

OFFICE OF GEO. F. COOK, of MIAMI, FLORIDA,  
Secretary-Treasurer CHEVELIER CORPORATION.

January, 1937.

CHEVELIER CORPORATION.

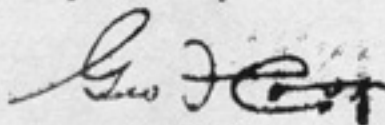
Foreword:

When the "Florida Boom" was collapsing and a lengthy dormant period of "watchful waiting" was seen ahead by students of events in connection with such concerns as this, I made a lengthy report (or history) of this corporation, up to that time, as I saw it then. At the same time, I made some recommendations which, if adopted, might have softened the blow which I foresaw was about to come.

Nine long years have elapsed since that time. Conditions are on the mend. Property is about to begin to again take on some value. The period of "watchful waiting" is drawing to a close. Opportunities to "cash in" are in sight, in various directions. Those opportunities should be considered with knowledge of conditions.

The following pages are my effort to connect up events of the past nine years with what was reported before, to give both bond-holders and share-holders the picture as seen by me, the only member of the corporation who stayed on the job all those years, through all kinds of weather, and who has, so far as I am conscious, never shirked a task or overlooked an opportunity to keep the ship afloat.

Respectfully submitted.



Geo. F. Cook.

Memo.

January 5, 1937.

This is a continuation of my report of January 1, 1928, intended to cover only the most important happenings of the 9 years which have elapsed since then.

On Dec. 31, 1927, the Audit of Harry Goldstein Co. showed:

ASSETS: Notes Receivable from Land Sales, \$1,214,205.30, and due dates:

<u>Passing year.</u>	<u>Amount.</u>	<u>Overdue.</u>	<u>Total.</u>
1928	\$198,527.67		
1927	\$206,665.00	\$405,292.64	
1928	\$169,503.68		
1932	\$639,508.95	\$808,912.66	
			TOTAL, . . . . . \$1,214,205.30

At that time, we also owned due and over-due accounts not listed above amounting to \$69,190.69, a portion being contracts on lots sold in Claymont, a suburb of Wilmington, Delaware, for which we had traded land in 1924. These items are of doubtful value. Also included were:

Miscellaneous open accounts, . . . . .	\$9,075.09
Money due FROM stock and bondholders, . . . . .	24,031.75
Total, . . . . .	\$33,106.84

LIABILITIES:

Accounts payable to tradesmen, . . . . .	\$23,659.89
Money due TO stock and bond-holders, . . . . .	22,659.34
Total, . . . . .	\$46,319.23

Our mortgages and contracts show that up to January 1, 1928, we had sold 82,258 acres in Monroe County and 3,690 acres in Dade County, leaving unsold 117,440 acres in Monroe County and 3,980 acres in Dade, out of a total of 207,360 acres purchased from A. W. Hopkins et al. When foreclosures have been completed, we will probably have 150,000 acres in our name. Against it, we owe to-day:

For 103 bonds of \$5,000 each, . . . . .	\$515,000
Interest for 9 years at 7%, . . . . .	324,450
Being a gross debt on account of Bonds, . . . . .	\$839,450
A Tax debt of approximately, . . . . .	40,000
A carry-over debt from 1928, . . . . .	50,000
Being a total of, . . . . .	\$929,450

Overhead expense, salaries: In July, 1928, immediately on completion of our road, I cut off all salaries except for office work, and reduced my own one-half, leaving only McCord and myself on the pay-roll during the year 1929. Since that time, I have continued to do what I could for the corporation, and have set up no claim for services, except in the Hattie Wise settlement, out of which I collected 10% commission and railroad fares. Mr. McCord, however, continued on the pay-roll until December, 1930, and drew his salary as he went along. In this connection, the ledger shows an unpaid credit to me for \$2,408.19 for salary.



CORPORATION TAX:

The Legislative Session of 1935 directed the Secretary of State to dissolve all Corporations in arrears on Corporation Stock Taxes accrued by Sept. 30, 1936. As we had no funds with which to pay our taxes, amounting to \$200.00 per year and we were liable to be called upon to complete our agreement with Peninsular Oil Co., or possibly to make a Timber Sale, I adopted a plan I had used in the case of Miami Avocado & Citrus Growers, of which I am President. This was to hold a stockholders meeting and change the stock from a fixed par value to a "no par" value, settling on the basis of the assessed valuation as fixed by the County Assessor, less mortgages and other indebtedness, thus reducing the annual tax from \$200 per year to the minimum possible, \$10.00 per year. I might say in this connection that this was only a subterfuge, and such a settlement might (and probably would) be challenged later, but the intent was to at least temporarily take us out of the list of dissolved corporations and put us on the list of concerns which are negotiating for settlements, thus carrying us past the deadline where if we made a sale and secured some money down on the sale, we could go to Tallahassee, pay our tax, and do business without any delay.

I sent my own check to the Secretary of State, but it was returned to me under date Sept. 28, 1936, with the following letter from the Secretary:

"Dear Capt. Cook:

I have your letter of the 24th enclosing tax report for CHEVELIER CORPORATION and certificate showing proceedings of a stockholders meeting of this corporation, also your check for \$50.00 to cover 5 years tax.

I regret exceedingly to have to advise you, but I cannot accept the tax report tendered in its present form and check for payment of the tax. This corporation was in arrears when it adopted the resolution reducing the par value of its stock, therefore it cannot maintain its right to do so. It would not have been necessary for the stockholders to have reduced the par value of the stock. They could have called in some of the outstanding stock and filed a report on that basis, and it is the only way in which this corporation may adjust its tax.

In other words, it will be necessary for this corporation to file a tax report showing the authorized capital stock of \$500,000 and an outstanding capital of only \$10,000 to be able to get by with the minimum of \$10 per year.

I might also mention for your information that this corporation was incorporated under the old law, and it cannot reduce its authorized capital without the approval of the State Comptroller, nor can it reduce same with the approval of the Comptroller without first reinstating its corporate privileges.

I am returning the tax report and check, also enclose another form, and you may get the stockholders together and pursue the course which I have outlined, and return to me for filing with check.

Cordially yours,

R. A. Gray, Secretary of State"

Taxes - State:

Being a director of Okochohooe Flood Control Association, and in attendance at the Legislative session of 1931, I was able to secure a reduction of two cents per acre per annum on our Everglade Drainage Tax, and feeling certain that the Flood Control Board would have a short life, I asked that one-half of the eight cent Everglade Drainage Tax be allotted to the use of the Flood Control Board, which plan received the consent of the Drainage Board. During the session of 1935, the Control Board was abolished, and an adjustment now being made with the Bondholders of the Everglades Drainage District will bring about a re-adjustment of the tax base, which may result in further reductions if intelligently handled, or an increase if we overlook any bets.

During the 1935 session of the Legislature, in collaboration with the Model Land Company and F. C. Elliot, Tax Commissioner at Tallahassee, a Tax Relief Bill was worked out, prescribing certain legal procedure before State-owned tax certificates could vest absolute ownership in the holders. This bill was unanimously approved by the Taxation Committee, but got on the calendar too late for passage. It did, however, accomplish its purpose of staving off any action looking toward forcible possession by the State under a bill authorizing the Governor to turn over the Tropical National Park Commission any or all State-owned lands.

Taxes - County:

I have been working steadily with Monroe County Commissioners since 1929, and have secured reductions in the assessed valuation of our lands from \$4.00 per acre down to 25¢ per acre, and have the assurance of the Board that if we can clean up all our delinquent taxes by July 1, 1937, we can settle all back taxes on that basis. At this writing we have paid \$3,203.00 in order to protect our timber lands. This money was borrowed through D.A. McDougal and tax certificates issued to Ivar Axelson and Hugh McKay as security for the money advanced.

### At the annual meeting of the Stockholders held February 7, 1929, D. A. McDougal, J. F. Jaudon, J. H. McCord, Claude Freeland, and Geo. F. Cook were elected directors, and at a special meeting of the directors held April 16th, D. A. McDougal was elected President; J. F. Jaudon, Vice-President, and Geo. F. Cook, Secretary-Treasurer. Since that time there has been no annual meeting held except as a minority met and adjourned in order to cover the law, and the same Board of Directors has held over, except in the case of J. H. McCord, who has since died.

### At the annual meeting of the Stockholders held February 7, 1929, I recommended that the lands of the corporation be, as far as possible, accepted in payment of bonds, at mutually agreed prices, having in mind the fact that seven-year terms having been met, the varying fortunes of the bondholders might make it highly desirable for them to have their own property to handle as individuals, and that the corporation being relieved of the large mortgage debt would be vastly better off with what property was left with only a small debt, and would have a better chance to pull out and save the investment of the stockholders. A majority of the then bondholders met in Miami to sit in with the directors in formulating such a plan, but as it met violent opposition by one of our large stockholders, and our depression bank failures commenced about the same time, no headway was made in this direction.



Our bank, the Southern Bank & Trust Company, failed during the month, tying up all our funds (\$14,000), and we opened an account with the Third National Bank of Miami, using current collections and discounting a note for \$5,000 secured by a first mortgage of \$3,000 on an undivided one-half interest on 1960 acres of land xxxd and a Chevolier Bond of \$5,000. This note was sued on and a judgment obtained by the bank in 1935, and I arranged a settlement for \$1,000 securing the cash from D. A. McDougal and having the bank assign the collateral to him. The bond was collected for by J. H. McCord in one of his numerous trades with the corporation while Trustee, and title to it rests on the decision of the Trustees. Title to the land known as the Peters Tract was secured by an amicable settlement, and the funds required - \$150.00- were also furnished by D. A. McDougal.

National Tropical Park:

During 1928-29, Ernest F. Coe, a landscape architect, commenced an agitation for a Tropical Park that would embrace at least the scenic portion of our tract, and as this uncovered a possible sale of what has been called our "tide-water" property, we encouraged him. He went to Tallahassee to attend the 1929 session of Legislature hoping to secure the passage of a bill that would appropriate money for the purchase of the lands in the area designated, but apparently was making no headway, when toward the end of the session it was decided by your President and myself, that I should go to the Capitol and procure the passage of the bill, if possible. I secured the aid of our Dade and Monroe Senators, and our Dade County delegation in the House got the bill up, and it was passed in both Houses.

Then I went to Washington to assist Mrs. Ruth Bryan Owen, our Congresswoman from this district, in presenting the matter to the members of Congress that I was personally acquainted with, and in March 1930, we secured from President Hoover his approval to the project. Immediately after that, still working with her, we arranged with the Goodyear Company for the use of their blimp for an inspection trip, and I provided an airplane photo of the entire area for the use of the inspection party at my own expense.

Public Bill #267 of the 73rd Congress approved the acceptance by the United States of the area inspected in March, and since that time the various steps necessary are being taken to make the Park an assured fact. At this writing, Arno B. Cammerer, Director of the National Park Commission, is in Monroe County considering the boundary lines as recommended by the Committee on Boundaries of the State Commission.

There are about one hundred thousand acres of our land that fit admirably into the Park project, and are practically useless for other purposes without the expenditure of large sums of money, and this Park Commission is our best prospect for the sale of what is called our "tide-water" lands.

Upon passage of the Act authorizing the creation of the Park, there was organized the Dade-Monroe Property Owners Association. I was elected its Secretary-Treasurer, my duties being to record the actions of the Association, to consolidate all property interest into one voting unit, and represent them in establishing a minimum price for lands in their different classifications, in the entire area, and to act as the mouthpiece of the Association in negotiations with the State Commission appointed by the Governor to secure the land in 1935. It is my hope that by actual conveyance we will be able to establish a price of not less than \$5.00 per acre for the most inaccessible land owned by us, which, if obtained, would provide roundly a half million dollars from this source.

Timber:

Endeavoring to anticipate and avoid complications arising through negotiations with the Park Commission and feeling that unless we established a value on the timber in the cypress belt we would get little consideration from the Park Commission when it came to appraising the land, we executed, with the consent of both Trustees and a majority of the Directors, we executed an option agreement with W. O. Hobbs of Tampa, Florida, as trustee for a corporation to be formed that would negotiate a sale of the cypress mill timber at \$4.00 per thousand feet net to us, and for all railroad tie timber at six cents per tie net to us, with the express stipulation that all expense of locating, cruising, showing and selling the timber should be borne by Hobbs, or his successors, and that their only compensation should be whatever overage was secured by them in any sale made by them. This agreement was signed May 26, 1934, just four days before H.R. #267- 73rd Congress became a law.

The Hobbs people set about broadcasting offers of sale of our timber to the public through brokers without first making a cruise to determine how much timber there was, nor of what quality. Not having funds to handle the matter, they sold an interest to M. A. Morgan, who hired timber cruisers and surveyors, and located the cypress in a sufficiently definite form so that on April 11, 1936, he secured an offer of \$4.00 per thousand feet for the mill timber from the Jones Milling Company of Palatka, Florida, who offered to pay \$10,000 cash on the signing of the agreement and to cut out all of our timber in three years, to be paid for as cut. This was the first offer we ever had for the timber.

Following this, he arranged a 45-day option with the Ingram-Day Lumber Company of Mobile, Alabama. The forty-five day period being to permit of time to determine whether or not there was 50 million feet of mill timber in the tract, in which case they were to buy all we had and pay \$6.00 per thousand feet, \$100,000 cash, and the balance in two equal annual payments.

On Friday, June 12th, Mr. Mitchell, manager of the Ingram-Day Company, arrived to make his cruise, and met Morgan on Sunday the 14th, at Everglades City, planning to go down into the cypress with his cruiser on Monday the 15th. However, to illustrate how little it takes to change the course of events, an incipient hurricane set in right then that gave us a foot of water in the one downfall, and frightened the cruiser so badly that after having got within ten miles of Everglades City, he turned tail and went back to Alabama, without even reporting to Mitchell, who also went back to Mobile to await word from Morgan when to come back again.

On July 6th, Morgan sent Graham into the Cypress. He came out and reported it wet, but he had cruised 4 sections while in there, and advised going right back before the water that had fallen to the North of us could get down on our land, as it was sure to do. Morgan immediately phoned Mitchell to come on and finish his investigations, but was informed by Mitchell, under date July 21, that Mr. Talley, (his cruiser), Judge McDougall and himself had talked it over in Mobile and decided to put off the cruise until later. As it turned out, they made a mistake in thinking they knew better what conditions were here than we did, and it is only now that the Cypress Area is in as good condition to cruise as it was when Morgan told him to come in July.

Mr. Morgan's opinion is that there are 50 million feet of Cypress, which, if sold at \$4.00 per M, will net us \$200,000, and the Cross-ties should net an additional \$25,000.



November 16th, Morgan submitted an offer from Denton to pay us net 10¢ for the Tie-Timber on the tract commencing two miles west of where our road turns north to Collier County, and taking everything east of that line north and south. He agreed to make a down payment of \$500.00 and commence cutting in three weeks from signing of the agreement, and to forfeit his agreement at our option at any time he allowed his output to fall below ten thousand ties per month. This offer went to Washington and was rejected. Morgan has had his own cruisers, together with cruising parties from the Osceola Lumber Company, and has been in the timber almost continually since the 15th of December. Morgan believes we have at least fifty million feet of cypress.

Agricultural Land:

Lying principally to the south of our road in Monroe County, we have perhaps 60,000 acres of marl land on which the soil is deep enough and rich enough to produce any of the vegetable crops usually grown in South Florida. This land, however, must be brought under water-control by whoever markets it in order to secure a price approximating what it is worth. To do this requires expenditures of money in advance of the time when sales can be made to settlers. We do not have now, nor are we likely to have, the money to devote to that purpose. In my report made under date of January 1, 1928, I outlined a plan for using other peoples money by offering a generous division of whatever profits were made out of the land, and dealing with people who would invest their own money in the colonizing of a good block of our best and most accessible acreage.

In March of 1935, I contacted Mr. James Walker of the Lawyers Mortgage Guarantee Corporation of Brooklyn, New York, took him over our land and sold him on the idea of placing farm-minded clients of theirs on land on which they could eventually have a home. Most of the settlers contemplated were foreign-born from rural districts who had invested funds upon their arrival in this country in the mortgages of their corporations, many of which had gone sour during the depression. Most of the families considered were then living in New York and were not fitted to earn a living except on a farm. After many exchanges of letters and a trip to New York to confer with his associates, Mr. Walker and I, with his associates, got together on a plan that I thought sound and still think should have been favorably considered. They made an offer under May 29th, as follows:

"Dear Captain Cook;

I read your letter of May 20th with interest have had several conferences with my associates concerning the matter which you discussed. The plan which you outlined was not entirely satisfactory to them in that they believe that if our venture is successful, your Company stands to reap greater benefits than we, who would be creating the market for your property. However, we have agreed that if you will meet us on the following conditions, we can go ahead with our colonization scheme.

1. That you deed to us 200 acres for 10 farm-sites, to be charged at the rate of \$10.00 per acre, for which we will give your Company a purchase-money mortgage on one or more of our farms depending on the size of the mortgages taken back on the sale, for a sum equal to the value of the 200 acres.

2. That at the same time you will give us an option on 1,000 acres at \$10.00 per acre, which 1,000 acres we will agree to colonize within one year. In the event we fail to do this, then our option is to become null and void, or in the event that we fail to erect a farm house for every 20 acres, then the land is to revert back to you. Said option or agreement shall allow for releasing land to our farmers as developed at a fixed price for every 20 acres.

3. An option for 5,000 acres at \$15.00 per acre, which land is to be developed as in Paragraph 2, in not more than 2 years and to have the same terms as Paragraph 2.

4. An option on 5,000 acres at \$20.00 per acre, to be exercised in not more than three years on same terms and conditions as heretofore set forth.

5. An option on 15,000 acres at \$25.00 per acre, to be exercised in not more than five years, on the same terms and conditions as heretofore set forth.

Under these options we agree to purchase 26,000 acres of land and are allowing an additional sum on each additional option. My associates believe that after we have started this colonization and have been working and sending people down to your part of Florida, we will have created an exceedingly good market for the balance of your 160,000 acres of land, which will give you an opportunity to make a very handsome profit. As we will have at least 1,000 families in our part of your property and these 1,000 families will cause a great number of people to sit up and take notice of what can be done with your land, you should have no trouble within the next 10 or 15 years of selling off the biggest portion at continually higher prices since once the demand is created, the matter of price will be solely in your hands.

We believe that someone must make the initial step in this colonization and for making this move, creating and proving that colonization of this property will be profitable to the settlers, we should be in a position to make a substantial sum since if this is proven, your Company will be in a position to make greater returns on the five-sixths of the property which they will have left.

I hope you will take this matter under consideration and advise me at your earliest opportunity.

You will notice that I am now working with the New York State Mortgage Commission. My work is entirely in connection with the Lawyers Mortgage Company and my address remains the same. The Commission was appointed by the Governor to take over all the guaranteed mortgage companies in New York which, of course, is one colossal job.

Best regards,

James Walker "

To that letter I replied as follows:

"Dear Mr. Walker;

Your letter of May 29th received, and in the main, we can accept your proposition. There are one or two items, however, upon which, under the present tax situation of the properties, there would have to be an investment by you of some cash in order to put us in a position to be able to carry out an agreement of this type, if we made it, and you do not seem to provide in your set-up for any money whatever to come to us for over a year.

We are entirely willing to lend you the first two hundred acres, later selling it to you for what we can rot it each year, and accept mortgages with payments deferred. We will also let you tie up 1,000 more acres of our best land for a year at the same price in the belief that your venture will be a success, but if we lend you the land and agree with your price on later options, we would need about \$5,000 to put all of the acres optioned in such tax position as would insure our being able to deliver that land as required.



When you and I talked price, it was on the basis of \$25.00 per acre for all of the agricultural land along the Trail, and after the 1,200 acres, that is what we will take for Trail land (that is land within one mile of the road). I will recommend that your plan as outlined be accepted, as I feel that, spread over the proposed area, it will be about a fair price.

I am President of the Florida Agricultural Credit Corporation that you could use both as the medium through which you could finance your housing operations in connection with HOLC mortgages insurance, and also your fertilizer expenditures and collection to advantage, if desired.

You realize this letter is not in the nature of a haggle. It is simply a frank statement of facts that must be faced by us if we trade.

Sincerely yours,

Geo. F. Cook, "

Copies of both of these letters were sent to the trustees together with a special letter to Mr. Freeland, who contemplated coming to New York about that time, asking him to see these people and to then visit the other trustee in Washington, and come with Mr. Walker to Miami, prepared to close a deal. However, this proposition did not appeal to the trustees and it was allowed to drop.

Oil:

Under date of April 29, 1935, I was offered by Thos. A. Reedy, acting for the Peninsular Oil and Refining Company of Tampa, Florida, 8-3/4 cents per acre for 23,360 acres of leases to run ten years with an annual rental of 5 cents per acre per annum, and on part of the acreage the lessees offered to buy our reserved one-half of the mineral rights at 25 cents per acre. On July 20th, the Peninsular Company deposited in my bank to their credit \$7,000.00 with the following instructions to the bank:

"Gentlemen:

Enclosed please find Cashiers' check from the First National Bank of Tampa in the amount of Seven Thousand Dollars (\$7,000) which we would like to deposit with you to our credit for a period of not less than 30 days in connection with trade we contemplate with the Chevelier Corporation.

Enclosed please find a copy of our letter to Capt. Geo. F. Cook which will indicate the nature of the trade we propose to make with him. In short, we are depositing this \$7,000 with you as an earnest of our desire to expedite the leasing and purchase of mineral rights on the Chevelier Corporation's property. Capt. Cook has indicated his desire to do this and the willingness of his associates, but, however, has not secured formal authorization. Within the 30 days mentioned in connection with this deposit, Capt. Cook purposes to get such authorization at which time he will make out leases covering 26,750 acres, and mineral deeds in 18,250 acres, which will be put in escrow at that time against our deposit with an agreement to be drawn up at that time. As far as the bank is concerned we agree not to touch this deposit for 50 days.

Sincerely yours,

Robert B. Campbell"

Immediately following this action, I took up the question of leases with the trustees, advising them that the money in the bank was intended for our use in cleaning up judgments and paying taxes as far as it would go. Not being well posted in the technics of oil operations or the effect of certain language used in oil contracts, I have accepted the opinions and concurred in the actions of the trustees who are experienced oil operators, in all subsequent developments. However, I have secured leases from everyone holding lands in the area designated and now have either the signed lease or the pledge of the owner to sign in my hands ready to turn over to the Oil Company when they are ready to sign the permanent agreement.

The above statement does not include the trustee holdings for the Corporation nor their own individual holdings, nor those of M. L. Mastellar. I am leaving to the attorneys the explanations of the delay in completing this transaction.