beach is going to be able to only partially accommodate visitors here.

There have been a lot of buyers in the last week. Our own office handled \$300,000. of these cash sales, though of this amount only \$70,000. came back to us. The property here is being rapidly picked up.

Yours,

CGF:T

February 19, 1930.

Mr. Howard E. Coffin,  
Sapelo, Georgia.

My dear Howard:

I received your letter some time ago making enquiry on one of your men. I hesitate to say anything further than I have said in the past on this subject.

I think this man in close control can be kept in line so that he would be of considerable benefit to you, but running loose and without close control he is bound, sooner or later, to cause a lot of friction and damage.

We could not have considered him in our organization but for your interest and, of course, when a reorganization was made we lost all control of him and he was not in close enough touch with you to work to any advantage at all with us. His efforts made our New York office directly cost us something around \$45,000. in actual cash loss, from which we did not receive one single sale of property. We did receive a lot of very discouraging, discourteous and also unloyal statements which caused severe rumors --- and you know the balance. I am glad it is all a thing of the past.

We have an interesting arrival here tomorrow with whom we think we can make a very good deal out at Montauk. That is, it will be good for the Company, and if we can make the deal it will take a big load off my back. However, I will write you after we know what we can do.

In the meantime, you might be interested to look over our hotel receipts for this year, as compared with last year.

Yours,

CCF:T

*M B Club  
A D only*

Preliminary Draft No. 7,  
February 20, 1930.

THE MONTAUK BEACH CLUB  
(a New York Membership Corporation)

-----

ORGANIZATION COMMITTEE

Caleb S. Bragg - New York  
Richard F. Hoyt - New York  
John Oliver LaGorce - Washington  
George LeBoutillier - New York

*M B Club  
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George LeBoutillier - New York

Plan of Organization

of

THE MONTAUK BEACH CLUB

which will acquire and operate

As an Exclusive CLUB

at MONTAUK POINT, L. I.,

The Montauk Manor Hotel (178 rooms and 170 baths) with extensive Service Buildings and Garage, completed in 1927.

Montauk Downs Golf Course and Club House, (occupying approximately 150 acres) in play for the past three years.

Hunters Stable and Kennels (with hounds), completed in 1929.

Tennis Auditorium, Indoor and Outdoor Courts, completed in 1929.

Polo Stables, Club House and Field, in play for the past two years, as well as four polo fields under construction.

Yacht Club House and Pier at Montauk, with special Fishing Boats and Equipment:

Club Rooms and Landing, East River and 52nd Street, New York City.

Each of these facilities is completely furnished and equipped and together they represent the most complete, modern, and luxurious facilities for summer residence and sport in America.

These facilities have been completed at a cost in excess of \$2,500,000 for construction, furnishing, and equipment. They occupy approximately 200 acres of improved land, and are served with all modern utilities.

The Club will also acquire and operate an exclusive Bathing Beach on the North Shore (Block Island Sound) on which adequate facilities, including cabanas, will be constructed. Pending their completion, the existing Bathing Casino and beach on the South Shore will be available for the use of members.

Photographs of the properties and facilities to be acquired are shown in the attached booklet concerning Montauk Beach.



Operation:

Every unit will be in smooth operation, ready for the use of Club members, their families and guests, June 1st, 1930, under skilled management, and the direction and supervision of the Club's Board of Governors.

Such operation will couple with the remarkable natural advantages of Montauk and its unexcelled sports facilities, luxurious living facilities, and a pleasing and permanent social atmosphere.

Membership will be proprietary, carefully selected, and limited to 600. Each membership will embrace the family of the member, and the facilities of the Club will be restricted to members, their family and guests, under reasonable regulations to be prescribed by the Board of Governors.

Annual dues of \$300 will be payable quarterly, in advance, but there will be no initiation fee.

Financing the Project:

To finance the project, a Holding Corporation ( Montauk Holding Corporation) has been organized, with authority to issue the following securities:

\$1,000,000 principal amount 6% First Mortgage Bonds;

\$1,500,000 ten-year Debentures (non-interest bearing) in denominations of \$2500 each;

600 shares no par value stock.

This Corporation will hold title to the properties, and lease the same to the Club.

Under the terms of its contract to purchase the properties, the Holding Corporation is required to pay the entire purchase price of \$2,000,000 on or before April 1, 1932.

Subscriptions:

Units consisting of one share of capital stock of the Holding Corporation (without par value) and one Convertible Debenture in the amount of \$2500, are offered for subscription by members at the price of \$2500 for the unit.

Subscriptions will be payable only if, when, and as the plan is declared operative by the Organization Committee, on or after June 1, 1930.

Conversion of Debentures:

Under the terms of the contract of the Holding Corporation for its purchase of the properties, the holder of any Debenture may at any time before April 1, 1932, surrender his Debenture and receive a credit of \$2500 on account of the purchase of choice residential property at Montauk Beach at an advantageous price fixed by said agreement.

In order to permit the location of residences by Club members in an exclusive area, a tract of 600 acres will be set aside until May 1, 1932, for purchase by Club members exclusively.

THE PLAN MAY BE DECLARED OPERATIVE by Organization Committee at any time after June 1, 1930, and before February 1, 1932, but only upon condition that Debentures in the amount of at least \$1,000,000. have been then subscribed for.

UNTIL THE PLAN IS DECLARED OPERATIVE the Yachting facilities will continue to be operated by the Montauk Yacht Club, and under arrangements made with it, the members of this Club will be elected as associate annual members of the Montauk Yacht Club, without the payment of an initiation fee or dues, other than the annual dues of \$300 to this Club. Appropriate arrangements have been made for the merger of the Montauk Yacht Club into this Club immediately the plan is declared operative and the organization of this Club is complete. The Montauk Manor will be operated, until the plan is declared operative, as a Club Hotel, under the supervision and management of Walton H. Marshall, as Managing Director.

## FINANCIAL PLAN

### Capitalization Budget

<u>Capitalization</u>		<u>Estimated Expenditures</u>	
First Mortgage Refunding Sinking Fund Bonds bearing interest from April 1, 1932.	\$1,000,000.	Purchase of land, buildings, furni- ture & equipment,	\$2,000,000.
600 Members' Convertible Debentures (\$2500 each)	1,500,000.	Reserve for Working Capital and Expan- sion of Facilities,	500,000.
	<u>\$2,500,000.</u>		<u>\$2,500,000.</u>

### Estimated Operating Budget

<u>Income</u>		<u>Expenses</u>	
Annual Dues: 600 members @ \$300 each,	\$180,000.	*Interest on \$1,000,000 1st Mortgage Bonds (Estimated)	\$60,000.
Club House,	50,000.	*Sinking Fund	100,000.
Golf and other facilities	20,000.	Insurance & Taxes	50,000.
Visitors' charges	10,000.	Reserve for Contin- gencies)	50,000.
	<u>\$260,000.</u>		<u>\$250,000.</u>

\*These items do not begin to  
accrue until April 1, 1932,  
and will decrease annually.

Montauk

February 22, 1930.

Mr. Howard E. Coffin,  
Sapelo, Georgia.

My dear Howard:

We have had here for two days Mr. L'Ecluse with Mr. James B. Regan, formerly owner of the least on the Knickerbocker Hotel. Mr. Regan was very much impressed with the general improvements at Miami Beach, as he has not been here since 1917.

He has with him a very large developer who has had a great deal of experience in and around New York City in the development of suburban properties.

They are very much taken with Montauk and Mr. Regan is a man of considerable means and he talks of purchasing from us all of the mortgaged area. He, however, wishes to purchase this area on an option basis and on a figure that we cannot afford to accept.

After two days conversation with him, he left last evening with the understanding that we would submit another proposition for their consideration. I was in hopes Mr. Keys would be here so that I could talk over with him this matter before we actually submit a definite proposition.

Another large corporation here will consider on Monday or Tuesday an offer to cooperate with Mr. Regan in the purchase of all of the mortgaged area, and this we will be able to forward at that time. I think something good may come from these negotiations.

In the meantime, we are making every effort here to dispose of properties and get sufficient funds so that we can continue to carry on at

Mr. Howard E. Coffin,  
February 22, 1930,  
Page 2.

Montauk regardless of these negotiations. However, it is quite a pull. While everything is going fine with enormous amount of visitors and a large sale of property, we are not selling our unimproved property to any great extent. But, on the other hand, we are not quite in the selling season for unimproved property. Usually, March commences the buying of unimproved property and arrangements are then made for the building of houses before our guests leave for the north.

All of our hotels continue to be crowded to capacity and turning away guests. All of the cottages have been leased at very advantageous figures and we have received \$125,000. more cash business in our hotels than we received up to the same date last year.

Yours,

CGF:T

Copy to Mr. Keys.

Montauk

Feb

1930

REGAN to take over property subject to present outstanding First and Second Mortgage bonds, aggregating \$3,380,000.00, and to pay \$1,000,000.00, to be paid at the end of two years, unless the property is returned to the Montauk Beach Development Corporation within that period as hereinafter provided.

REGAN to loan to Montauk Beach Development Corporation, or secure loan for Corporation of \$250,000.00 for one year at 6 per cent. interest.

REGAN to give surety company bond guarantee of payment of interest on present bond issues until maturity, and taxes on all property to be taken over by him, until maturity of present bonds.

MONTAUK BEACH DEVELOPMENT CORPORATION to retain 350 feet of water frontage on each side of Lake Montauk and 5 acres on which Third House is situated.

REGAN to agree that at least Forty per cent. of all cash received from sales of property, or from the collection of deferred installments on such sales, be applied towards the reduction of the principal of the present bond issues, and that no moneys received from sales or deferred installments on such sales shall be expended for any purposes other than the payment of the principal of the bond issues, the cost of sales and improvements on property covered by the mortgages, it being understood that no maintenance, operating or overhead shall be paid out of such moneys.

REGAN agrees that no acreage sales shall be made at a price of less than \$5,000.00 per acre, and that subdivided lots shall not be sold at prices less than 35 per cent. discount from our last price list attached hereto.

REGAN agrees that no sales of property will be made to individuals, syndicates, partnerships, or corporations which may be objectionable to Mr. Fisher.

REGAN agrees not to encumber by mortgages or liens of any kind any of the property to be taken over by him, and not to sell or hypothecate any of the deferred installment contracts arising out of such sales of real estate as he may make.

REGAN agrees, in the event of default of either of the bond issues, to reconvey the property to the Montauk Beach Development Corporation, and to assign all receivables arising out of such sales as may be made during his proprietorship of the property.

REGAN agrees, for a period of two years, to give the Montauk Beach Development Corporation the exclusive use of the two top stories of the office building, without payment of rent.

In the event the property is reconveyed to the Montauk Beach Development Corporation, as provided hereinbefore, the \$1,000,000.00 deferred balance under this transaction is to be cancelled.

MONTAUK BEACH DEVELOPMENT CORPORATION agrees to endeavor to secure an extension of the First and Second Mortgage Bonds to mature

\$1,500,000	1932
1,000,000	1933
1,380,000	1934

MONTAUK BEACH DEVELOPMENT CORPORATION agrees that releases from present mortgages or sales already in effect shall go to reduce the principal of the present First Mortgage Bonds. These amount to approximately \$200,000.

-----

BY DIRECT WIRE FROM

12238

CLASS OF SERVICE

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

# WESTERN UNION

SIGNS

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

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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

MZ3 61 XU=FE NEWYORK NY. 24 432P

2  
1930

CARL G FISHER=

MIAMIBEACH FLO=

PARKE HAS OUTLINED OVER TELEPHONE GENERALLY PROPOSITION WHICH YOU APPROVE STOP REGAN UNAVAILABLE UNTIL WEDNESDAY. AFTER CURRY WEDDING STOP A WIRE FROM YOU OUTLINING GENERALLY PROPOSITION ACCEPTABLE TO YOU WILL HELP US WEDNESDAY IN OUR NEGOTIATIONS STOP THIS PROPOSITION INVOLVES SALE FOR COMPANY AND SHOULD CARRY COMMISSION PAYABLE BY COMPANY PART WHEN

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

BY DIRECT WIRE FROM

# WESTERN UNION

**CLASS OF SERVICE**

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**SIGNS**

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NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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

TRANSACTION IS CLOSED AND BALANCE WHEN MILLION IS PAID=

ERNEST A LECLUSE.



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 14 CGFP FI MIAMI BEACH FLO FEB 25, 1930

ERNEST LECLUSE NINE EAST FORTY FIRST STREET NEW YORK CITY

WE CANNOT COMPLETE PROPOSITION UNTIL THURSDAY AS WE EXPECT  
TO SEE MR. KEYS WEDNESDAY

CGF:T

C. G. FISHER.

CHARGE MONTAUK

ERNEST A. L'ECLUSE  
PLANDOME  
LONG ISLAND

February 24/30

Dear Mrs. Fisher;

I certainly enjoyed every minute of my trip to Miami Beach and I want to take this opportunity to express to you and to Carl my appreciation for everything you did to make my stay such a delightful one.

I particularly appreciate the hospitality which you extended me while at your home.

Sincerely yours  
Ernest A. L'Ecluse

BY DIRECT WIRE FROM

1228S

CLASS OF SERVICE

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

# WESTERN UNION

SIGNS

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

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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

MZ1 59= NEWYORK NY FEB 27 1009A 1930

CARL G FISHER=

TYPED WRITTEN PROPOSITION MADE UP BY HAYNES AFTER OUR TALK OF WHICH YOU HAVE COPY AND WITH CHANGE PROVIDING FOR QUARTER MILLION LOAN FOR TWO YEARS AND ONE MILLION PAYMENT TO YOU IN TWO YEARS I BELIEVE I CAN GET REGAN TO ACCEPT STOP I THINK THIS IS THE MOST DESIRABLE PROPOSITION POSSIBLE FOR YOU AND WORTHY OF IMMEDIATE ACTION=

ERNEST A LECLUSE 1027A.

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

**SAVE TIME**

-telephone  
all your  
telegrams

to

**WESTERN UNION**

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

**SIGNS**

DL = Day Letter

NM = Night Message

NL = Night Letter

LCO = Deferred Cable

NLT = Cable Letter

WLT = Week-End Letter

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

Received at

MZA977 78 NL=NEWYORK NY 28

1930 FEB 28 PM 11 04

CARL G. FISHER=

MIAMIBEACH FLO=

REGANS DEFINITE PROPOSITION WILL BE MAILED MONDAY STOP SMITH  
AND RASKOB TRYING TO GET HIS INTEREST IN NEW EMPIRE STATE  
BUILDING STOP MRS REGAN NOT ANXIOUS FOR HIM TO ASSUME NEW  
RESPONSIBILITIES AT MONTAUK STOP REGANS INTEREST INCREASED  
RATHER THAN DIMINISHED BUT AT SAME TIME BECOMING ANXIOUS  
ABOUT ASSUMING TOO MUCH RESPONSIBILITY STOP BELIEVE HIS  
PROPOSITION WILL BE IN FORM ACCEPTABLE TO YOU STOP PALMER  
TAKING BOAT TOMORROW WILL BE FAMILIAR WITH THIS MATTER AND  
SEE YOU TUESDAY=

ERNEST A LECLUSE.

# L'ECLUSE, WASHBURN & Co.

REAL ESTATE

9 EAST 41ST STREET

~~← 8 WEST 40TH STREET →~~

NEW YORK

March 3, 1930.

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

My dear Carl:

Since my last telephone conversation with you, there have been developments here with Mr. Regan which have resulted in his hesitating to commit himself to as definite a proposition in the purchase of Montauk as my talk with you had indicated.

You probably have read of the Empire State Building which former Governor Smith, Mr. Raskob and others are undertaking. Since our conversation, Mr. Regan has had several conferences with Mr. Smith and Mr. Raskob relative to his becoming interested in this building, and particularly in his taking over the entire restaurant facilities. As this is an eighty-five story building and will probably be the largest office building under one roof in the world, the restaurant facilities will be of tremendous proportions. I believe Mr. Regan has indicated to them that he has another matter under consideration and has deferred actual decision on the Empire State building until the Montauk proposition is accepted or otherwise settled. This urging by Mr. Smith and Mr. Raskob, plus Mrs. Regan's influence, has been the cause of Mr. Regan's change of proposition. His proposition is as follows:

MONTAUK BEACH DEVELOPMENT CORPORATION to convey to Mr. Regan property included within the area covered by the Bankers Trust Company mortgage and subject to the present outstanding first and second mortgage bonds aggregating \$3,880,000.00.

Mr. REGAN agrees to purchase the 4,940 acres of land covered by the mortgage of \$3,880,000.00 and in addition, will pay the sum of \$1,000,000.00 in the following manner:

2,500 shares of 6% Preferred Stock,	
Par value - \$100.00 .....	\$250,000.00
2,500 shares of Common Stock,	
Par value - \$100.00 .....	\$250,000.00

Mr. Carl G. Fisher:

March 3, 1930.

Twenty percent of all cash payments as well as deferred payments from the sale of land, to be paid the Montauk Beach Development Corporation until the amount of -----\$500,000.00 has been paid to the seller.

Mr. Regan agrees to give Surety Company bond to guarantee the payment of interest and taxes on the present bond issues until bonds are paid.

Mr. Regan agrees that no sales of property will be made to individuals, syndicates, partnerships or corporations, which may be objectionable to Mr. Fisher.

Montauk Beach Development Corporation agrees that releases from present mortgages or sales already in effect shall go to reduce the principal of the first mortgage bonds. This amount is approximately \$200,000.00.

Montauk Beach Development Corporation to retain 350 feet frontage on the east side of the lake and 350 feet on the west side of the lake for access to the lake for its remaining properties east and west of the mortgaged area.

Mr. Regan and Montauk Beach Development Corporation to enter into agreement providing for mutual beneficial restrictions.

Mr. Regan agrees in the event of default of either of the bond issues, to re-convey the property to the Montauk Beach Development Corporation and to assign all receivables arising out of such sales as may be made during his proprietorship of the property.

Mr. Regan agrees for a period of two years to give the Montauk Beach Development Corporation the exclusive use of the two top stories of the office building without payment of rent.

In the event of re-conveyance of the property back to the Montauk Beach Development Corporation, such amount as may still be due on account of the payment of

Mr. Carl G. Fisher:

March 3, 1930.

the \$1,000,000.00 agreed herein to be paid, shall be waived by the Montauk Beach Development Corporation and no demand for such balance shall be made upon Mr. Regan therefor.

The above offer and acceptance by Mr. Regan, however, is contingent upon the seller securing an extension of the mortgage of \$3,880,000.00 from the due date of May 1932 to May 1935.

Of course, there are many details in connection with this that would have to be worked out by the attorneys, as this is only an outline of the various things which each will do.

You will note that the \$1,000,000.00 to be paid the Montauk Beach Development Corporation is by Preferred stock in the amount of \$250,000.00 and common stock in the amount of \$250,000.00. Of course, there would naturally be a limit as to the Preferred Stock issue and would also have to be a limit to the Common Stock issue, but I believe Mr. Regan has in mind a capitalization of something like 10,000 shares of Preferred Stock and 25,000 shares of Common Stock, this stock to represent \$500,000.00 and the other \$500,000.00 to be paid from cash received from sales and from deferred payments on sales.

Under this plan Mr. Regan would naturally provide a Surety Bond, guaranteeing payment of interest and taxes on the present bond issue until paid, so that if the bonds or portions thereof were not paid for five years, he would take care of this. The company which Mr. Regan will form to take over this property, will assume the payment of the mortgage bonds on the due date as provided in his proposition, which would be May 1935.

I fully realize that the one thing which you most desired to accomplish was to be sure that this bond issue would be met and to be relieved of your personal obligation to take care of this. While his undertaking does not provide for this in 1932, I personally feel that before that date he will have arranged for some new financing. I know that he has in mind and has discussed the erection of a lake front and possibly an ocean front hotel, as well as the erection of twenty houses and I believe these things will be undertaken in 1931. However, Mr. Regan

Mr. Carl G. Fisher:

March 3, 1930.

does not want to commit himself in writing that he will do these things, but to an extent I believe you are justified in feeling that he will carry out these undertakings.

In our other proposition you will recall, you wanted Mr. Regan to make a loan of \$250,000.00 to your company. I believe Mr. Regan is in a position to obtain such a loan for you or your company, but I know that he does not want to make this loan himself and does not want to make it part of this transaction.

Since my return here, I have had many talks with Mr. Regan and have had occasion to check up through other sources as to his qualifications. I am thoroughly convinced that Mr. Regan has the best possible connections, financially, socially and politically, in order to spell success with his undertaking. I feel sure that the limit of his proposition is for no other reason than because he wants to make it something which he is sure he can personally carry through in the event that no financial support is available, or in the event that financial support is so costly that it would destroy his interest in the undertaking.

I was in hopes that this proposition would be made in time so that I could have telephoned it to Walter Thompson in order that you might have it before you for discussion with Mr. Keys while he was there. I learned, however, that Mr. Keys had departed and I realize that his decision is absolutely necessary by way of final consideration of this proposition.

In the event Mr. Keys wants to check up Mr. Regan, he (Regan) offers the following references:

Charles Stuart of Halsey, Stuart & Co., which company I believe acts for the National City Bank.

Albert Wiggin of the Chase National Bank of New York.

Nathan Jonas of the Manufacturers Trust Company of New York.

This proposition or such modification of it as may be carried through, should carry with it a five percent commission to McCormack and myself, to be paid as follows:



Mr. Carl G. Fisher:

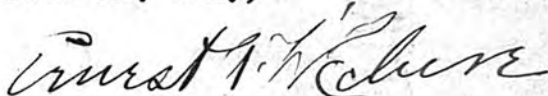
March 3, 1930.

2-1/2% by the Montauk Beach Development Corporation and  
2-1/2% by Mr. Regan.

So far as I have been able to determine, I believe this with the suggestions which I have made as to Mr. Regan's further interest, to be the limit that he would go. Of course, I will make every effort to carry through the proposition with any changes or modifications which you may suggest.

I understand from Walter Thompson that you plan to leave on a boat trip Wednesday afternoon, to be gone over the week-end. In my talk with Parke Haynes the morning he was leaving, he told me that he expected to be here on Wednesday, March 5th. I am sending this letter by air mail in the hope that it will be in your hands Tuesday evening or early Wednesday morning.

Yours very truly,



ERNEST A. L'ECLUSE.

EAL/Mc

March 6, 1930.

New York

Mr. Hugh W. Davis,  
155 East 47th Street,  
New York, N.Y.

Dear Hugh

We are having another short meeting this morning on Montauk affairs and I am leaving at noon to return tomorrow so it will probably be Saturday before anything definite is done. I think I will have enough information by the latter part of the week to advise you regarding a trip down here with Boots, if he can come then.

I am glad to know that Joe Thomas is interested as he would be of great help to us and I am sure that we could give him a set-up that would mean a very substantial financial fare for him, and plenty of work in the summer months along the lines, I believe, he enjoys.

I would like to impress upon your mind once more, and this thoroughly, that I am prepared to take care of the interest, the Development Company bond holders, and the taxes and all other expenses there and to take up the bonds when they are due. I do not care to get into any great explanations with prospective club members on this subject. We would only weaken our situation. By taking care of the interest and payments as they are due, our affairs will get in better shape this summer. I do not know just how you could work out a plan that would safeguard the club members unless it would be on a sale plan. I would be glad to hear what details and safeguard you have in mind.

As you know, we are making a good many sacrifices here to get our cash position in good shape for the coming summer's campaign, and we are all ready to open up Montauk, including a sales organization, which will not be along the lines of heavy expenses and newspaper advertisements nor a lot of high-priced salesmen running around, but along the lines which we have found satisfactory here and the only lines that we can find that are satisfactory here. I am casting

Page #2...Mr. Hugh W. Davis...3/6/30.

about for a sales manager in the event that it will be necessary for us to handle the management ourselves. I have my eye on one or two good men whom I think can handle this plan very well at Montauk.

Yours,

CGF:E

# THE CARL G. FISHER PROPERTIES

MEMO TO Mr. Carl G. Fisher

DATE March 10, 1930

FROM Mr. Hugh W. Davis.

SUBJECT Club - Culloden Point.

Referring to my letter of February 26 and your reply approving the Club plan set forth in Draft No. 7, and approving the policies for soliciting members and for Club operation outlined in my letter. As stated to you on the telephone last Thursday, this Club plan outlined in Draft No. 7 and the policies outlined in my letter to you of February 26, represent the joint views of Messrs. Le Boutillier, Thomas and myself.

Conferences with Mr. Thomas subsequent to February 26 have resulted in his expression of willingness to assume the entire leadership and responsibility to execute this plan, both with respect to obtaining the necessary membership and with respect to the direction and operation of the Club properties, upon condition that:

- (a) Financing adequate to insure the delivery of title of the development company and to insure the proper operation of the Club during the first two years, is arranged for in advance;
- (b) Reasonable compensation both in form of cash consideration and speculative opportunity is accorded him.

Conferences with Mr. LeBoutillier and his associates subsequent to February 26 indicate that the required financing (estimated at \$1,250,000) for the above purposes can be obtained forthwith as follows:

- (1) The purchase price of the properties to be delivered to the Club (including 600 acres at Culloden Point, to be resold by the Club exclusively to Club members who contract to build residences thereon within a reasonable time), to be the sum of \$2,600,000, payable May 1, 1932;
- (2) An amount equal to 10 per cent. of the contract price, namely \$260,000., to be set aside out of the new financing, to be applied to the cash compensation of Mr. Thomas at the rate of \$25,000. per year, for two years, the cost of advertising and soliciting members (estimated at \$100,000.) and other promotion, operating and financing costs of the Club, to be approved by Mr. Le Boutillier;

In this connection, Mr. Thomas and I both recommend that an effort be made to induce Mr. Le Boutillier to accept reasonable compensation for the work he will be called upon and be willing to do in this direction;

# THE CARL G. FISHER PROPERTIES

PAGE 2.

MEMO TO Mr. Carl G. Fisher DATE March 10, 1930  
FROM Mr. Hugh W. Davis SUBJECT Club.

- (3) The sum of \$100,000. to be set aside out of the new financing and loaned to the Club, at 6 per cent., for working capital;
- (4) The sum of \$300,000. to be set aside out of the new financing and loaned to the Club, at 6 per cent., for improvements approved by Mr. Thomas and Mr. Le Boutillier (including bathing beach, two polo fields, highways and water supply in the 600 acre reservation;
- (5) The sum of \$590,000. to be set aside out of the new financing and applied exclusively to the payment of interest of the development company on Bankers Trust mortgages (\$3,800,000) and taxes on properties included in mortgage, for two years.

The total of the above items is the sum of \$1,250,000., the estimated required amount of financing. It will be noted that out of this sum, \$590,000 is applicable only to interest and taxes for which the company is already liable, and \$300,000. is applicable only to permanent improvements. This leaves the sum of \$360,000., for which the company will get only an intangible return in the nature of advertising and good-will in the event the required 400 members of the Club should not be obtained during the two year period of operation.

It is the unqualified opinion of Mr. Thomas that it is impractical to obtain this membership without the actual operation of the Club as a club over the two year period (with extremely liberal guest privileges, however), and that such operation must be exclusively on a high and liberal plan.

The basis suggested for the loan of \$1,250,000., contemplates that the same be secured by -

- A. Closed mortgage upon all the real estate of the Development Company, subject to the underlying mortgages thereon, amounting to approximately \$4,700,000 (of which \$3,900,000 falls due April 30, 1932).
- B. The proceeds of sale of assets to be transferred to the Club (amounting to \$2,600,000 under the terms of the contract referred to below), and the obligation of the Club representing the advance for working capital and extensions (amounting to \$400,000) and
- C. The pledge of the Notes Receivable of the Development Company (amounting to \$700,000).

# THE CARL G. FISHER PROPERTIES

PAGE 3.

MEMO TO Mr. Carl G. Fisher DATE March 10, 1930  
FROM Mr. Hugh W. Davis SUBJECT Club

Upon such a loan being made as above contemplated, amounting to \$1,250,000. the total mortgage debt of the company to fall due on or before April 30, 1932, will amount to \$5,150,000.

Assuming liquidation of the items referred to in the above paragraphs (B) and (C), this debt will be reduced to the amount of \$1,450,000, without giving effect to any sale of property during the period by the Development Company. Of this remaining amount, \$1,000,000 will be held by the group of present "second mortgage bond holders" and can, no doubt, be extended, leaving only \$450,000 to refinance.

It is to be noted, however, that the present owners of the Development Company will remain responsible to provide funds for its other capital requirements over the two-year period, out of the sales of property and advances by them. They will be left, however, in control of the operation of all of their property except the specific property to be acquired by the Club. As this operation will no doubt be confined to sales of land and maintenance of existing highways and utilities, only a very small organization and overhead should be necessary.

The Club organizers, under the foregoing plan, will be able to undertake the creation of a membership of 600 with the absolute assurance that:

- (a) When such membership is completed and subscriptions of 2500 dollars each are obtained from these members; and
- (b) Provision is made for an additional \$1,500,000 by mortgage upon the Club assets;

the Club may obtain good title to the Club assets including the additional 600 acres of residential land, free from the lien of the Development Company mortgages.

Mr. Thomas regards it as an essential element of the plan that the Club be able to assure members that the occupancy of the Club residential area will perpetually be confined to Club members only. For this reason it is necessary to include the 600 acre tract in the Club purchase. On the other hand, it is not necessary to give Club members the right to convert their membership fee of \$2500. into other land of the company. This provision can therefore be eliminated from the Club set-up, unless it is deemed to the interest of the company to retain it as an inducement for the sale of other property.

Mr. Thomas thinks that 200 acres of the 600 acres, should

THE CARL G. FISHER PROPERTIES

PAGE 4.

MEMO TO Mr. Carl G. Fisher DATE March 10, 1930  
FROM Mr. Hugh W. Davis SUBJECT Club.

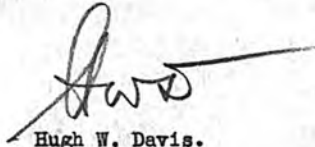
be set aside for an exclusive golf course and polo field and that the remaining 400 acres should be developed in sites to average two acres each, thus providing a residential site for one out of every three Club members. It is suggested that these sites be priced at an average of \$5000 per acre (utilities shall be provided by the Club). It is also suggested that membership certificates or debentures be convertible at par on account of the purchase price of this land to the extent of 25 per cent. in each instance.

Assuming the sale of 400 acres at \$5,000, there would result a gross yield of \$2,000,000, subject to a credit for converted debentures of \$500,000, leaving a net yield of \$1,500,000 - the equivalent of the amount necessary to pay off the Club mortgage in like amount.

It is contemplated that the operating and carrying charges will be met by the dues from Club members, which dues will commence immediately.

This matter has now been advanced to the point where a definite, conclusive and final action can be obtained if the above plan is satisfactory to you.

I earnestly recommend that a decision be reached as promptly as possible, as Mr. Thomas feels it necessary to begin work on the project not later than April 1, if the Club is to be started in satisfactory operation at the beginning of this year's summer season.

  
Hugh W. Davis.

HWD-m

HOWARD E. COFFIN, OWNER

# SAPELOE PLANTATION

TELEGRAPH ADDRESS  
DARIEN, GA.



FREIGHT AND EXPRESS  
TOWNSEND, GA.  
BRUNSWICK, GA.

SAPELOE ISLAND  
SAPELOE, GA.

March 18, 1930.

*Montauk*

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

Dear Carl:

I have Bob Tyndall's letter of March 13th in the matter of the taking over of a portion of the Montauk project by Mr. James Regan, of New York. I should say that the quality of this proposal is dependent entirely almost upon Mr. Regan's standing and ability to deliver. I assume that you know Mr. Regan or have thoroughly investigated him and are satisfied that there is a reasonable chance of his making good.

If, as seems provided under the terms of the agreement, nothing can be done which will cheapen or harm the property, it certainly does not appear that anything to the Company's disadvantage can occur.

I am delighted that you have been able to make your Miami deals and that you now find yourself in position to carry on at Montauk in reasonable measure. I trust that Mr. Regan has it within his power to bring to Montauk that intimate touch with the New York market which seems so essential to success.

We are gradually pulling out of our physical difficulties here, although we still have a trained nurse on the job and continue to operate more or less of a hospital.

With our best to you and the family,

Sincerely yours,

*Howard Coffin*

cc Mr. Robert H. Tyndall,  
The Carl G. Fisher Company,  
Miami Beach, Florida.



March 21, 1930.

Mr. Howard E. Coffin,  
Sapelo, Georgia.

Dear Howard:

Replying to yours of the 16th: We have made every possible investigation of Mr. Regan. We find that he has been very successful in the management of hotels and his other real estate developments. He is a very hard close buyer and a hard trader and he is putting back of this effort some real ability and some real money.

I am enclosing copy of telegram from LeBoutillier. I have taken up this transaction with LeBoutillier, Clem Keys, Caley Bragg, and yourself. I did not want to bother any of the other stockholders as I thought this group is more interested and better acquainted with the general situation than the others.

We stand to lose nothing that I can see, except a lack of prestige -- if we have any to lose. We do know that a lot of real ability is back of Mr. Regan. The original stockholders in the Montauk corporation have sufficient assets to make their investment very profitable.

Regardless of whether Mr. Regan performs as per schedule or not, I am still back of the Corporation with everything I have endorsed to see it go through and am going to be at Montauk as usual and help all I can.

I will be able to send Clem Keys tomorrow or not later than Monday the last of his loan. I have forwarded him fifty thousand dollars day before yesterday and advised him that I would have the balance before the first of April and I am sure I am going to make it tomorrow. We have been able to put through a loan of \$300,000. on the polo fields to the Polo Club for two years. We have sold the Golf Course to the City for \$900,000., of which approximately \$500,000. is for my own uses. We cannot get this money before July.

Mr. Howard E. Coffin,  
March 21, 1930.  
Page 2.

We have new bond issues coming on the Flamingo and the Nautilus which will clean up our entire indebtedness to the banks and leave us only with the bond issues on the hotels as indebtedness. This will put me in a position to have a breathing spell and get ready with the money to take over the bonds when they are due; or at least to be in a position to refinance by paying off the bonds and taking a smaller bond issue.

Mr. Redden was in today and I have asked him to come over to the Flamingo as our guest. I hope I can be of some assistance to him in whatever he has in mind to talk to me about.

I hope you will pull out of your physical difficulties and have a chance to run down here some time this spring. I am at last able to write you that I feel much relieved and that I am out of the woods and within thirty days will have a comfortable bank balance with no obligations of any kind after May first.

Very best regards.

Yours,

CGF:T

P.S. Saturday morning!

Have just sent the full balance to Mr. Keys this morning.

March 26, 1930.

Mr. Parke C. Haynes,  
Montauk Beach Development Corp.,  
Montauk, Long Island,  
New York.

Dear Parke:

Commenting on the last preliminary contract submitted, it does not seem to me that we can get any place with Regan. We would not even consider his request for one hundred acres, neither would we consider some of the other points in the contract. In fact, I advised Bob yesterday that the points Hugh Davis has made are well taken and every clause of his letter will have to be followed in the contract if we go ahead with Regan.

In addition to this, we would be willing to furnish Regan with our complete statement of finances of the Montauk Beach Development Corporation, but by doing so we expect Mr. Regan to furnish us a complete statement of his financial set-up. We have heard some rumors recently of severe losses he has had in connection with a railroad transportation company, and we are in considerable doubt whether he would be able to carry out any of his financial programs without a lot of outside assistance, which of course would be more or less embarrassing for him to finance.

I have a hunch, under the present conditions of the negotiations, that Mr. Regan will not go ahead so that we must make our own plans to continue right along as we have been doing, but we must bring this matter to a conclusion immediately. If Mr. Regan is not prepared to make a contract with us that gives us every security we can think of in a contract (which was the original basis of the understanding) then we will have to call the matter off. If Mr. Regan is sincere and has financial backing in what he wishes to do, there is nothing in the contract we would write with him that would be to his disadvantage.

Mr. Parke G. Haynes,  
March 23, 1930,  
Page 3.

Inasmuch as we own the property, we are going to write this contract to the entire satisfaction of our stockholders and also to the complete protection of our property. Mr. Regan must realize we would be foolish not to make such a contract as this, and while we have a lot of regard for his ability and we feel he can make a success of the undertaking, we don't care to take any chance on what might happen.

We are perfectly satisfied that we can make a success of Montauk ourselves without the assistance of Mr. Regan, but we would welcome him into the situation if he can come in on a basis that is satisfactory to our stockholders. Certainly, the preliminary contracts as submitted are not at all satisfactory.

I am sending a copy of this letter to Mr. Regan, Mr. L'Ecuse, Mr. LeBoutillier and Hugh Davis. Now, if we cannot get this contract in such shape that it will be satisfactory, then we will consider that our negotiations are off.

Yours,

CBF:T

Copies to:

Mr. Regan  
Mr. L'Ecuse  
Mr. LeBoutillier  
Mr. Davis

**MONTAUK BEACH DEVELOPMENT CORPORATION**

**MONTAUK, LONG ISLAND**

March 26th, 1930.

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

Dear C. G.:

With reference to Bob's two telegrams which were relayed to me last night by Ernest L'Ecluse, and my day letter of today, I want to put myself on record as to my activities in the Regan negotiation.

When I left Miami Beach, I had the distinct understanding from you that all negotiations with Regan were off. All my plans were to come to Montauk immediately to prepare for the preliminary season work, and I was perfectly happy in the contemplation of getting busy at Montauk again under your direction. Just before leaving, on your instructions, I got a check on the sale of the Hotel Garage which of course would not have been taken had we been contemplating the sale of the garage with the other property to Mr. Regan.

When I arrived in New York City, I was very much surprised to be notified by Ernest L'Ecluse that the Regan deal was on again, and in view of my unfamiliarity with what had transpired during the previous week, and the lack of any definite instructions to participate in the negotiations, I did nothing until I received definite instructions from Bob Tyndall to stay in New York and help L'Ecluse and McCormack work the Regan situation out. At that time all negotiations were based on a proposition which Regan had sent to you by airmail. This proposition provided for the conveyance of the property to him for stock and cash, which cash was to be paid to us from proceeds of sale of real estate by Regan, but it did not contain an option on the common stock.

A short time after I got into the situation, you had a meeting in Miami Beach to consider Mr. Regan's proposition, and after this meeting Bob Tyndall telephoned to Ernest L'Ecluse during which telephone conversation he dictated a counter proposition which was substantially along the lines of Mr. Regan's proposition with a few changes. It did, however, contemplate the conveyance of the property to Mr. Regan but did not contain an option on the common stock. This proposition was submitted to Mr. Regan, and he agreed to it with a few changes one of which was his request for an option on the common stock. These changes including Regan's request for an option on the common stock were telephoned to Bob Tyndall and an approval of that phase of the deal was given over the telephone.

With reference to the provision whereby Mr. Regan would be permitted to sell 100 acres of ground at prices less than \$5,000. per acre, in our discussion with Mr. Regan of this phase of the negotiation, he suggested

that in doing what he styles "window dressing," he might want to make special offers to certain well-known individuals to get them to come to Montauk and for that reason he felt that he ought to have some leeway in the matter of the sale of a limited amount of property at prices less than \$5,000. per acre. He suggested 200 acres, and after some discussion we agreed to submit to you the exception of 100 acres from this provision. This was telephoned to Bob Tyndall immediately after our discussion of the situation with Regan. Bob talked to you about the matter during the telephone conversation, and advised us that this exception was agreeable to you. We therefore feeling that it had been approved, inserted it in the contract but after Hugh Davis' letter was received added to it the provision that in no event was the 100 acres to contain in excess of 2,000 feet of water frontage.

The foregoing covers what I understand to be your three principal objections to the negotiations as now developed, namely:

1. The conveyance of the property to Mr. Regan by deed;
2. The option to Mr. Regan for the repurchase of the common stock;
3. The exception of 100 acres from his obligation to sell property at prices not less than \$5,000. per acre.

The original memorandum covering the proposed sale to Mr. Regan might be vaguely construed to mean purchase by some form other than deed, but the remainder of the proposition refers in several places to reconveyance of the property to the Montauk Beach Development Corporation, and to the placing of other bond issues, mortgages, etc., by Mr. Regan which could not possibly be done unless title had been conveyed to Mr. Regan.

In view of the fact that I had nothing to do with the negotiations leading up to the original proposal, I could only draw my conclusions from the proposal itself, and everything in the proposal indicated to me that it contemplated the conveyance of the property to Mr. Regan by deed.

The contract which we have finally drafted, and which has had the general approval of Mr. Regan, is in my opinion a vastly better deal for the Montauk Beach Development Corporation than the original memorandum contemplated in the following particulars:

1. The original proposal contemplated an agreement by Regan to reconvey the property to the Montauk Beach Development Corporation in the event of default, but such an agreement could not be made operative as against general creditors or stockholders. I succeeded in getting Mr. Regan to agree to give a third mortgage to secure the performance of his various obligations under the contract which would assure us of re-acquiring title in the event of default.
2. The original memorandum provided that we get 10% of the common stock of the corporation. I succeeded in getting 25% of the common stock of the corporation.
3. The original memorandum provided that the Montauk Beach Development Corporation get one-third of all cash payments after release price of property was paid. I succeeded in getting 33 1/3% of cash and

deferred payments before release price was paid.

4. The original memorandum made no reference to additional insurance on the hotel. I succeeded in getting this increased to from \$400,000. to \$750,000. all of which was to have been carried by Mr. Regan at his expense.
5. The original memorandum made no provision to insure proper road and property maintenance. I succeeded in getting an agreement whereby we would maintain roads and property on a cost plus basis, which would insure proper maintenance at Regan's cost, and would enable us to hold a small organization together for such other work as you might deem advisable.

In addition to the above listed items, I had various other minor safeguards written into the contract which were not provided for by the original memorandum.

My point in going into detail on this situation is to endeavor to show you that the job which I found laid out for me when I got back to New York has been done by me in accordance with the only instructions then on hand or modifications thereof approved by you through Bob Tyndall with additions which are vastly to the advantage of the Montauk Beach Development Corporation, and in doing this job practically the entire burden of all negotiations has been on me inasmuch as both of the brokers in the transaction have kept somewhat in the background in actual negotiations.

If the draft of contract as now drawn is unsatisfactory in any particular, it is because the original memorandum covering the proposal was unsatisfactory in the same particulars, or the modifications approved by telegram and telephone have not been clearly understood. I have merely followed out instructions.

The consummation of this deal with Mr. Regan means nothing to me except insofar as it affects your personal investment in Montauk. I have nothing personal to gain through the completion of this or any other deal with Mr. Regan, in fact Mr. Regan has indicated that he will not have a place of any consequence in his organization for me so that my selfish inclinations, if any, would naturally lead me to discourage this negotiation. I stepped into the situation when it was fairly well advanced, and of course assumed that you had given consideration to the fundamental objections before the general basis of the transaction was approved by you in your meeting. Naturally I assumed that I was only doing what you would want done when I negotiated along the lines of your original offer, and submitted all changes to you through Bob Tyndall before making any sort of statement to Mr. Regan regarding them.

The brokers too, have done a great deal of work and incurred considerable expense in their efforts to consummate this deal, and they were the same as I working in absolute good faith feeling that they were carrying out your wishes as expressed in your original offer and modified by subsequent telephone conversations and telegrams.

Mr. Carl G. Fisher

- 4 -

As stated to you in my day letter today, Ernest L'Ecluse and Mr. McCormack are proceeding with Mr. Regan on the basis of Bob Tyndall's two wires of yesterday, but neither of them feelshopeful of a successful consummation under the revised conditions.

I have gone into much detail in this letter because I want to establish firmly my place in the situation which has been merely the carrying on of negotiations strictly in accordance with instructions, and I hope you have had the patience to read this letter carefully.

Sincerely yours,

*Parke G. Haynes*  
Parke G. Haynes.



March 29, 1930.

Mr. Parke G. Haynes,  
Montauk Beach Development Corp.,  
Montauk, Long Island.

Dear Parke:

I have yours of the 28th. I understood substantially what you have to say and I agree with you.

The points which Hugh Davis brings up regarding protection are, I think, well taken. As I have told you previously, I would like to make a deal with Regan if we can, but we want to be thoroughly protected and we want to know before we get into this deal that Regan is financially able to carry out his future program. We have just recently heard some very disquieting rumors that Mr. Regan might have some difficulties. If we furnish Mr. Regan with a statement of our set up, there is no reason in the world why he should not furnish us a statement of his financial responsibility.

The various pieces of land he might need for a set-up might be arranged in a manner to protect us and still not allow the property to be disposed where it would not be to our benefit.

The passing of the deed can probably be worked out in some legal manner, giving us protection but, if Mr. Regan does not care to go into these details and give us his financial set-up, then most definitely we are entirely off the whole situation.

Yours,

CGF:T

Copies to Messrs:  
Keys  
LaBoutillier  
Davis

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 125 DL CGFP FI MIAMI BEACH FLO MARCH 31, 1930

G. LEBOUTILLIER 267 PENNSYLVANIA STATION NEW YORK CITY  
 PARKE G. HAYNES Care Ernest LECLUSE NINE EAST FORTY FIRST ST NYC  
 HUGH W. DAVIS 155 EAST FORTY SEVENTH STREET NEW YORK CITY  
 JOHN J. REDFIELD CUTHELL HOTCHKISS & MILLS, TWENTY PINE ST NYC

UNLESS WE CAN SATISFACTORILY SAFEGUARD PROPOSED DEAL AT MONTAUK  
 ON FOLLOWING POINTS WE MUST DECLARE NEGOTIATIONS OFF. POINT ONE  
 A CONTRACT THAT WILL NOT PASS TITLE BUT THAT WILL RECONVEY OUR  
 PROPERTY WITHOUT LEGAL COMPLICATIONS SECOND FINANCIAL STATEMENT  
 SHOWING RESPONSIBILITY OF SECOND PARTY THIRD NO TRANSFER OF LAND  
 AT LESS THAN FIVE THOUSAND PER ACRE EXCEPT BY SPECIAL PERMIT FROM  
 PARTY OF FIRST PART FOURTH NO GAMBLING IN THE HOTEL FIFTH NEGOTIATIONS  
 FOR EXPENSE ACCOUNT OF THE UPKEEP OF PROPERTY TO DATE AS OF APRIL  
 FIRST STOP IT SHOULD BE POSSIBLE TO SO CONSTRUCT A CONTRACT IF THE  
 PARTY OF SECOND PART IS ACTING ENTIRELY IN GOOD FAITH . FINAL ACCEPTANCE  
 OF CONTRACT MUST BE RATIFIED HERE BY OUR STOCKHOLDERS AND NEW  
 PRESIDENT. CARL G. FISHER

CGF:T

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	FULL RATE
DAY LETTER	DEFERRED
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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

MZA 478 OAK NO NEWYORK NY 1 545P

April 1, 1930

CARL G. FISHER. MIAMI BEACH FLO

I AGREE WITH YOU THAT FINAL FORM OF CONTRACT WITH REGAN MUST BE APPROVED BY DIRECTORS AND STOCKHOLDERS BEFORE IT IS SIGNED OR BECOMES BINDING STOP THE FIRST THING TO BE DONE IS TO GET REGAN IN AGREEMENT ON A DEAL THAT SEEMS SATISFACTORY AND INCLUDES THE POINTS REFERRED TO IN YOUR WIRE STOP UNTIL THIS IS DONE WE HAVE NOTHING TO SUBMIT TO OUR DIRECTORS FOR APPROVAL STOP NEITHER HAYNES NOR LECLUSE SEEM ABLE TO ADVANCE THESE NEGOTIATIONS AND I AM UNWILLING TO UNDERTAKE THEM UNTIL YOU HAVE WIRED REGAN WITH COPY TO ME THAT I HAVE EXCLUSIVE AUTHORITY TO NEGOTIATE ON BEHALF OF MONTAUK COMPANY STOP WIRE REPLY AS I HAVE TENTATIVE APPOINTMENT WITH REGAN TOMORROW AFTERNOON.

GEORGE LEBOUTILLIER

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.

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NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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 ACCEPTANCE OF CONTRACT MUST BE RATIFIED BY OUR STOCKHOLDERS AND  
 NEW PRESIDENT  
 CARL G. FISHER.

BY DIRECT WIRE FROM

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

## CLASS OF SERVICE

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

## SIGNS

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

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

MZ1 CAK=NC NEWYORK NY 1 1129A

CARL G FISHER=

YOUR WIRE MARCH THIRTY FIRST DAVIS HAYNES AND I HAVE JUST  
FINISHED CONFERENCE ON MONTAUK MATTER AND I WILL SEE REGAN  
TOMORROW UPON HIS RETURN TO THE CITY IF YOU WILL INFORM HIM  
YOU HAVE TURNED THE DEAL OVER TO ME TO CONSUMMATE AND WILL  
SEND ME COPY OF YOUR TELEGRAM TO HIM IF YOU ARE SINCERE IN  
GOING THROUGH WITH DEAL IN OUR OPINION THE DIFFERENCES SHOULD  
BE IRONED OUT WITHOUT DIFFICULTY=

G LEBOUTILLIER...

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

## CLASS OF SERVICE

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

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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NLT = Cable Letter
WLT = Week-End Letter

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

Received at

1930 APR 1 PM 6 46

MZA478 CAK=NC NEWYORK NY 1 545P

CARL G FISHER=

MIAMIBEACH FLO=

I AGREE WITH YOU THAT FINAL FORM OF CONTRACT WITH REGAN MUST BE APPROVED BY DIRECTORS AND STOCKHOLDERS BEFORE IT IS SIGNED OR BECOMES BINDING STOP THE FIRST THING TO BE DONE IS TO GET REGAN IN AGREEMENT ON A DEAL THAT SEEMS SATISFACTORY AND INCLUDES THE POINTS REFERRED TO IN YOUR WIRE STOP UNTIL THIS IS DONE WE HAVE NOTHING TO SUBMIT TO OUR DIRECTORS FOR APPROVAL STOP NEITHER HAYNES NOR LECLUSE SEEM ABLE TO ADVANCE THESE NEGOTIATIONS AND I AM UNWILLING TO UNDERTAKE THEM UNTIL YOU HAVE WIRED REGAN WITH COPY TO ME THAT I HAVE EXCLUSIVE AUTHORITY TO NEGOTIATE ON BEHALF OF MONTAUK COMPANY STOP WIRE REPLY AS I HAVE TENTATIVE APPOINTMENT WITH REGAN TOMORROW AFTERNOON=

GEORGE LEBOUTILLIER.



CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	CABLE LETTER
NIGHT LETTER	<input checked="" type="checkbox"/> 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

APRIL 1, 1930.

GEORGE LEBOUTILLIER 267 PENNSYLVANIA STATION NEW YORK CITY

HAVE WIRED REGAN QUOTE: GEORGE LEBOUTILLIER CHAIRMAN  
OUR EXECUTIVE COMMITTEE WILL REPRESENT US IN NEGOTIATIONS  
WITH YOU AND ALL POINTS WILL BE SUBJECT TO APPROVAL OF  
PRINCIPAL STOCKHOLDERS WHO ARE NOW AT MIAMI BEACH

CARL G. FISHER.

BHT:T

CHARGE MONTAUK.

Cope

Sent Copies to:

Coffin, Keys, LeBoutillier, Redfield,  
Regan, Haynes.

Montauk

April 3, 1930.

Mr. Hugh W. Davis,  
165 East 47th Street,  
New York City.

Dear Hugh:

In trying to cooperate in the deal with L'Ecluse and Regan, we have made several mistakes in handling different clauses of our proposed contract over the telephone. The original letter of L'Ecluse, which I am submitting to you, covers the situation from our starting point.

We are willing to make a deal with Regan, if we could be safeguarded and if Regan could show us he is financially able to assume these responsibilities. We are perfectly willing that Regan and his associates can make considerable profits from this transaction, but it is ridiculous from our standpoint to consider that we will transfer this large amount of assets to Regan or anybody else under conditions which do not thoroughly protect us, and our stockholders here are all willing to make a deal that will protect us.

On the other hand, our stockholders are aware that it is not necessary for us to make a deal with Regan for the future success of Montauk. We feel that we can make a success of Montauk just as well as Regan can; but personally I would like to get out of the job and have some spare time. If Regan sincerely wants to tackle the proposition and give us every possible safeguard, which we certainly are going to insist upon, we may be able to make a deal with him. Otherwise, no feelings hurt, and call the whole transaction off.

I believe Mr. Regan has a lot of ability and can make a success of Montauk. I am not at all sure that he financially is able to carry this deal through. As I have told you in a previous letter, we are willing to submit our financial statement on Montauk, of course, to Mr. Regan, and we will certainly insist upon knowing how and where Mr. Regan is going to handle his part of the transaction.

We are going ahead just as we would do without Mr. Regan coming into the picture. Also, we are prepared, in case the deal is made with Mr. Regan, to give him every possible assistance.

Yours,



WGT

Copies:  
Mr. LeBoutillier  
Mr. Redfield

Signed by  
W. E. THOMPSON



Montauk  
April 3rd, 1930. Clark R

Memorandum concerning conference April 2nd  
with Mr. J. B. Regan.

1. The principal points of difference between Messrs. Fisher and Regan with respect to the proposed deal for the purchase of certain property at Montauk by Company to be formed by Mr. Regan appear to be:

- a. Mr. Fisher insists that the Regan Company immediately contract to assume the \$3,800,000 underlying mortgage debt, and insists that the Montauk Company defer delivery of deed to the Regan Company until this mortgage debt is paid by the Regan Company.
- b. Mr. Fisher also insists that the Regan Company immediately effect the sale of 7500 shares of preferred stock for cash at \$100 per share, so that the obligation of the Regan Company will be of sound financial value.

Mr. Fisher's object in the above conditions is to protect the Montauk Company from possible confusion and difficulty in re-financing the \$3,800,000 mortgage debt due May 1, 1932. This difficulty would be serious with title to the property in the Regan Company, if it should have other debts, and should be unwilling to continue with the project or be unable to re-finance the mortgage debt and pay its other debts.

- c. Mr. Regan insists that he is unwilling to accept either of the above terms, but indicates a willingness to agree that no preferred stock of his Company will be sold for less than \$90 per share in cash.

2. The following is suggested as a basis for a contract which will meet the reasonable necessities of both the Montauk Company and of Mr. Regan:

- a. The Regan Company to be formed immediately with
  1. Closed authorized issue of 10,000 shares, 6% cumulative preferred stock, par value \$100 per share, preferred as to dividends and as to par value in liquidation. This stock to provide that no securities will be issued having priority over or on a parity with it.
  2. Closed authorized issue 10,000 shares no par value common stock, with preemptive rights in additional issues.
- b. Regan Company and Montauk Company to enter into contract whereby:
  1. Regan Company will issue immediately to Montauk Company 2500 shares of preferred stock and 2500 shares of common stock, and Regan Company will agree not to sell any additional preferred stock except for cash at a price of not less than \$90 per share.

4/3/30

-2-

2. Regan Company will enter into possession of 4900 acres (excepting agreed excepted areas) with improvements, and occupy same so long as it meets its obligations under this contract.
3. Regan Company will agree to pay interest, taxes, and insurance premiums, from April 1, 1930, until mortgages are paid and satisfied; the obligation to pay interest, taxes, and insurance premiums to be secured by surety bond.
4. Regan Company will agree to maintain the entire property, including highways and utilities, until the satisfaction of the mortgage debt.
5. Montauk Company will agree to deliver deeds from time to time to purchasers of unimproved land from Regan Company as sales are made by Regan Company, provided that out of the purchase price the required amount is paid or set aside for the release of the property under the terms of the mortgages, and provided one third of the gross selling price on each sale is paid to Montauk Company until the sum of \$500,000 is so paid to Montauk Company.
6. Montauk Company will agree that if at any time prior to November 1, 1931, Regan Company has paid to it the sum of \$500,000 for the purchase of land under the preceding paragraph 5, and has remaining net quick assets, over and above all current liabilities, of at least \$1,000,000, Montauk Company will convey to Regan Company the entire property, subject to the \$3,800,000 mortgage debt (less sinking fund) provided Regan Company assumes the obligation of such mortgage debt. This contract of Montauk Company shall be executed in form for recordation, to provide protection to Regan Company against any outside interference. It will be noted that, in the event Regan Company does not elect to exercise this option, Montauk Company will have six months remaining in which to effect a re-financing of its property. During this six months' period, the obligation of the Montauk Company to convey land under the preceding paragraph 5 must be terminated.
7. Regan Company to agree that no land shall be sold at less than a schedule of prices to be agreed upon (such prices to average \$5,000 per acre) except with the consent of the Montauk Company. It is to be agreed, however, that a limited number of "promotion sales," embracing not exceeding 100 acres, may be made at a lesser price (but not less than the mortgage release price), with the consent of the Montauk Company, which consent shall be not unreasonably withheld, and in the event of disagreement, such

4/3/30

-3-

disagreement will be determined by the arbitration of the President of the Long Island Railroad.

8. Regan Company will agree to obtain and maintain additional \$350,000 insurance on the Hotel.
9. Montauk Company to pay a commission of not exceeding \$25,000 to LeCluse and/or Regan, such commission to be payable when it has received \$500,000 from the sale of land under the preceding paragraph 5.

MEMORANDUM

FROM MR. FISHER

DATE April 4, 1930.

TO Mr. Kunschik and Mr. Haynes.

SUBJECT Montauk Stock.

Please issue the following amounts of my Montauk stock as gifts to the persons named, all with the restrictions as to voting and sale of stock:

Wm. Galloway	\$ 5,000.00
Steve Hannagan	2,000.00
C. B. Hewes	2,000.00
Owen D. Odell	2,000.00
Walter E. Thompson	2,000.00
E. H. Bird	1,000.00
Mike Dolan	1,000.00
Harold Morrison	1,000.00
LaFayette Page, Jr.	1,000.00
Paul Kunschik	2,000.00
A. W. Howe	1,000.00
Charles H. Thompson	1,000.00
M. J. Glenn	1,000.00
Arthur B. Reed	1,000.00

23,000

CGF:T

*The Pennsylvania Railroad*  
*New York Zone*

*Pennsylvania Station*

*New York, April 12, 1930.*

*G. Le. Boutillier,*  
*Vice President*

*J. W. Roberts,*  
*Assistant Vice President*

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

Dear Skipper:-

Hugh and I have been in consultation with Mr. Regan for the past week, and finally on April 10th I wrote him a letter, as per copy attached, which covered practically the only three points of difference between us, and which I felt, knowing your views, were essential to a trade, although it might be possible to modify them some.

Under date of April 11th, I received Mr. Regan's reply, copy of which is enclosed.

It would seem proper now to notify Regan that there does not seem to be any possibility this year for a trade, and the Montauk Beach Development Company considers the matter closed. If you will wire me on Monday that you agree with this position, I will so notify Mr. Regan.

The time seems rather short to proceed with the Club set-up so as to make it fully operative during 1930. However, I think a combination could be worked out that would bring about a full Club operation in 1931 if this is found desirable later on.

Yours sincerely,

*G. L. B.*

C O P Y

JAMES B. REGAN  
NEW YORK

April 11, 1930.

Mr. George LeBoutillier,  
Chairman Executive Committee,  
Montauk Beach Development Corp.,  
New York City.

Dear Mr. LeBoutillier:

I received your communication of April 10, and have noted the contents carefully.

I have submitted to you and to Mr. Davis, the conditions under which I will become identified with Montauk, and they are the only conditions which I will consider in taking over and operating the properties. Therefore, the provisions one, two and three embodied in your letter do not appeal to me in any manner.

As a matter of fact, there have been so many changes and so much controversy pertaining to my taking over Montauk, that I feel, just as Mr. Fisher stated in his letter the other day, "that if the deal cannot be put through on this basis we will let the matter drop and no hard feelings, all around."

Yours very truly,

sgd - James B. Regan

April 10, 1930.

Mr. James B. Regan,  
522 Fifth Avenue,  
New York City,

Dear Jim:-

Since meeting with you yesterday, I have been thinking over the situation regarding your taking over a part of the Montauk Beach Development Corporation's holdings, and it seems to me that, in order to make a trade, we will both have to "give and take" on the three points that we discussed and which I think are quite essential.

FIRST: The difference with respect to the division of proceeds of sale of lots which you would sell prior to May 1st, 1932 - You object to setting aside one-third of the net proceeds of sale (over release price), in escrow, to be applied, so far as desired by you, to improvements. I think we could split this difference and agree that the proceeds of sale be handled as follows:

- (A) All proceeds of sale, both cash and notes, to be delivered to Trustee.
- (B) The Trustee to apply cash and notes, insofar as necessary, to release price.
- (C) The balance of cash and proceeds of notes, if, when and as collected on each sale, to be divided equally between you and the Montauk Company; the amount paid to the Montauk Company to be credited to you on the \$1,000,000. obligation.

SECOND: This difference relates to the conditions under which you can exercise, on January 1st, 1932, your option to purchase the entire property on May 1st, 1932.

It seems reasonable that the Montauk Company should not only have your notification of intention to exercise your option on that date, but also should be assured of your ability to do so. Therefore, I would suggest that the contract provide that this exercise of option shall be on condition that, on January 1st, 1932, you will have paid at least \$500,000, on account of the \$1,000,000.

obligation; or shall have refunded the underlying mortgage debt of \$3,800,000; or shall give the Montauk Company satisfactory assurance from responsible bankers that they will refund the mortgage as of May 1st, 1932.

As to the extension of any balance due on the \$1,000,000. obligation: This is a new provision that has never been discussed with the Montauk people; but I believe they will agree to this, provided this balance is made payable in six semi-annual installments, secured by second mortgage (subject only to a mortgage for the then unpaid balance on the existing \$3,800,000. mortgage); the deferred payments to bear interest at 6%, and the proceeds of lot sales to be applied, in the proportion above mentioned, to the release of this mortgage.

THIRD: I do not feel that the Montauk Company will waive the surety bond requirement, previously agreed upon, unless you can show a net worth of at least \$1,000,000. and will secure the lease by a deposit of collateral amounting to \$250,000., or an equivalent, and the equivalent might be the formation of a stock company by you and your associates with a strong Board of Directors.

Yours sincerely,

sgd- G. LeBoutillier.

Copy to -

Mr. Hugh W. Davis,  
155 East 47th St.,  
New York City.



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 16 CGFP FI MIAMI BEACH FLO APRIL 15, 1930

G. LEBOUTILLIER 267 PENNSYLVANIA STATION NEW YORK CITY

I AGREE WITH YOUR LETTER TWELFTH WE HAD BETTER DROP  
NEGOTIATIONS WITH REGAN FOR THIS YEAR

C. G. FISHER.

CGF:T

CHARGE MONTAUK.

155 EAST 47<sup>TH</sup> STREET  
NEW YORK

April 12th, 1930.

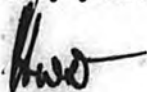
Dear Skipper,

Boots has just read to me a letter which he received from Regan this morning. Apparently the deal is definitely off, for I cannot see how we can waive the requirement of a bond for the payment of rent money. Even 'though we were satisfied with Regan's responsibility, he insists that he have a right to transfer the lease and contract to a Corporation to be formed by him, and he will not agree on a definite capitalization for such Corporation.

It looks very much like he set out to "put something over" and, failing that, does not want to make a deal on a fair and equitable basis.

With the Regan deal definitely out of the picture, we must obviously proceed with our own program. I am anxious to have your instructions as to what you now want me to do, and I am particularly desirous of knowing whether you wish to go forward on the Club plan as previously outlined.

Faithfully yours,



Hugh W. Davis

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

April 15, 1930.

Mr. Hugh W. Davis,  
155 East 47th Street,  
New York City.

Miami Beach, Florida,  
April 15, 1930.

Dear Hugh:

I have yours of the 12th, also letter  
from LeBoutillier. I have just wired LeBoutillier

AGREE WITH YOUR LETTER WE HAD BETTER DROP  
NEGOTIATIONS WITH REGAN FOR THIS YEAR

I am afraid of the Club plan at this time.  
It looks like we are begging. I think we would do  
much better to try and interest Joe Thomas in his  
plan, or to wait another month and then we will  
surely run on to some group of men who will want  
their own golf course. This will give us a big  
starter, to sell Number Two Golf Course.

The sale of Number Two Golf Course is  
thoroughly practical to any group of men who want  
to take it over and I am sure we will run into  
such a group. The fact that we had almost completed  
arrangements with Keys and his group, shows it is  
quite practical; also Lee Olwell thought he might  
with some of his friends tackle this plan.

We are bound to sell some property at  
Montauk this year and every sale we make just adds  
that much more to the future rush which will surely  
come some day to Montauk.

Yours,

CGF:T

Copy to Mr. LeBoutillier  
Mr. Haynes.

James B. Regan  
New York

April 21, 1930.

C O P Y

Mr. George LeBoutillier, Vice Pres.  
Pennsylvania Railroad,  
Pennsylvania Railroad Station  
New York City.

My dear George:

I received your letter this morning, dated April 19, in which you refer to my letter to you of April 11, and you agree that the proper thing to do is to drop negotiations- So we both are in accord, which makes it O.Kay.

As a matter of fact things have been mixed up in such a way that it was hardly possible to tell what Fisher wanted as they came back with changes daily. But after giving it careful thought and consideration it would possibly cost to operate the place per annum as to improvements, upkeep, etc., not talking of any business - in the neighborhood of half a million, to \$750,000.00, the way I would like to have it done.

But I want to take this occasion to thank you for the last paragraph in which you say that if at any time I wish to open the matter again that I can always rely on you to assist. This is really a very kind expression from you, and I appreciate. But Montauk for James B. Regan is out of the picture.

I wish Mr. Fisher and his stockholders all the success in the world.

With kind regards to you and Easter Greetings,  
I am

Very sincerely yours

(Sgd) James B. Regan.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN  
REMICROFILMED  
TO ASSURE LEGIBILITY**



*The information and  
image Managers*

April 15, 1930.

Mr. Hugh W. Davis,  
155 East 47th Street,  
New York City.

Miami Beach, Florida,  
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Yours,

GGF:T

Copy to Mr. LeBoutillier  
Mr. Haynes.

EXTRA MEALS \* LINCOLN HOTEL \* APRIL 13, 1930.

Mr. and Mrs. Ralph L. Fuller	2 Meals
Mrs. Portman	1 "
Mr. Krause	4 "
Mrs. Jubien	1 "

James B. Regan  
New York

April 21, 1930.

C O P Y

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Pennsylvania Railroad,  
Pennsylvania Railroad Station  
New York City.

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I wish Mr. Fisher and his stockholders all the success in the world.

With kind regards to you and Easter Greetings,  
I am

Very sincerely yours

(Sgd) James B. Regan.



MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO. TO Mr. Carl G. Fisher

DATE April 24th, 1930.

FROM Parke G. Haynes.

SUBJECT \_\_\_\_\_

With reference to the Parkway opposition which seems to have sprung up in East Hampton village, I think it would be a very serious mistake to introduce Hugh Davis into the situation at this time. As you no doubt know, Hugh and Robert Moses had a scrap at the very beginning of the park negotiations back in 1926, and this scrap was the start of all our troubles with the Park Commission.

We have adjusted the ill-feeling with the Park Commission now, but we have not been able to overcome the dislike which Mr. Moses has for Hugh Davis.

Regardless of who was right and who was wrong in the fight, we must admit that Mr. Moses is essential to us in the securing of this road, and I don't think it would be advisable to do anything which might possibly disturb the friendly relations now existing with the Park Commission.

In view of the fact that with very little help myself, I was able to get this road through so far as the State Park Commission and the County Supervisors were concerned, I think I have demonstrated that I am able to handle this situation unaided, and I think the injection of Hugh Davis or anyone else in the situation at this time, would only serve to muddle it.

The objection which has been raised in East Hampton village is not at all serious, and I don't see how it can in any way delay the building of the road or change the location.

I am working on the matter quietly, and have the right people lined up to help us if any real opposition develops.

*Parke G. Haynes*  
PARKE G. HAYNES.

## MEMORANDUM

FROM MR. FISHER

DATE April 28, 1930

TO Mr. Parke G. Haynes.

SUBJECT

I only suggested Hugh Davis in order to save you some work. I had no idea that he would come in contact with Moses. I am thoroughly familiar with the trouble between Davis and Moses but I thought you might have some work in Easthampton or Southampton.

I am not worried over the situation because I do not believe the Easthampton people would be foolish enough to block a road of this kind which is for the general benefit of everybody in that part of the country.

CGF:T

MONTAUK BEACH DEVELOPMENT CORPORATION

MEMO. TO Mr. Carl G. Fisher

DATE April 25th, 1930.

FROM Parke G. Haynes.

SUBJECT \_\_\_\_\_

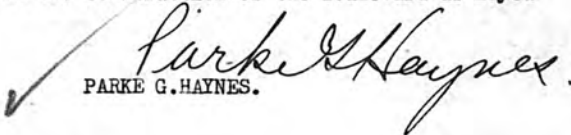
With further reference to the Parkway situation, I am enclosing herewith copy of a letter which Mr. Robert Moses has addressed to the Editor of the East Hampton Star. This covers the situation thoroughly, and I think answers very clearly the questions which the Star ask.

I had a talk this morning with Nate Tiffany and Nelson Osborne, and a few days ago had a talk with Captain Burt Edwards, the County Supervisor, and it is the opinion of these gentlemen that the opposition which the East Hampton Star has apparently attempted to create has not developed among the more substantial people of the Village.

In view of the attitude which Mr. Moses has taken in his letter, there is not a thing for us to worry about. The construction of the Boulevard is a matter of business between the State Park Commission, the State Highway Commission, and Suffolk County, and neither the Town nor the Village of East Hampton has anything to do with it.

In my opinion, we will not be ready to ask the Town to abandon the Montauk Highway for two or three years because, in accordance with our agreement with the State Park Commission, before this road is abandoned we will have to provide a commercial road on the north side of our property parallelling the Long Island Company's right-of-way.

I feel that we have the situation very well in hand, and that there will be no hitch or delay in the construction of the Boulevard as layed out.

  
PARKE G. HAYNES.

COPY

Long Island State Park Commission,  
502 Broadway,  
New York, N.Y.

April 22nd, 1950.

Mr. W. E. Boughton,  
The East Hampton Star,  
East Hampton, New York.

Dear Mr. Boughton:

I have your letter of April 21st with reference to the Montauk Boulevard and am glad to reply to it promptly.

There is no mystery about this state project which has been under consideration for several years and as to which an agreement has only just been reached with the Montauk Beach Development Corporation and the State and County Highway officials.

- The situation is somewhat complicated by the fact that we have two state parks on the Montauk Peninsula, a fairly large one at Hither Hills and a small and inadequate area at the Point. I need not point out to you the difficulties and opposition which the Park Commission faced in securing even these areas for public use, and in preventing the private exploitation of the entire area, and the litigation which followed the appropriation of these two parks by the state. This litigation lasted over four years and ended only with the Court of Appeals ruling that the taking was good, and when the United States Supreme Court refused to upset the Court of Appeals decision in a similar case affecting Heckscher State Park at East Islip.

It has always been the aim of the Commission to connect the two parks at Montauk by means of a highway, which at least from Napeague Harbor to Fort Pond and from Third House to the Point would be a genuine parkway or boulevard, planted and protected from all commercial and unsightly developments and free from all advertising signs, hot dog stands, filling stations, etc. You are, of course, aware of the fact that when the Bensons had their original study made by the Olmsted Brothers of Brookline, they laid out a new scenic route in the Hither Hills, and also what is known as the Midland Route from Third House to the Point. We found that generally speaking these two routes were well planned.

What we had in mind has been to follow the existing road from Napeague Harbor to a point somewhat west of the easterly boundary of Hither Hills Park; and then to swing up into the high land and the woods, coming down again at the southerly end of Fort Pond and continuing just north of and parallel to the present road up to Third House; and from Third House to the point following the direct or midland route shown on the old plans above referred to and avoiding the serpentine road along the shore.

We found in our negotiations with the Montauk Beach Development Corporation a disposition to cooperate with us, especially in the last six months. The Company saw the advantage of a boulevard or parkway in any plan for the preservation of Montauk, and we have always emphasized in our negotiations the absolute need of an additional acreage at the Point to fill out the present horseshoe-shaped park area, so that we could provide a loop to take care of traffic and parking, which is quite impossible under present conditions.

Our negotiations finally disclosed the fact that it would be impossible to obtain the dedication of a right-of-way of 300 feet such as we thought necessary in the section beginning at the southwesterly end of Fort Pond and ending at Third House. This was due to the fact that there were mortgages from which we could not obtain releases. In addition, we have always insisted upon the restriction against business of any kind of an area of one hundred feet on each side of the 300 foot right-of-way, and upon limitation of entrances to the boulevard or parkway.

After most careful consideration we finally concluded that the boulevard or parkway could be established only between Napeague Harbor and Fort Pond Bay, and between Third House and the Point. The Montauk Beach Development Corporation agreed to dedicate a 300 foot right-of-way wherever the Park Commission did not already have the land included in these two stretches, and also to dedicate the additional acreage at the Point needed to solve the loop and parking problem. It was agreed that between Fort Pond Bay and Third House nothing better could be done than to use the existing dedicated right-of-way which, as you know, is 99 feet excepting a small piece where there is only 66 feet and where the country would obtain the additional right-of-way to make a uniform width of 99 feet.

We conferred on this subject with the Superintendent of Public Works, the Highway Commissioner and the Division Engineer of the Public Works Department, and these gentlemen conferred with the county authorities, and the plan evolved to pave the new state highway over the boulevard or parkway route excepting the stretch of approximately four miles in the center of Montauk where the old route is followed. Here there will be nothing more than an ordinary wide highway right-of-way with free access everywhere and entirely unrestricted as to character of buildings, commercial development etc.

This will answer your first question. Part of the new route will be a boulevard or parkway. Part of it will be an ordinary highway. The part which will be built on park land or on land dedicated to the Park Commission will be restricted against any possible disfigurement and will preserve and make accessible one of the finest landscapes on the Atlantic Seaboard in its natural state and keep it free from the eyesores which seem to be an inevitable feature of practically every highway on Long Island. In this connection I might point out that the property along the existing road in the center of Montauk has already been sold for commercial purposes, and recent developments are such that not even zoning could prevent the commercializing of this part of the artery. The only alternative here was to parallel the existing road just north of the big office building, and this as already stated was found impossible and given up.

The cost of this project will be borne entirely by the State and out of highway funds so far as the actual road construction is concerned, and out of park funds so far as landscaping, protection and entrances are concerned. The only thing the county may be called on to do is to buy a very small piece of additional right-of-way. The Town pays no part of the expense of this project whatever.

The Long Island State Park Commission has not consulted the East Hampton Town Board simply because the law required only consultation with the State and County Highway authorities so far as construction is concerned. We are, however, at all times ready to discuss this project, especially as it affects the existing

town road, with the Town Board and will include the State and County Highway representatives in such a conference.

Our agreement with the Montauk Beach Development Corporation has been outlined above. I am unable to answer your question as to the return which this corporation expects to receive from the dedication beyond repeating what I have said before, which is that the corporation regards the progressing of this project so far as possible as a boulevard or parkway as distinguished from an ordinary road, and the solution of the traffic and parking problems at the Point as being of sufficient advantage to justify the dedication. They have come to this conclusion after many conferences in the course of which we have constantly emphasized the importance and the ultimate value even to developers, of protecting and preserving so much of Montauk as is not already definitely commercialized or sold and set aside for commercial purposes. The bond holders on the other hand who are interested in the mortgage covering the central part of Montauk are so insistent upon commercial exploitation and ordinary roadside development that we were unable to deal with them.

As to the closing of Old Point Road, it has already been indicated that the four miles of this road in the center of Montauk will remain just as it is and the new pavement will be laid on the right-of-way as previously dedicated. Personally I can see no advantage in keeping open the old road from Third House to the Point, but this is entirely up to the town. As to the road west of Fort Pond most of this, because of grades, proximity to the top of the dunes and drainage, could only be improved at impossible expense as a state highway. Among other things it would leave adjoining owners on the south nowhere to build between the road and the edge of the cliff. Moreover a genuine boulevard or parkway right-of-way protected from unfavorable roadside developments would be wholly out of question in this location. However, part of it from Fort Pond to Hither Plains Life Saving Station would, of course, be kept open. All this, however, is entirely a matter for the town officials and a proper solution can undoubtedly be worked out with little difficulty.

In this connection the Montauk Beach Development Corporation has agreed within a specified time to build a commercial artery near the railroad tracks which will be continued through the Hither Hills State Park area, so that in connection with commercial developments around the railroad station and Fort Pond Bay, trucks and similar vehicles can so far as possible be kept off the westerly boulevard or parkway.

For the reasons given, and because of the long negotiations required to reach an agreement on this subject we cannot change the proposed route. There would be no chance whatever of reaching an agreement if such a change were made.

As to the trees in the Hither Hills, only those in the way of the actual road pavement will be removed. The entire route through the woods has been laid out after a most careful study on the grounds of the woods, landscaping, views, etc. The commission has spared no expense in time, effort or money in laying out this route so that it will be the most unique on Long Island. I may add that the plans for the loop at the Point have also been studied with the greatest care, and that the expense of carrying through this program will considerably exceed what any ordinary highway would cost.

I am having sent to you under separate cover a map of the route. If you will walk over the route and visualize our contemplated project, and also study the development plans, sales maps, mortgages, etc. of the Montauk Development Company, and visualize an ordinary wide unrestricted highway through Montauk, I am sure that you will agree that we are doing something for the Montauk Peninsula which will help to preserve it for all time. Of course, it would be better if all of Montauk were a state park, but it is too late to think of this. What we are doing will prevent the commercializing of the route as it passes through some of the finest parts of the peninsula and will insure a drive of unique beauty through all but the six miles from Fort Pond to Third House.

Cordially,

(Signed)

Robert Moses

President.

## MEMORANDUM

FROM MR. FISHER

DATE April 30, 1930

TO Mr. Parke G. Haynes.

SUBJECT

Replying to yours of the 25th: I think that the entire Park situation is up to you and Moses to fight it out as you see best. It looks like it is going to be a great deal of trouble to even give the people in that country a first class boulevard without an argument. However, as you are Manager of the company, it is your worry.

CGF:T