

NAGGAR. Kulu, Punjab, Br. India.

December 24th, 1935.

Messrs Herbert Plaut and Harold Davis Attorneys New-York.

Dear Sirs, I hereby confirm having sent yesterday the following cable:

> LC OLDBERTLAW NEW-YORK I now withdraw authority of Louis Horch to act for me in tax matters and appoint Herbert Plaut and Harold Davis to act as my attorneys in such matters with full power of substitution to them. Confirming letter follows - Nicholas Roerich

as per attested copy enclosed and authorize you to act as my attorneys in my tax matters with full power of substitution.

I also confirm having withdrawn all power of attorney from Mr and Mrs Horch by cable on December 17th 1935 as per certified copy of cable herewith enclosed. Yours faithfully.

> N. autorivel Prof. Nicholas Roerich

magistrate III cl Magistrate III cl Wist: Kongra. 24/12/35.

Feb. 14, 1936. Messrs Plaut and Davis 76 Beaver Street New-York. Dear Sirs, I hereby authorize you to collect from Mr. Louis L. Horch, 310 Riverside Drive, New-York, all correspondence belonging to me, addressed to me from third parties, and originals & copies of my letters to third parties. Please hand over all the correspondence received, to Mrs Sina G. Lichtmann, New-York, Sincerely yours Prof. Nicholas de Roerich. On this 18th day of Feb. 1936 before me, a Magistrate Ist Cl. personally appeared Nicholas Roerich to me known and known to me to be the person mentioned above and who executed the foregoing instrument in my presence and he duly severally acknowledged to me that he executed the same.

Feb.14, 1936 Messrs Plaut and Davis 76 Beaver Street New-York Dear Sirs. I hereby authorize you to collect for me from Mrs Nettie S. Horch, 310 Riverside Drive, New-York, all my manuscript-diaries, in black copy-books, written in my own handwriting throughout, beginning with March 24, 1920 up to February 3, 1935. Every of the copy-books has on its front page the first and last dates of the diary contents, linking it up with the next book, and there is no break in this continuity from the first date (March 24,1920) to the last date (February 3,1935). Only the last copy-book has a blue cover with gilt. Please hand over all these copy-books to Mrs Sina G.Lichtmann, New-York Sincerely yours, Mrs H.Roerich. On this 18th day of Feb. 1936 before me, a Magistrate Ist Cl. personally appeared Helena Roerich to me known and known to me to be the person mentioned above and who executed the foregoing instrument, in my presence and she duly severally acknowledged to me that she executed the same.

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT HAROLD DAVIS

Prof. Nicholas de Roerich
Naggar, Kulu,
Punjab, British India.

Dear Prof. Roerich:

Undoubtedly our good friends, Mr. and Mrs.
Lichtmann and Miss Grant, have conveyed to you the news of the litigation pending in our groupts affecting the

Undoubtedly our good friends, Mr. and Mrs. Lichtmann and Miss Grant, have conveyed to you the news of the litigation pending in our courts affecting the control of Master Institute of United Arts, Inc., and, also, the litigation in connection with the Federal Government's claim against you personally for back taxes. These good friends, too, have asked that we write to you directly to give you a short synopsis of the status of these law suits and, also, that we give whatever recommendations we have to you.

Mr. and Mrs. Lichtmann and Miss Grant have commenced an action in the New York Supreme Court for an injunction against Mr. and Mrs. Horch and of necessity the corporation, Master Institute of United Arts, Inc., to restrain the individuals from exercising any rights of ownership in three shares of stock which the plaintiffs, Mr. and Mrs. Lichtmann and Miss Grant, claim to belong to them and which Mr. and Mrs. Horch claim are not owned by the plaintiffs but by them, the defendants. In that action Judge Rosenman of our Supreme Court has given temporary relief in the form of a preliminary injunction, to last until the case is heard at a trial upon the merits, restraining Mr. and Mrs. Horch from disposing of those three shares of stock or from voting those three shares of stock. The trial has been advanced so that in all probabilities it will be had early in April of this year.

Preparation for this trial, of course, is a difficult matter because of the voluminous documents and papers involved and because our adversaries, and not we, have access to the books and record. The Horches have denied us permission to see the books, and there is also pending before the Supreme Court a mandamus proceeding to compel them to grant such permission.

... Page 2.

February 14, 1936.

Not only do the Horches claim that they own the three shares of stock of Master Institute of United Arts, Inc., of which Mr. and Mrs. Lichtmann and Miss Grant claim the contrary, but the Horches also claim that they own the two shares which were originally in your name. Shortly, the rights of Mme. Roerich and yourself to those two shares of stock cannot be contested in the present litigation as it now stands; and in order that the conflicting claims of those two shares of stock may be tested properly, either Mme. Roerich and yourself will have to intervene in the present action or institute a separate similar action.

We have hesitated, and for good reason, from having you intervene in the present action up to this time because (1), with the trial at so early a date, according to our best information, you would not be available in New York to testify as a witness or confer with us as to the facts of the claim; and (2), we do not have sufficient information at this time to give us an adequate picture of your claim, and by the same token an adequate answer to Mr. Horch's contention that this stock was given by you to him and by him transferred to others with your knowledge and consent.

In that connection, it would be most advisable for you to furnish us with as much data as possible concerning these two shares of stock, whether the certificates were physically delivered to you, whether you turned the certificates over to Mr. Horch under the agreement of April, 1923, receiving in return a receipt similar to those received by Mr. and Mrs. Lichtmann and Miss Grant, and what further transpired, showing either that you were or were not the stockholder or the person entitled to vote the stock.

If it is your desire to have us intervene in your behalf in the present action or to institute a similar separate action, it would be necessary, of course, for us to have your instructions.

Regarding the tax matter, we beg to advise that we are preparing at this time a petition to the Board of Tax Appeals contesting the Government's claim that you had taxable income in 1926-1927 and that you did not file income tax returns.

February 14, 1936. ... Page 3. The importance of the control of Master Institute of United Arts, Inc. and, also, the importance of the tax matter impels us to the conclusion that it would be most advisable for you to return to New York or its vicinity as speedily as it may be convenient for you to do so and to bring with you all the papers, data, memoranda and books that in any way conceivably might have a bearing on all of the above matters. Your personal appearance will, of course, be necessary before the Board of Tax Appeals. testimony will be helpful in the present case by the Lichtmanns and Miss Grant against Mr. Horch, even if you do not either intervene in that action or commence a similar separate action; and, of course, the data and records which you must have would be of inestimable value in that litigation. Very truly yours, HP:s Airmail, Registered. Via"S. S. Berengaria" PLAUT & DAVIS

NAGGAR, Kulu, Punjab, Br. India.



February 18th 1936.

Messrs PLAUT & DAVIS 76 Beaver Street New-York.

Dear Sirs,

We hereby authorize you to take necessary legal action again Mr.Louis Horch and Mrs Nettie Horch, 310 Riverside Drive, New-York, to recover our two shares of the Master Institute of United Arts.

We confirm having cabled to you yesterday to the same effect.

Yours sincerely,

Nicholas Roerich

Helena Roerich

On this 18th day of February 1936 before me, a Magistrate Ist Cl., personally appeared NICHOLAS ROERICH & HELENA ROERICH to me known and known to me to be the persons mentioned above and who executed the foregoing instrument in my presence and they duly severally acknowledged to me that they executed the same.

March 14, 1936.

Messrs Plaut and Davis 76 Beaver Street NEW-YORK USA

Dear Sirs,

Many thanks for your symposium which you have sent me. From letters of our friends and co-workers, we know how energetically you conduct the case and we are very glad to see that you loose no time. We continuously send documental evidence, which will help you no doubt to affirm still

more convinciggly the truth, which is entirely on our side.

You know that the expedition was sent from American Institutions and financed by American capital. You also know that expedition sums are not taxable. Therefore the person who misled the Tax Department by stating that the money received by me for the expedition was personal, committed an outrage. Fortunately, during 1926 & 1927, Mr and Mrs Lichtmann were temporarily with the expedition and know all circumstances. In 1928 Mrs Lichtmann and Miss Frances R.Grant also were with the expedition and therefore their sworn statements are not only those of close coworkers.

but of actual eye-witnesses.

As regards the case of misappropriation by Mr. Horch of our shares of the Master Institute, you also know now that these shares were given by us to Mr. Horch , the Treasurer (who later became President), only for safe keeping. Mr. Horch in his reports and writings continuously confirms that I am the Founder of the Institutions and the sworn statement of Mr. Horch to the effect that Mrs H.de Roerich is a duly elected and constituted $T_{\rm rustees}$ of the Master Institute of United Arts (of which you have a copy) clearly proves this fact. I repeat that the misappropriation of shares and the exclusion of other Trustees by only two votes (those of Mr and Mrs Horch alone) is a definite brach of the corporation principles and usurpation of the Institution. Verily a breach of trust is one of the worst crimes. It is criminal to assert during 14 years in printed literature, diaries, reports and official statements to the Government (like the Report to Mr. Horner of Albany) that the Expedition was conducted on American capital, to call me everywhere the Founder of the Institution, to saturate all writings with superlatives and praise, and then suddenly to commit a volt-face and to assert the opposite, thus misleading public

I thank you once more for the symposium and wish you every success in our just cause, every detail of which but confirms our rights.

Yours sincerely,

(signed) N.de Roerich.

148.836

March 14, 1936

Messrs Plaut and Davis, 76 Beaver Street New-York, USA.

Dear Sirs,

I hereby confirm having cabled to you as follows: on March 9th 1936:

"DLT OLDBERTLAW NEW-YORK - Richey cabled asking addi"tional report May June July thirtyfour Stop These
"sent July twentieth October first and twentyfourth
"nineteen thirtyfour direct to Secretary Stop Please
"inquire and cable whether these on Department file
"Stop Miss Grant has copies these reports and data
"concerning botanists - Roerich"

and to-day, March 14th:

"Richey cabled three mentioned letters insufficient
"asking additions Stop Notify Richey when compiling
"report followed Brestmanns instructions Stop Sending
"particulars through you - Roerich".

Yours sincerely,

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK March 24, 1936. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Nicholas Roerich and Helena Roerich vs. Louis L. Horch, et al Dear Prof. Roerich: We are enclosing herewith a copy of the summons and complaint in the above action which we are instituting tomorrow. We are sending this copy to you for your information. We are very desirous of securing a copy of the agreement of April 23, 1923, by which the certificates of stock were deposited with Mr. Horch. It may be possible that you have a copy of that agreement. We are also anxious to obtain the receipts which Mr. Horch gave to you and Mme. Roerich in exchange for the certificates of stock. We have seen, of course, the receipts which were given to Mr. and Mrs. Lichtmann and Miss Grant, and they have informed us that similar receipts were given to you and Mme. Roerich. If you do have any of these documents, we would appreciate it very much if you would rush them to us by mail. Very truly yours, HP:s Enc.

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK March 24, 1936. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Income Tax Return 1935 Dear Prof. Roerich: We beg to advise that we have filed in your behalf an income tax return for 1935; and we are enclosing a duplicate of the return. You will notice that in the special schedule attached to the return, we made mention of your income from the Department of Agriculture and the per diem allowance, both of which items, we believe, do not represent taxable gross income for you. Very truly yours, HP:s Enc.

April 8th, 1936.

Dear Mr. Plaut and Mr. Davis,

We have read with great attention the printed copy of the petition to the Board of Tax Appeals, cimpiled by you. Indeed I find it very convincingly written and appealing to the sense of justice. We also continuously hear from our friends how very ably and actively you gather the material and we do not doubt that all the malicious inventions of the opposition will be dispersed by the Light of Truth.

The affidavit which you have recently found in Albany is indeed another striking evidence that the shares were given to Mr. Horen only for keeping and that thereby we lost no rights as shareholders and trustees. After all to give him these shares into safe keeping at that time was quite natural for he was then the Institution's Treasurer. The two shares belonging to Mme de Roerich and myself were deposited with Mr. Horen under the same agreement and understanding as Mr and Mrs Lichtmann's and Miss F.R. Grant's, on the eve of our departure to the East, and I have never authorized Mr. Horen to transfer the shares to anyone.

In the same way the manuscripts of Mme de Roerich were given only into keeping, as the diaries and letters written by Mr and Mrs Horch definitely state that all written material was taken by them only for safeguard; and now to state that they were given as their property, is another outrage.

Remembering how before the previous hearing there were machinations arranged for the newspapers, one may always expect from people, who use such unscrupulous methods, again some further malevolent inventions and false insinuations. It appears that they juggle so much with fragmentary references that one never knows into what direction they may turn their destructive attacks. If after fourteen years of closest cooperation, after all their numerous superlatives which they expressed to us in all their letters, they can for some sinister purpose commit such a sudden volt-face,

then everything is possible with them and we are therefore the more glad to see how vigilantly you are ready to repulse these treacherous attempts. It is deplorable to hear from Mr and Mrs Lichtmann how the Master Institute suffers now from all the undermining and machinations intended to cripple the educational work. To me, who for fortyfive years now is closely connected with educational work, such intentional ruination is deplorable to witness, not only as a founder of this Institute, but as a cultural worker in general. Of course the realization that the best people and faithful friends stand up for truth is most encouraging, but nevertheless to witness how the evil conspirators spread harmful slander, is very depressing to the heart.

You will understand how gravely Mme de Roerich's heart is affected by all this treacherous conspiracy. You know how her health has suffered from the time of the Tibetan Expedition, and now such a new terrible blow is tantamount to an attempt of murder. This is the more sinister, as the three criminals are perfectly well aware about this condition of Mme de Roerich rich and thus it is clear for everyone concerned that they intentionally inflict this irreparable harm.

The misappropriation of shares and now the attempt to misappropriate the manuscripts also, then the conspiracy to sland der about taxes and about my activities - is an unheard of outrage.

Thus one may complete over three thousand paintings, appreciated in the whole world, one may write ten books, the contents of which will be recognized as ethical and cultural, one may for fortyfive years work in the educational field and then suddenly there may appear three malefactors with evil attempts to destroy the entire past. It is really unbelievable.

If for some purpose you shall need my affidavits, be kind to write me particulars and send drafts which I could follow.

We all send you our best thoughts and wishes of success for the final victory.

Very sincerely,

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS 76 BEAVER STREET HERBERT PLANT HAROLD DAVIS NEW YORK April 9, 1936. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: New York State Income Tax Return for 1935 Dear Prof. Roerich: We beg to enclose herewith a carbon copy of the State income tax return which we have filed today for you. The compensation which you received from the United States Department of Agriculture is not taxable income, but the proceeds received by you from the sale of paintings is taxable income. However, the amount of your exemption is more than the amount received by you from this source, and, consequently, there is no tax. Dr. George Roerich need not file any State income tax return in view of the fact that his entire income for the year, so far as we know, was derived from the United States Department of Agriculture. Very truly yours, HP:s Enc.

were enumerated. Is it not legally very important that Mr. Horch transferred the shares without the stockholders' consent to his own name just on the day following the return of the Building?!

We continuously send for you, through Mrs S.Lichtmann, clippings from newspapers of various countries, showing how widely the libel has been spread by certain American newspape pers. Thus we have sent you clippings from Paris, Dairen, Argentine, New-Zealand, Sydney and Melbourne. Every such evidence is no doubt useful for the case of libel.

I take the opportunity to express once more, how I value your energetic actions and your faith in success, since this conviction is already the greater part of victory.

Yours very sincerely,

Messrs Plaut & Davis,
Attorneys
76 Beaver Street
New-York, U.S.A.

604275

Apr. 28, 1936.

Dear Mr. Plaut and Mr. Davis,

I hasten to thank you and to reply you by to-day's airmail service. I have just received your letters of March 24, one enclosing a copy of the income tax return filed by you for the year 1935, the other with a copy of the summons and complaint against Louis L. Horch et al, as well as a copy of the stenographic report of the exemination in camera on March 25th.

I thank you once more for all this information and I am very glad to see how energetically and convincingly you have built up the procedure.

As regards your request for copies of agreement of April 23,1923 and receipts for the certificates of stock, I regret that I have none such available here, but this was done exactly in the same way as with Mr. and Mrs Lichtmann and Miss Grant and similar receipts were issued. It is very possible that the papers to which you refer, are amidst our things which we were forced to leave behind according to circumstances of the Expedition, in Chinese Turkestan in 1926; unfortunately we have to regard these our belongings as lost, because under present circumstances there, it is quite out of question to send an expedition in search of these lost belongings. But it is a definite fact that all was done at the time in the same way and manner as with the other named three shareholders.

As regards the indisputable ownership of the two shares by Mme de Roerich and myself, you have evidence to this, because our names are in the stockholders' book and in other official documents, where the names of seven shareholders

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT HAROLD DAVIS CABLE OLDBERTLAW
TELEPHONE DIGBY 4-4644

76 BEAVER STREET NEW YORK

May 4, 1936.

Professor Nicholas de Roerich Naggar, Kulu, Punjab, British India.

Dear Professor Roerich:

Mr. Davis and I have read with great interest your letter of April 8 advising us of your thoughts with reference to the numerous legal businesses which we are conducting.

We are in great expectation that the tax situation will be cleared up at an early date. The Government has filed its answer to our petition, a printed copy of which you have, and we have until about the end of this month to file our reply to the Government's answer.

It may be necessary, of course, to have a hearing, but until that step is definitely decided upon we are in hopes of having this matter disposed of in conference with the representatives of the Internal Revenue Bureau.

I have been reading the diaries and reports of Mr. Horch most carefully and have been extracting from this mass of material the portions which I think have application to the numerous angles of all the litigations now in progress. I have followed the same course with Mr. Horch's correspondence not only that you but also with the other ladies and gentlemen with whom you were associated. I have been on the lookout particularly for references to the tax situations in 1926 and 1927. By this I mean I have been very anxious to find references in these writings of Mr. Horch to (a) the item of \$73,300, deposited in your bank account in October, 1926, and (b) these items: Deposited in your account on February 21, 1927,

May 4, 1936.

These two items of \$73,300 in 1926, and \$74,271.78 in 1927, are the two principal items which the Government claims (and obviously supported by Mr. Horch) constituted income received by you from the sale of paintings. We, on the other hand, have stoutly contended that these were not items of income from the sale of paintings but were expedition funds.

However, in looking through all the voluminous correspondence, reports, diaries and other writings of Mr. Horch, we fail to find any correspondence or other communications covering the period of 1926 and 1927 which would shed light through his own words upon these two crucial years. It strikes us that it would be impossible for him to have deposited these large amounts without having sought much glory for himself in so doing. We merely have the summary of the bank account; but, of course, knowing now the man's egotism, he must have written a great deal about these contributions.

With that in mind, I would ask you to look through your correspondence and records and send us whatever Horch wrote in these two very important years.

To a great extent we have had rather good luck in laying our hands on documents in connection with the conflicting claims to the stock of Master Institute.

We have obtained a photostatic copy of the agreement of April, 1923, which very clearly recites the shares of stock would be deposited with Mr. Horch in escrow. As further bearing out the fact that he was not the sole stockholder but that the others were stockholders together with him, we have obtained photostatic copies of (1) the proceedings taken in 1925 to amend the charter which contains a recitation that all the people were stockholders; (2) the proceedings taken in 1928 upon the sale of the property of Master Institute to Roerich Museum in which there are certificates that Mr. and Mrs. Lichtmann and Miss Grant, together with Mr. and Mrs. Horch, were the stockholders; you and Mme. Roerich were omitted from the certificate, but the minutes of February, 1935, contain an explanation for the omission; and (3) the proceedings

taken in February, 1935, to authorize the mortgage from Master Institute to Riverside Drive and 103rd

taken in February, 1935, to authorize the mortgage from Master Institute to Riverside Drive and 103rd Street Corporation, which contains a recitation that the same people were stockholders, although you and Mme. Roerich were omitted, and this also was explained by the minutes of the next succeeding meeting.

That all else besides Mr. Horch were his dummies or nominees, which is his contention, seems to us to be drowned in the sea of his voluminous correspondence and diaries. These papers in his own handwriting cast the lie upon his present assertion.

It seems to us that nothing is left to him and his present attorneys except the policy of delay and they have been pursuing this policy within the limit of the law to the utmost degree. However, we are in hopes that we shall soon force them to an open battle, and when that time comes we are quite confident that the victory will be ours. It seems unlikely that with their procrastinations we shall be able to obtain a trial until the early fall.

We note with considerable concern what you state about the condition of Mme. de Roerich's health. We hope that these few lines of encouragement may bolster her spirits and improve her physical well-being.

Before closing this letter, I should like to address myself to one more matter and that is the Nicholas Roerich Paintings and Arts, Inc. I should like to have all the papers and documents which you have in connection with this corporation so that we can attempt to straighten out your rights in connection therewith. I should like to have, among other papers, particularly any stockholders agreements, stock certificates, and minutes of meetings.

Sincerely yours,

HP:s

605129

May 18, 1936.

Dear Mr. Plaut and Mr. Davis,

Many thanks for your letter of April 9th and also for the copy of your statement regarding the newspaper slander. It is indeed strongly written and contains all the true facts. Let us hope that also in this case justice will prevail. I regret that your convincing arguments in the Tax matter were not taken duly into consideration so far. I am certain that when you will strengthen them with further affidavits and testimonies by Mr and Mrs Lichtmann, Miss Grant and Major Phelps-Stokes then the matter will enter into a more favourable phase. It is really quite unbelievable that the Department can argue against truth which is so obvious and evident in our case. Only an intentional premeditated ill-will can fail to see, where the truth lies.

We wish you every success and are very glad to hear from you friend sincere praise of your energy and understanding.

Yours very sincerely,

scription "Various accounts pertaining to Expedition". On April 13th 1927 Mr and Mrs Lichtmann left for America and we left the same day by caravan for Tibet, whereafter w we were completely cut off from the outer world. Thus you have all the information about which you ask in your letter.

You have also all the letters from Mr.Horch to me for the year 1935 - from which you will see how he broke relationship in a most rude form, without any cause whatsoever on my part, and you of course understand how premeditatedly this evil action was carried out. I must say that in my whole life - and I am 62 - I have not received any letter so rude as the one I got from Mr.Horch in Peiping, (dated August 7,1935, the original of which you have). No other letters from Mr.Horch or Mrs Horch nor Miss Lichtmann for 1935 were received by me. Needless to say I never had any notification about any changes of my status as shareholder and President-Founder in the Master Institute of United Arts, which as you know was founded by me and Mme de Roerich on November 17,1921, in closest cooperation with Mr and Mrs Lichtman and Miss Grant.

Replying to your inquiry regarding the Nicholas Roerich Paintings and Arts, Inc., this was founded in America in my absence and Mrs and Mrs Lichtmann are participants in this corporation. I have no stockholders agreements, stock eertificates nor minutes of any meetings. Mr and Mrs Lichtmann can give whatever particulars they know about this corporation.

I am greatly touched by your sympathy about the health of Mme de Roerich. Already a whole month now, Mme de Roerich is very ill, with great pain and high temperature. You will understand how deeply grieved we all are.

We are certain that your energetic actions to re-establish the truth will be crowned by glorious success.

Yours very sincerely,

May 25, 1936.

Messrs Plaut and Davis, 76 Beaver Street NEW YORK CITY. USA

Dear Mr. Plaut and Mr. Davis

Many thanks for your kind letter of May 4th. I am very glad to see from it that you are studying and preparing all phases of this case. We fully understand your optimism, since all the facts are on our side. It is quite evident for every unprejudiced mind, that an attack has been made upon us with definitely premeditated evil intentions, taking advantage of my absence in the expedition and misusing my trust and my power of attorney. What can be more striking than the fact that already in February 1935 our and the other three Trustees and shareholders shares were misappropriated by the malefactors! It is excellent that you have full proof to this striking evil deed.

As regards your inquiry about letters from the malefactors during 1926 and 1927 I can but repeat the statement in our books on the Expedition that the scarcity of letters during the period is due to the circumstances of the expedition. One should not forget that since the beginning of 1926 we were continuously on the move, and on June 13th Mrs and Mr. Lichtmann joined us and remained with us until the beginning of September 1926, when they left us in the Altai region. Thus Mr and Mrs Lichtmann are the only living contact between our Expedition and America. Besides the sum.mentioned in 1926 for the continuation of the expedition, was only deposited in October 1926 and from it immediately were being made current payments for expenses of the expedition. As regards 1927 already in March Mr. and Mrs Lichtmann joined our expedition in Mongolia and were with us until April 13th 1927. You can ask their testimony, that they had no instructions whatsoever from Mr. Horch regarding any tax questions. You have already the original statement of Mr. Horch, which he sent through Mr. Lichtmann at the time, in the envelope with his own in-

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK July 2, 1936. Professor Nicholas de Roerich Naggar, Kulu, Punjab, British India. Re: Master Institute of United Arts, Inc. Dear Professor de Roerich: You probably have been advised by our friends that we expect to hold hearings very shortly concerning the legality of the election for trustees of Master Institute which was held by Mrs. Horch. I am thinking ahead of these hearings. If we are successful at these hearings, as I hope we shall be, the court will order a new election for trustees and at that new election both your vote and Mme. Roerich's vote will be very important. Consequently, I have prepared and am enclosing proxies for both you and Mme. Roerich to sign. These will have to be witnessed. I am not quite sure whether on the books of the Company your name is entered as "Roerich" or "de Roerich." So as not to be embarrassed, I have prepared duplicate forms spelling the name both ways. Will you and Mme. Roerich kindly execute these at once and return them to me at the earliest possible moment. HP:s Enc.

2005

We were glad to hear the last news about the injunction. You are write right in thinking that finally reason will win and that everything will be concluded successfully. We can well imagine what utmost vigilance is required in all branches of the case, since the malefactors will use all their evil inventiveness to completate, harm and him. Every misappropriator always tries to misrepresent the matter in order to excape justice on the main issues.

Awaiting your further good news, with all best wishes
Yours very sincerely,

July 27th, 1936.

Herbert Plaut, Esq.
Messrs Plaut and Davis.
76 Beaver Street
NEW YORK CITY. USA

Dear Mr. Plaut,

Thanks for your letter of July 2nd. As requested we are sending herewith the four powers of attorney for appointment of yourself as proxy, duly attested by a magistrate. Fortunately the magistrate happened to be in our vicinity and thus the attestation could be done without delay. Usually the magistrate is on tour and often rather far away so that an immediate attestation is not always possible. But to reach the American Consul would take, as I wrote before, five days journey by motor and train, one way only. As you see we are sending the powers of attorney signed both "Roerich" and "de Roerich" - although my name is officially spelt "de Roerich" but to shorten it I usually write it without "de", and therefore you may use whichever power of attorney may apply.

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK October 31st, 1936 Professor Nicholas Roerich. Naggar, Kulu, Punjab, British India. Re: Federal Income Tax Proceedings Dear Professor Roerich: I beg to advise that the United States Board of Tax Appeals placed the tax case on the Board's Circuit Calendar for hearing in New York rather than in Washington, D. C. due to convenience of witnesses. We acquiesced in this move because it better suited our convenience as well. I cannot tell when the hearings will commence. The clerk of the board wrote to me that the board expected to hold hearings in New York City between January and June, 1937. I write this letter now so that in view of the absolute necessity for your presence hear in those here, you can gauge your program accordingly. If and when I get more accurate information as to the exact time of holding these hearings, I will communicate with you further. Very truly yours, HP:S

possible to imagine, how a person can give sums to an incorporated institution and receive all the public thanks and acknowledgments as donor, and then after twelve years may demand the same sums from me personally. Happily at that time Mr and Mrs M.M.Lichtmann and Miss Grant were present both in Monhigan and New York and are fully aware that the notes were completely liquidated.

You already know that the Expedition, which lasted from 1923 till June 1929, was organized by American Institutions, that is to say the Master Institute of United Arts, the Roerich Museum and Corona Mundi International Art Cent and this fact was recorded over and over again by sworn statements and certificates signed by Mr. Horch himself and

other Trustees.

Being continuously absent on expeditions and not being able to follow minutely the executive details and having placed my full trust in Mr.Horch, I naturally at that time had no reason to question his actions. During my over forty years of public cultural activity, being many years at the head of several large educational Institutions in Russia, I was always keeping to the principle that without trust amongst the coworkers, nothing can be achieved and the growth of these institutions under my leadership proved that this principle of trust is a constructive one.

Therefore we hope that you, having all evidence about this breach of trust by Mr. Horch, will be successful in

The second of th

obtaining justice.

Yours very sincerely,

Enclosure:
Attested copy of my cable
of to-day.

23 215

611084

Nov.14th 1936.

Herbert Plaut, Esq Messrs PLAUT & DAVIS 76 Beaver Street NEW YORK CITY, U.S.A.

Dear Mr. Plaut,

I have to-day cabled you as follows:

"DLT-Oldbertlaw-Newyork
"Twenty notes of 1922 1923 constituted expedition
"sums for first years expedition organized by insti"tutions Stop Explanation given to me was that notes
"required for temporary technicalities Stop All notes
"were completely liquidated by letter December eighth
"1924 at Newyork Stop Trustees Maurice Lichtmann
"Sina Lichtmann Frances Grant being present then
"Newyork and fully aware expedition matters can cer"tify liquidation notes Stop Original liquidation
"letter with you Stop Writing confirmation "Nicholas Roerich"

as also confirmed by attested copy attached. I wish to state once more that the sums referred to, represent expedition sums for the first years of the expedition and for the preparation of this expedition. The expedition had already been decided in the summer of 1922 on Monhigan, where all seven Trustees had gathered.

For what technicalities the temporary notes were required by Mr.Horch, I do not know and was never told by him. The notes were all brought to me for signature on one day, on December 7th 1924, (before my departure on Dec.10th 1924 after a short stay in New-York,) and apparently the technicalities were completed that same day, because on the following day, Dec.8th 1924 Mr.Horch gave me the document about their complete liquidation, stating that he had already destroyed the notes. It must not be forgotten that I had full trust in him, since he held my full power of attorney and his breach of trust makes his action the more deceitful. It is quite im-



Receipt for Foreign Daily Letter Telegram Class Amount No. Date Prefix Rs. A. Office of Origin	telegram indicated by number. The sum stated includes extr Should any reference become the date of its despatch; thereaf applications for Refund involvaddressed to the Postmaster-within six months. Application	as form have been duly paid in respect of the cacharges, if any, paid for Reply, Delivery, etc. he necessary, the production of this receipt will by the Office of Origin within seven days of ter, Complaints respecting this telegram and ring complaints against the Service should be deneral, Bengal and Assam Circle, Calcutta, as for refund which do not involve complaints made to the Officer-in-charge, Telegraph Check
Class Rs. A. Prefix Amount No. Date Office of Origin	Foreign Daily Letter Telegram. II. M. Words.	Space for Postage Stamps. (Space for additional postage stamps on reverse.)
Rente Service Code Instructions Nothing to be written by the Sender above this line.	Sent at Charge. To I.s. A. By	(If National Cash Register Machine is in use, booking clerk should sign here.)
	SS) rap Office) NEWYORK try)	*NOTE — Name of Country will not be telegraphed unless this is necessary to prevent mistages.
Twenty notes of 1922 1923 constituted expedition sums for first years expedition organized by institutions Stop Explanation given to me was that notes required for temporary technicalities Stop All notes were completely liquidated by letter December eighth 1924 at Newyork Stop Trustees Maurice Lichtmann Sina Lichtmann Frances Grant being then present Newyork and fully aware expedition matters can certify liquidation notes Stop Original liquidation letter with you Stop Writing confirmation FROM { Nicholas Roerich		
I hereby declare that the text of the above telegram is and that it does not bear any meaning other than that which so of the foregoing declaration, and subject to the conditions over	appears on the face of it. I request that relear.	the telegram may be forwarded on the faith
NOT TO BE LEGRAPHED.	Naggar, Nov.	Signature and address of Sender. [196-P/32.]

CONDITIONS ON WHICH DAILY LETTER TELEGRAMS ARE ACCEPTED.

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2. Daily Letter Pelegrams in plain language, which are dealt with telegraphically throughout, are accepted on any day of the week, including Sundays and telegraph holidays, and are ordinarily delivered to the addressee on the morning of the second day following the day of booking. They are subject to the conditions laid down in Clause 452 of the Post and Telegraph Guide.

- 3. The charge for a Daily Letter Telegram is normally one-third of the charge for a full rate telegram of the same length and by the same route subject to a minimum charge for 25 words per telegram including the indication DLT before the address.
 - 4. On Indian lines Daily Letter-Telegrams are transmitted after Deferred Foreign Telegrams.
- 5. The only special services admitted in Daily Letter-Telegrams are Reply paid, Poste Restante, Telegraphe Restante and telegraphic re-direction under orders of the addressee. The corresponding indications are charged for at the reduced rate.
- 6. It is most important that there should be no mistake in indicating Daily Letter-Telegrams. For this purpose, the letters DLT, in addition to being inserted before the address, should be signalled as the Class Prefix.
- 7. State telegrams in plain language may, at the option of the sender, be sent as Daily Letter-Telegrams under the same charges and rules applicable to DLT telegrams. The abbreviation "GOVT." should not be signalled in the Service Instructions of such State telegrams and no priority should be accorded to such telegrams. State telegrams sent as DLT telegrams should be treated in every respect as private.

Mövember 27th 1936.

Messrs Plaut & Davis 76 Beaver Street New York City. U.S.A.

Dear Mr. Plaut.

Your letter of Oct. 31st to hand. I had already previously written to you that the condition of Nme de Roerich'
health does not permit my leaving Naggar on a long journey.
Unfortunately this circumstance has not changed for the better, for if Mme de Roerich's health would have improved, I
would already have gone to America earlier.

I am however quote prepared at any time to give any desired certified statement of facts as known to me, if you will definitely outline the questions required. Portunately also there are in New York three witnesses: Er and Ers Maurice M. Lichtmann and Miss P.R. Grant, who are fully aware of all expedition matters. All the evidence of our rights as so clear that I do not doubt that you will succeed soon in fully establishing justice.

Very truly yours,

November 30th, 1936.

Messrs Plaut and Davis 76 Beaver Street New York City, U.S.A.

Dear Mr. Plaut,

Your letter of Oct.31st to hand. I had already previously written to you that the condition of Mme de Roerich's health does not permit my leaving Naggar on a long journey.Unfortunately this circumstance has not changed for the better, for if Mme de Roerich's health would have improved, I would already have gone to America earlier.All latest unjust attacks have considerably aggravated her case of angina pectoris and you will understand how serious this is. In 1934 Mme de Roerich's condition was by far better.

I am however quite prepared at any time to give any desired certified statement of facts as known to me, if you will definitely outline the questions required. Fortunately there are in MY three witnesses: Mr & Mrs M. Lichtmann and Miss F.R. Grant, who are fully aware of all expedition matters. All the evidence of our rights is so clear that I do not doubt that you will succeed in soon establishing justice.

Yours sincerely,

Dec. 24th 1936.

Messrs Plaut & Davis 76 Beaver Street, NY, USA

Dear Mr. Plaut,

Herewith I am sending you a memorandum referring to the statement of the "Sun" and "United Press". I cannot but express my utter surprize that these corporations based themselves on unverified and unreliable absurd material, as the two Harbin papers, which I describe in my memorandum, You see that all these absurd allegations of the Harbin Press are completely contradicted by the official statement of the Gaimusho (Ministry of Foreign Affairs), Tokyo and by the letter of the Mongol Prince Teh-Wang in the Newspaper North China Star. By publication of unverified slanderous inventions, which were officially denied and by omitting to mention the latter, the "Sun and United Press" have caused all the damage for which we sue them and this point remains. From the annexed copy of the official letter of the Tibetan Government you will see that all the slanderous inventions concerning Tibet are also completely baseless.

The "Sun and United Press" repeatedly say that we were arrested. To this I wish to state that in my whole life neither I nor any other member of my family was ever arrested. The only time when I proceeded under police escort was in New York in 1929, when this escort on motorcycles accompanied our car on the way to the Town Hall for a Honorary Reception arranged by the Mayor. The speech of the Mayor on this occasion you have no doubt read in the Museum's literature and I believe it would be useful to mention also this fact in the reply, thus contradicting the absurd references to maliciously alleged "arrests". No doubt you will show to the court in full all monographs, the bibliography and other material with which Mr.M.M.Lichtmann will supply you. The biographical data in the London "Who is Who" for the current year is rather complete.

We note that the "Sun and United Press" liberally quote from Departamental correspondence. We could substantiate this by further correspondence with the Secretary of Agriculture but out of deference to the United States we have so far abstained from referring to this otherwise very elucidating correspondence. However if we are challenged and the internal correspondence is anyhow revealed, we shall be compelled to quote such correspondence also in full. (Miss F.R. Grant isin possession of this material).

You have a large collection of clippings of articles published in the foreign press after the slanderous publication in the "Sun" and by the "United Press". These clippings contradict the absurd allegation that no harm has been caused and that nothing appeared abroad. We received these clippings from friends in different countries, who were full of indignation that such slander is circulated widely. It is evident that the "Sun" and "United Press" never gave themselves the trouble to read my books and to glance at my paintings. the contents of which sufficiently proves for forty years that politics were always outside my activities, which concentrated on cultural, educationa, scientific and artistic aims only.

You will agree that the irresponsible absurd babbling of the two Harbin papers, of which one poured out its venom solely because I did not comply with their extortional demand for money, does not in the least justify the "Sun" and "United Press" to cause world wide circulation of articles with grave allegations of "espionage". The "Sun" in its partiality deliberately overlooks all the very favourable at ticles in other newspapers of Harbin and the Far East, which by far outweigh the few articles in the "Harbin Times" and "Our Way" (part of these favourable articles is enumerated in the "Bibliography" published by the Young Builder, on page 33 and elsewhere).

The fact that Nr.N.Tevy at the referee trial asked what am I a professor of, show that they do not or do not wish to know the entire scope of my work nor my true standing. Therefore the full presentation of biographical and bibliographical material and all the monographs and my books is essential, in view of this it is advisable to have the London "Who is Who" on hand also, to refresh their memory.

Dec.24,1936

page 3.

Being in possession of such a large material for refuting their allegations, you will no doubt use it to the best advantage for the re-establishment of Truth.

Yours very sincerely.

P.S. I also note that the "Sun" has mentioned a great deal of extraneous matter, for example about the purchase of paintings, etc. which has no bearing whatsoever on this case of slander.

RNCLOSURE:

1) Memorandum (11 pages)

2) Photograph of Diploma of the Royal Order Of The Northern Star, Commander, Ist Cl.

3) Translation of Letter from the Tibetan Govt. 1928

- 4) Copy of letter from Mr.Gaselee, Foreign Office, London. July 30th 1930.
- 5) Cable from Burt to Secretary of Agric. Nov. 30, 1934

6) Copy of letter from the Gaimusho, Feb. 14, 1935

- 7) Copy of accompanying letter from Japanese Legation, March 8,1935
- 8) Copy of clipping from North China Stan, Sept. 21, 1935 (Letter from Prince Teh-Wang).

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK February 9th, 1937 Professor Nicholas Roerich Naggar, Kulu Punjab, British India Re: Income Tax Returns Dear Professor Roerich: I wrote you a few days ago a memorandum concerning the depositions. I was under the impression that there had been no correspondence about the 1934 taxes, until the fall of 1935. In going over the letters from Mr. Horch to yourself, I find a letter to you of March 20th, 1935, in which he states as follows: "In case you wish to file an income tax statement for the year 1934, an extension has been granted to you to file it. If you desire me to take care of it for you please write me your income and expenses for 1934." Attached to that letter was a memorandum by you in which you state as follows: "Please pay attention to the passage about taxes in this letter of March 20th, 1935. It is very characteristic that L. L. H. having received our information that on March 20th we go into the desert writes to us about that which he usually did every year himself. It is also characteristic that he writes that an extension has been granted without stating for what period. In my own handwriting I had informed him that I received \$237.00 for every two weeks. Upon return to India my first step was to cable to Mrs. Lichtmann about my taxes for 1934. I could no longer write to L. L. H. as he had already suddenly in a most rude manner severed connections. Very truly yours, HP:hs

1-MAR-37

Dear Mr. Plaut.

Your letter of Feb. 4th received. On Saturday Feb-27 we airmailed through Mr. & Mrs Lichtmann and Miss Grant our replies to both direct and cross interrogatories. At the same time we asked that you immediately acquaint yourself with the contents and cable us your suggestions. Mme de Roerich has not been well for the last couple of weeks and I wonder whether it will not be necessary to postpone the deposition towards the end of the month. You understand that on distances of almost 2000 miles and being dependent on the conditions of the road during winter avalanches etc. (just recently mail and telegraph were interrupted for a few days) one cannot be certain that a date may not have to be changed at the last minute. We have asked the American Consul General in Calcutta about the transfer of the deposition tion to Karachi and have received his reply that this is to be arranged through you in America.

On going again and again over the matter, we cannot help wondering that questions which have been settled so many

vears ago with the Board of Trustees (including Mr. Horch) have to be taken up now again. Please note that if at that time the Trustees or anyone of them would not have approved some matters connected with the expedition, they not only had ample time to do so, but in the contrary their approval had been signified not only by enthusiastic appreciation and official reception but also by crediting me with exera expense allowance in 1930 amounting to \$15,000.- and with \$200,000 of which you know and which principal has never been paid to me. You will realize that if some of the accounts sent to them would not have been approved by them, they would not have credited me with further allowance in connection with the expedition. In 1929 and 19360 almost ten months I remained in New York and of course Mr. Horch had he anything to say about tax matters or anything connected with the expedition, he had more than ample time do so, the more so as he was all this time my fiduciary. In a book called "Your Income Tax" by Hugh Satterlee & I.H. In Sher it says on page 77 "If you are a fiduciary, that is a guardian, trustee, executor, administrator, receiver, conserver or you otherwise occupy a position of peculiar confidence towards another then you must file a return for the person he represents", if such a return is necessary. Hence Mr.

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Horch, who knew that expedition sums were not taxable and being an American citizen who cannot claim not to know the law, knew that nothing had to be filed.

Since I received no salary, how could I pay from the expedition sums any personal taxes? Besides Itreceived the expedition funds abroad, spent them on expedition abroad being myself an alien and non-resident in the U.S. whereas it is definitely stated on the instructions of the income tax returns that income tax is to be filed by "every citizen of the U.S., whether abroad or at home" and every person residing in the United States though not a citizen thereof" and none of these two apply, since I was not a citizen, I was not residing in the U.S. when this money was received and it was spent on the expedition abroad.

As regards the letter from Darjeeling, which Miss Grant explained to you, she can likewise explain to you that at the same time the Nicholas Roerich Corp.was being formed for the safeguarding of the Museum paintings and naturally many technicalities could take place. It is to be remembered that Mr. Horch was my fiduciary and that I had confidence that all his advices were legal and in my interest.

The breach of trust committeed by Mr. Horch was a great shock and a complete surprize to us. I on my part certainly

28 tos

always acted in good faith and my public life for 45 years is sufficient proof of this. The 25th Jubilee of my work and public activity was celebrated in 1915 in Russia (vide the Jubilee monograph published in 1916) and this as you know was five years prior to my coming to America.

Thus you have on hand not only all the direct but also a large indirect material proving my standing and the nature of my cultural activities

As regards the libel case against the "Sun" we unfortunately continue to receive press clipping, circulating all over the world and just yesterday received another.

You will understand what confusion of minds and what a damage is created by such slander.

At the moment we are awaiting mocable from New York about the transfer of the deposition to Karachi and we hope also to receive soon your suggestions by cable.

With all best wishes,

Yours sincerely,

30

- P.S. By the way, in my final deposition, answer to cross interrogatory #32-a I have decided to mention only the second half of the sentence the completion in 1931, because this is the decisive factor.
- P.P.S. You have the original envelope in which Mr.Horch had sent the expedition bank accounts, marked in his own handwriting "Accounts pertaining to the expedition."

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

Office Stamp. NOTICE. Charges to pay accompany any inquiry made respecting this Telegram. Rs. As. Service Instructions. Wards. Minute. Handed in at (Office of Origin). Date. Hour. Recd. here at Shrink Bound tax appeals ordered doeposition later Communicate Shy getz crane adamant layment considered Herbert Plaut, Esq.
Messrs PLAUT & DAVIS
76 Beaver Street
NEW YORK CITY, U.S.A.

703089

Dear Mr. Plaut,

Please find enclosed copies of telegrams and letters in confirmation of recent correspondence exchanged between Prof.de Roerich, yourselves and American Consuls in India.

We are worried at the non-delivery of our cables to you, addressed to "Oldbertlaw" but trust that since we have now cabled the complete name and address, these will have been delivered.

Yours sincerely,

12-MAR-37

Since writing the above Prof.de Roerich has received a cable from New-York dated 10-MAR-37, dalivered here this day- March 12th, reading: "Board Tax Appeals changed deposition date to March twentyninth. Advise Karachi Consul signature Plaut and Davis", for which we thank you.

Enclosures:

Copies of cables & letters
2 postal certificates of despatch
of 2 cables on March 2nd & 10th
and non-delivery.



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INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

3

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Rs. As.

Thursted in at (Office of Origin).

Date. Hour. Minute Service Instructions.

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Bourd tex offaces ordered deforition.

- Coken karreli communicate iseth: Consul Here Stop gets crane adament Payment Considered personal 2

N.B .- The name of the Sender, if telegraphed, is written after the text.

35

18-MAR-37

Herbert Plaut, Esq. Messrs PLAUT & DAVIS 76 Beaver Street New York City. USA

Dear Mr. Plaut,

Mr.M.M.Lichtmann will confirm to you the status of the paintings by me (about one hundred), which are at present on the 4th floor of the Museum. According to family traditions ever since 1902 all paintings painted by me are the property of Mme Helena Roerich unless otherwise disposed of.

Mr.Lichtmann will show you the monographs of 1916 and 1918, wherein this fact is recorded. For example, I may mention, that when Mr.Hiss bought a painting from the group on the 4th floor in 1934, the money for it was transferred to Mme Roerich's account in India. It is from this sum that Mme Roerich sent to the Institutions \$1300.— Therefore Mme Roerich had the right to dispose of them in any way she deemed best. I am sure this will clarify the status of these paintings.

Yours sincerely,

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT

CABLE OLDBERTLAW
TELEPHONE DIGBY 4-4644

76 BEAVER STREET NEW YORK

April 30, 1937.

Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India.

Re: Roerich v. Commissioner

Dear Prof. Roerich:

I have received from Vice-Consul Riggs a copy of the deposition together with copy of his correspondence with the United States Board of Tax Appeals. I have carefully examined the deposition and find it to be in good shape.

I have been making inquiries of the Clerk of the Board of Tax Appeals with respect to the time when the case will come on for trial. According to the last letter received from the Clerk, it is improbable that the case will be reached for trial before next autumn. However, having had the deposition taken and returned to the Clerk of the Board, we are in a position to try this case almost at any time now in view of the fact that the supporting witnesses, Mr. and Mrs. Lichtmann and Miss Grant, are quickly available.

I presume that you have received word from our friends that the taking of testimony in the litigations with Mr. Horch has been completed before the Referee. We have until June 3 to submit our main brief and until June 10 to answer the brief of our adversaries, after which time the Referee will decide the cases. I think the Referee will probably give a decision about July 1.

If we win the case it will be necessary to hold a new stockholders' meeting in order to elect new trustees of Master Institute of United Arts, Inc.

Last year I sent to you proxies running to my favor to vote your stock at such a meeting. At that time we contemplated that the litigation would be ended and for that reason the proxies were made goodonly until August 1, 1937. In order to be on the safe side I think it advisable that new proxies be made in the same form as those previously sent extending the time further. I have prepared copies of those which I sent to you last year, changing merely the date, and ask that you and Mme. Roerich sign these and have them witnessed, as before, before the Sub-Divisional Magistrate.

Prof. Nicholas Roerich ... Page 2.

April 30, 1937.

You will notice that in one-half of these proxies the name is "de Roerich;" in the other half, merely "Roerich." In signing the proxies, will you and Mme. Roerich kindly conform your signatures to the spelling of the name as appears on the papers?

CordiaXly yours

HP:s Enc.

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK June 7, 1937. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Roerich v. The Sun Printing & Publishing Association and United Press Associations Dear Prof. Roerich: Quite a few months ago we made a motion in this case to strike out most of the answer of the defendants on the grounds that the allegations to a considerable extent were immaterial and irrelevant. Quite recently, the Court denied our motion and the case now is in a position where we must make up our minds whether we are going to go to trial. In a case of this sort testimony of the plaintiff by deposition is worthless. The only way the case may be tried is to have the plaintiff in personal attendance at the court. Applying these principles to this case the conclusion is that in order there should be any success at all it will be necessary to have you personally in New York in order to testify. It will be necessary to have Dr. George Roerich here, too. We have been informed it is practically out of the question to expect you to come to New York at an early date. The question we have now goes beyond the immediate situation. We should like to know whether we could expect you and Dr. George Roerich to be in New York to testify within the next two years. If some assurance can be given us, we should be glad to continue with the case and have it placed on the calendar. Very sincerely yours,

HP:s

CABLE OLDBERTLAW TELEPHONE DIGBY 4-4644 76 BEAVER STREET NEW YORK June 8, 1937. Very truly yours. HP:s P.S. - fact of the seif buclosure is & Enc. Le regired qued witnessed

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT HAROLD DAVIS

> Prof. Nicholas de Roerich Naggar, Kulu, Punjab, British India.

> > Re: Grant v. Newberger Roerich v. Horch

Dear Prof. Roerich:

It is my recollection, although my correspondence file seems to be incomplete, that I wrote to you about a month or two ago asking that you and Mme. Roerich sign proxies, have them witnessed and return them to me. I have not received them yet. I fear the letter may have gone astray.

Accordingly, I have prepared new sets of proxies which I am enclosing herewith. You will notice that in some instances the name is to be "Roerich" and in other instances "de Roerich."

It would be very helpful if you would have these various papers executed and return them to me as soon as possible.

KNOW ALL MEN BY THESE PRESENTS that I,
NICHOLAS ROERICH, being the holder and owner of
one share of capital stock of MASTER INSTITUTE OF
UNITED ARTS, INC., do hereby constitute and appoint
HERBERT PLAUT as my proxy to attend any and all
meetings of the stockholders of said company to be
held between the date hereof and June 1, 1938,
or any continuation or adjournment thereof, with full
power to vote and act for me and in my name, place and
stead in the same manner, to the same extent and with
the same effect that I might were I personally present
thereat, giving to said HERBERT PLAUT full power of
substitution and revocation.

Dated, at Naggar, Kulu, Punjab, British India, this day of , 1937.

(L. S.)

In the Presence of:

CABLE OLDBERTLAW
TELEPHONE DIGBY 4-4644 PLAUT & DAVIS ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK July 7, 1937. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Income Tax Matters Dear Prof. Roerich: I wish to report that yesterday I went to Washington, D. C., to confer with the attorneys for the Internal Revenue Bureau with reference to a possible adjustment of the Government's claim against you for income taxes for years 1926, 1927 and 1934. The counsel are not quite ready to discuss settlement yet because they need more information with respect to the years 1926 and 1927. I explained our contention that the money was received from Horch not as a purchase price for paintings but as a contribution for the purposes of the expedition. I showed counsel the account which Horch sent to you showing the disbursements from the Bankers Trust Company. This is the account a copy of which I mailed back to you when we were discussing the deposition. Government is very anxious to know how the money was spent from the Bankers Trust Company account. Looking at Horch's account to you. I imagine it would be quite easy to identify the purposes of the withdrawals which were made by check to definite identifiable persons, as for instance, on the first page of this account there are these: December 3 K. Moldeback June 1 Stephen Mitousoff \$100. Similar checks drawn to identifiable persons are found in the other pages although I notice on the second page the word "Utah" which seems to be a pseudonym. However, the difficult items are the checks or drafts which were issued to various banks, as for instance, on the first page there is one under date of

February 23 to the Central Asiatic Commerce Bank for \$1,000. Obviously, money was being transferred to banks in the East so that you would have to drawn on them for purposes of the expedition. That means that in those instances where money was transmitted to some bank in the East the fact was that you drew upon that Eastern Bank either by check or draft so that the records of where that money went to or the way in which it was disposed of would be in your possession.

What the Government wants are the cancelled checks or vouchers and the check books which would show the purposes for which the money was spent. I do not know whether these check books, cancelled checks and vouchers are in your possession, but it is very important that they be located at the earliest possible moment and sent to us if you do have them. I encouraged the Government counsel to make further inquiries of Horch to ascertain these very same records.

I have been informed by your friends here that a great deal of the money was spent by you in the form of cash. Of course that presents a rather difficult problem but I presume that you probably kept account books of the expedition, and if that is so, it is imperative that you send these account books to us.

Quite a while ago I obtained from the Bankers Trust Company a transcript of your account and then I compared that transcript of the account with the statement of account which Horch sent to you and I found some discrepancies which are as follows:

- July 21, 1926 Bankers Trust Company record shows a withdrawal of \$4,000. There is no such item on the Horch statement.
- July 23, 1926 Bankers Trust Company records show withdrawal of \$33.96. No such item appears on Horch's statement.
- Sept.14, 1927 There are two withdrawals shown on the Bankers Trust Company statement, namely, \$29,474.45 and \$10,089.39, neither of which items appears on the Horch statement.

... Page 3.

July 7, 1937.

However, the Horch statement showed balances at regular intervals and strangely enough, although the withdrawals of these four amounts shown above were not indicated on the Horch statement, yet the balances are in harmony with the bank balances as appears on the transcript of the Bankers Trust Company account.

There are two possibilities that present themselves: (1) Horch was using the account for his own speculations, or (2) the funds might have been transmitted to you and yet were of such a nature that Horch did not want to identify them on the account he rendered to you.

In short, I should like to have your best recollection and records, if any, on the subject of these four amounts.

The crux of the whole matter is that I have been telling the Government that the money was being used for the expedition and Horch has been whispering to the Government that the money was for your own personal use. The records will have to decide that controversy.

I may have another conference with the Government's counsel either late this summer or early in the fall, but if we cannot arrive at a settlement it seems very definite that the case will be tried before the Board of Tax Appeals this autumn.

I respectfully make the suggestion that you concentrate your efforts on locating these records because they are of the utmost importance.

Very truly yours,

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK July 8, 1937. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Helena Roerich v. Mrs. Horch and Miss Lichtmann (Replevin Case) Dear Prof. Roerich: I have been informed by Mrs. Lichtmann that it would be impossible to take the deposition of Mme. Roerich before any available American Consul for two reasons: (1) that Mme. Roerich is unable to travel to the nearest consul at Karachi, and (2) the consul is unable to travel to Naggar. I am going to make an attempt to have Mme. Roerich's deposition taken before some local official in Naggar instead of the American Consul. I think that warrant for such a procedure can be found in our New York statutes. Of course the usual and customary procedure is to have the deposition taken before the American Consul when it is taken in a foreign country. However, circumstances may alter the conventional practice and this I am going to try to stress. Consequently, will you kindly inform me at your very earliest convenience whether there is any judicial officer, notary public, commissioner of deeds or attorney and counsellor at law who is present nearby who could act as the officer to take the deposition of Mme. Roerich? If so, will you kindly send me his name, official designation, and address? I think it would be very helpful, too, if you could get an affidavit from such officer stating his qualifications. It is to be noted that the statute prohibits the taking of any deposition before an officer or person "who is counsel or attorney for any party or prospective party or who would be disqualified, by reason of affinity or consanguinity to a party, or interest in the event, from serving as a juror upon a trial of the action."

July 8, 1937. ... Page 2. Of course you understand that I am not talking about any officials or notaries of the United

States; I am talking about local officials in your immediate vicinity. It is my impression that the local Magistrate might be a proper person.

In order to demonstrate that Mme. Roerich is not able to travel to Karachi, it would be very helpful for you to send me affidavits executed by yourself and her and possibly also a physician, stating that her physical condition is such as would prevent her from traveling to Karachi. You might also mention in the affidavits the distance from Naggar to Karachi, the time it would take to travel and the mode of travel.

Very traly yours,

HP:s

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK July 19, 1937. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Roerich v. Sun Printing and Publishing Ass'n. and United Press Associations Dear Prof. Roerich: Mrs. Lichtmann conveyed the message to me today that you had received our letter of June 7, 1937, in connection with this matter and that you had written to her to convey to us the message that you probably would be present to testify in this case within the next two years. The situation is quite simple. In a libel case, which is a matter vitally concerned with a person's reputation, the jury which hears the case inevitably will come to the conclusion that if the plaintiff who complains that his reputation has been damaged is not present at the trial to testify in his own behalf, he cannot have been very seriously damaged. Testimony by deposition is no substitute for that missing plaintiff. More than a nominal verdict would hardly be rendered. That explains why we have omitted to take your deposition. On the other hand, not having made any arrangements with you for a retainer fee in this matter, we are, to the greatest extent, compelled to look ahead in the future to a verdict from which to obtain our compensation. That places us on a contingent basis in which we must gamble our time and effort on the risk that a substantial verdict will ultimately be given. Of course, if for a definite reason there is no prospect of a sizeable verdict, then we have nothing, even of this intangible sort, upon which to gamble. faced with the prospect that the plaintiff himself will not be available to testify in person we are sure that nothing more than a nominal verdict would be rendered, we would be unwilling to use our present time and money to support such a cause.

Prof. Roerich
... Page 2.

July 19, 1937.

So, unless we can have a definite assurance from you yourself to us that you and Dr. George Roerich can arrange to be at the trial in New York when the case comes to trial, we are reluctant to continue our services in behalf of that case. If the case were, as we term it, noticed for trial now and a jury were demanded, a trial could probably be had in the fall of 1938. If we do not notice the case for trial sometime between now and October, our adversaries will undoubtedly make a motion to dismiss the case for want of prosecution. A decision, therefore, has to be made very soon.

In order that this case could be placed on the calendar fees will be needed to be paid. Other disbursements have already been incurred by us, and in the event that the case is to be prosecuted, further disbursements will have to be paid.

Under these circumstances, we feel constrained to ask for a retainer of \$750 to be applied on account of disbursements and fees, and also an agreement by you that we are to receive forty per cent of the recovery in case of trial, or thirty-three and one-third per cent of the recovery in the event the case is settled before trial, credit to be given, of course, toward any unexpended portion of the \$750 in the event that our fee exceeds that amount.

If, then, you will let us know what assurances we may have about attending the trial and accompany that assurance with the retainer stated above, we will be most happy to continue with the case.

Very truly yours,

HP:s Via S. S. "Berengaria."

29*JULY*1937

Dear Mr. Plant.

Replying to your letter of July 7th just to hand, I hasten to state that both the small items of: \$150 for K.Moldavak & \$100 for Stephen Mitousoff are definitely and emphatically not sums for personal use, but represent just as all other items EXPEDITION EXPENSES.

K.Moldavak has had no social contacts with us whatsoever and the sum paid to him might be either for caravan transports or provision supplies. Mr.Stephen Mitousoff assisted in the supply of artistic material, which was used for the expedition and this sum relates to such an item.

Regarding Uta - this was an abbreviated concept, designated to mean the Urga-Tibetan part of our art expedition and referred to Urga bank transfers as well. You can imagine what local "banks" represent in such remote places. There were no checks and we received money in cash, usually in silver, for what purpose special carrying camels were needed. No vouchers or receipts of any kind are in my possession.

To presuppose that in the deserts we could pay for transport or food to illiterate local people by checks, when even paper currency notes were not accepted by them, and no receipts were possible, is - to say the least - a complete lack of un-

derstanding of conditions during such expeditions.

Regarding account books, these were kept, but as stated in my deposition in Karachi all such records were handed over to the Institutions on whose behalf the expedition was carried out and I am not aware where these records are at present. You mention that Horch will be asked about these records, but after what took place before the referee, I do not doubt that he will again lie and as you yourself correctly stated in the brief, would only forge documents and misrepresent facts. For example the very difference between the bank statements and the statements submitted to me in Mr. Horch's hardwriting prove some more machinations on his part, whereas he was supposed to give me TRUE copies from bank statements, as my feduciary. After so many years and without ever having had anything else but Horch's own statements (because he handled the entire financial side of the expedition in New-York) I am absolutely deprived of any

possibility to throw more light on such details. I assure you that whatever I know I have communicated to you. In this connection it is a great benefit that Mrs Sina and Mr.M.H.Lichtman and Miss Grant had joined the expedition at various times and are vitness of the actual situation on the spot. I can but repeat once more my statement already emphasized in the persition at Karachi, that all sums in question were spent existively for expedition purposes.

I feel confident that your understanding of the matter and your abilities will convince the Government of the justice and truth being on my side and I do not doubt that in the long

run also in this case justice will prevail.

Yours sincerely,

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30*JULY*1937

Dear Mr. Plaut.

I am in receipt of your letter of July 8th and hasten to reply by return of airmail.

No doubt your idea about making the deposition before the local magistrate is the most practical. Such cases have certainly taken place before in American Law Courts, for we know that in the absence of an American Consul and other authorities in Central Asia, the Russian Consulates have acted similarly, defending the interests of employees of American firms.

Mr.H(enry) J(ohn) B(osanquet) TAYLOR, I.C.S.(Indian Civil Service) is a Magistrate of the I-st Class, Sub-Divisional Officer, Assistant Commissioner (Kulu Sub-Division, Kangra District), tries as judge all local court cases and is certainly as British judicial officer fully auhtorised to act in such a capacity. On the last powers of attorney, sent to you, you will have seen his signature and Magistrate I-st Cl. seal. His address is

H.J.B.Taylor, Esq. I.C.S. Sub-Divisional Officer

Naggar P.O., Kulu, Punjab, Br. India
If you intend writing to him, please send us an advance copy
by airmail in order that we may take steps in time accordingly. He is an official of the Government and as such in
no way connected with the interest of any private party.

Regarding the statement of health, Mrs Lichtmann has such of Dr.C.C.Lozina and Dr.Lapeyre and the condition of Mme de Roerich's health is, I am sorry to say, chronic and as such could never permit her travelling in the heat of the plains of India. Naggar is 6000 ft.high and therefore comparatively cool and you will understand what effect a descent into the heat of the plains would have on her heart.

Should you be able to arrange the taking of a deposition through the Magistrate in Naggar, please let us know in time all the questions with your advices, as before, in case of Karachi.

Please do not specify an absolutely fixed day and our, since the Sub-Divisional Officer, because of his Government duties, is continuously on tour all over the sub-division and the definite date when he is in Naggar could not be known in advance, though he is rarely absent from Naggar for a long time.

I take this opportunity to thank you for the excellent brief, which has recently reached here by boatmail. Indeed it is convincingly worded and we fully agree with the strong and dignified conclusion, as worded by you. Let us hope that in the face of such evidence justice will prevail.

Yours sincerely,

18-AUG-37

Herbert Plaut, Esq. Mesers Plaut and Bavis. New York City.

Dear Mr. Plaut,

I have to-day received your letter of July 19th and hasten to reply in order to include it in this week's airmail to New York. In answering I shall follow the secuence of your paragraphs.

As regards the probablility of my coming to the States within the next two years, I have every best intention to do so and I hope that all hindering obstacles, of which you know, will by that time be dispersed and that no wars or Acts of God will interfere. As regards the visit by my son Georges, although he has the same intentions, I hope that he will not be prevented by appointments, expeditions or other undeferrable work.

Referring to the \$750 mentioned by you, I am sorry that for the moment I am unable to send you this amount and whether it can be obtained depends on outside circumstances.

Yet, to drop the case now, would in my opinion mean to lose some of the best possibilities, for let us not forget that the adversaries for some reason were very keen on having it cancelled through certain exchanges. This means that they understand its value, and to drop it, would only encourage them to proceed with their unjust attacks.

I am asking our friends-coworkers, when trasmitting the present letter, to discuss with you the entire situation and probably after such discussions some new views and plans will arise. It seems to me more than strange that a newspaper can publish such harmful calumny and that the instoration of truth is conditioned by such tremendous difficulties. As in the other branches of the case, truth and justice are fully on our side.

With best wishes,

Yours sincerely,

N.de R.

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT HAROLD DAVIS CABLE OLDBERTLAW
TELEPHONE DIGBY 4-4644

76 BEAVER STREET NEW YORK October 15, 1937.

Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India.

Re: Roerich, et al. v. Horch, et al. In re: Grant v. Newberger

Dear Prof. Roerich:

It is not pleasant news that I write about. The Referee has decided against us in both of the above cases.

In the first of the cases, which was an action in equity to recover shares of stock of Master Institute, to have the books and records of the corporation changed so as to indicate that we are the owners of the stock, and in which case Horch counterclaimed against you personally on twenty promissory notes, the Referee handed down an opinion which was adverse to our claims on the stock and adverse to you on the promissory notes. Upon his opinion a judgment has already been entered which does the following things:

- (1) Dismisses our complaint on the merits.
- (2) Awards costs of the action in the sum of \$4,041.35, later reduced to \$3,876.35, against you, Mme. Roerich, Mr. and Mrs. Lichtmann and Miss Grant, and in favor of Mr. and Mrs. Horch and Master Institute.
- (3) Judgment to Horch against you on the notes in the amount of \$210.951.96.

We have already appealed from that judgment. The appeal cannot be heard prior to three or four months from today. The entire record must be printed; after that briefs must be printed.

The consequences of the judgment are, besides the defeat of our contentions, that the successful defendants may issue execution to any sheriff in New York State to seize property of any of you to the extent represented by the judgment. The judgment does not have extraterritorial

Prof. Nicholas Roerich Page 2.

October 15, 1937.

effect per se. However, a certified and authenticated copy of the judgment might be sent anywhere in the world and an action upon that judgment might be commenced as though upon a debt. The appeal does not stay execution upon the judgment. The only way a stay could be had would be to obtain and file a surety company bond in the full amount of the judgment. Judging from conversations with your friends here, such a bond could not be procured.

The judgment also terminates the injunction which we had obtained to prevent Mrs. Horch from disposing of the certificate for all the shares, from holding any further stockholders' meetings, and the penalty on the bond, namely \$1,000, will have accrued. We think we might be able to hold up collection of the penalty of the bond during the appeal.

In the second of the above cases, In the Matter of Grant v. Newberger, a special proceeding to contest the validity of the election of four trustees, the same Referee has filed his report stating, inasmuch as he has decided the issues of stock ownership adversely to us in the equity action, the same result would follow in this proceeding. Unlike the result reached in the equity action, the Referee's report has to be confirmed first by the Supreme Court before a final order or judgment can be entered upon it. That motion to confirm and our counter motion to disaffirm were submitted to Judge Valente of the Supreme Court yesterday. Undoubtedly the Judge will follow the result reached in the other case. We are trying to persuade him to hold up his decision in that matter until the appeal in the equity action is determined, and if that suggestion is adopted by Judge Valente a tremendous achievement will have been obtained.

If not, and the Judge confirms the report of the Referee, another judgment will be entered against you five people for approximately \$4,000, being the costs, and the same consequences in so far as collecting the judgment is concerned, which I have described above in connection with the judgment in the equity action, would follow upon the judgment in this special proceeding.

Prof. Nicholas Roerich
.... Page 3.

October 15, 1937.

In addition, in this special proceeding, we had obtained an injunction prohibiting the Horches and the corporation from carrying out the ouster resolutions; that injunction will dissolve and the Horches will be free to carry out these measures. Whether the appellate court will continue the injunction pending the appeal is doubtful. If that court did, it would undoubtedly do so on condition that a bond of considerable size be posted. Again, the penalty of the bond which was already filed, in the sum of \$5,000, would accrue, and the bonding company would have to look to our indemnitors.

I regret the situation appears so dark. It is my firm opinion that the result reached by the Referee in all of its phases was erroneous. I believe that the appellate court will have ample ground for reversing. The difficulty is in interesting the appellate court to take action because the record before it is so very voluminous that the judges, who after all are made of human stuff, would be reluctant to go through this mass of evidence and testimony. This inertia is a very important element.

I speak of this reluctance to go through large records not as a proposition of law but rather as a matter of psychology. We must at all times take that element into consideration in attempting to prophesy results to be reached by the judicial process.

Very truly yours,

HP:s

CARLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK November 18, 1937. Prof. Nicholas Roerich Naggar, Kulu, Punjab, British India. Re: Roerich v. Commissioner of Internal Revenue Dear Prof. Roerich: I received today from the Clerk of the United States Board of Tax Appeals an official notification that your income tax case will be called for trial before the Board in New York on January 31, 1938. The actual trial will probably take place some two or three weeks after that time owing to the fact that there are numerous cases on the calendar and ours is well towards the end. Very/truly yours, HP:s

26-0CT-1938

Dear Mr. Plaut,

I regret that your letter of Sept.28th about the tax case got onto a slow steamer and I can only to-day reply to you. Examining your communication, I see there are several most important points for the appeal.

- 1. At the beginning of the case we had been informed from New York that if a case is not considered as "fraud", there could be no claim altogether now. We see from your letter that the question of "fraud" has been withdrawn ergo the entire case drops.
- 2. If we would even accept under protest the point of view of the government about the paintings, there would arise the most important question of the cost of their production. Since these paintings could only be painted during the expedition, for which I received no other funds except those under discussion, it is imperative to raise the question about the cost of production, which cost is always deductable. You know what the cost of the expedition was, ergo nothing taxable remains.
- 3. The paintings on which there is said to be a lean, did not belong to me.
 - 4. Moreover I repeat that I was never an American citizen and that the money for the paintings, received for the expedition, was received for work done abroad, ergo not taxable.
 - 5. Since the route of the expedition was mostly in unreachable lands it is very difficult to get hold of papers and letters deposited by us at the time en route and therefore it would not be just to close this case against me without giving time to fully exhaust all proofs and evidences.

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It is very regrettable that one feels what a premeditated injustice is apparent. I am thoroughly convinced that under no circumstances is any tax whatsoever due from me to the Government and I know that finally justice and reason will be made to prevail.

In my opinion the above-mentioned points are sufficient proof for a successful appeal.

Yours sincerely

(signed) Nicholas Roerich

Herbert Plaut, Esq.
Messrs Plaut and Davis,
Attorneys.
76 Beaver Street
New York City, U.S.A.

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS 76 BEAVER STREET HERBERT PLAUT HAROLD DAVIS NEW YORK December 9th, 1937 Mme. Helena Roerich Naggar, Kulu Punjab, British India Re: Roerich vs. Horch and Lichtmann (Replevin) Dear Madame Roerich: We beg to inform you that after considerable effort, we succeeded in having a commission issued out of the Court to Henry John Bosanquet Taylor, Magistrate of your District in order to take your deposition upon written interrogatories. By this time, you no doubt have received copies of these interrogatories and cross-interrogatories from our friends. The original papers are being forwarded to Mr. Taylor and no doubt you will hear from him within a few days and if you do not receive word from him, we suggest that you communicate with him. In connection with the direct interrogatories which we are submitting, we have some suggestions to make to you that you might consider when you come to answer the questions. are as follows: Fifth-No Thirteenth-Yes Fourteenth-Yes Nineteenth-We have in mind here that you may have sent these books to either Mrs. Horch or Miss Lichtmann through intermediaries. Twenty-First-We have copies of the minutes of this meeting in which it is recited that "all manuscripts and letters of Professor and Mme. de Roerich must be kept in a special vault, etc." Twenty-Fifth-Yes Twenty-Sixth-Herbert Plaut

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8-JAN-38

Dear Mr. Plaut.

Many thanks for your letter of Dec. 9th contents of which I have taken into consideration.

Herewith I am sending you a copy of my answers as I intend

to give them at the deposition.

Please cable your suggestions immediately upon receipt and perhaps they will still reach in time, as the magistrate at present is not in Naggar and it is not known when he will be able to come to Naggar owing to snow storms & landslides.

Regarding the sum of slightly in excess of \$8000 which was paid by Mr.Horch to the 5th Ave Bank in the fall of 1922, this bank loan had been given against paintings. These paintings when redeemed from the bank became the nucleus of the future Roerich Museum and therefore this was a transaction of our Institutions, of which Mr.Horch was an officer. I call your attention to the fact that these Institutions owe Prof. Roerich an excess of \$300,000.— and if Mr.Horch now claims the return of the sum expended on behalf of the expedition some odd \$200,000, then this sum ought to be credited to Prof. Roerich by the same institutions, who sponsored this expedition, bringing the counterclaim to over half a million dollars.

I am certain you will have no objection to my conclusive statement given at the end of the deposition, because this underlines that they have violated my author's rights and it opens the possibility to sue them not only for breach of trust but also for damages. As you are aware, such damages for

violation of authors' rights may be heavy.

There is not the least foundation upon which Mrs. Nettie Horch base any claim of the manuscripts being a present. Altogether it is unbelievable that the result of so many years' labour could be given as a "present" to a person, not even knowing one word of the Russian language. This my labour had to be safely guarded and was to be kept sealed, because of my constant travels and was to be returned to me immediately upon my demand for further editing. If the manuscrip books are not returned, as you understand, I shall be deprived of my life's work as author and cannot publish those parts which are as yet unpublished. When you shall see the

- 9-

whole lot of the manuscript books you will realize what a small part of it has up ot now been published. Thus my property and author's rights and possibilities have been unlawfully violated and criminally misappropriated.

As regards the para 8 of the minutes of April 28, 1931 we had in mind of course the safety of my whole series of manuscript books as well as Prof.Roerich's and our letters. But what Mrs Horch had put into the vault, we do not know.

With regard to Miss Lichtmann's interrogations of Feb. 15 1937 regarding her statement (on page 2nd) that on some of the manuscript books stands the word "copy", this is only an occasional private annotation meaning that from this book quotations had been copied by me (for publication, for letters to friends, etc.)

Miss Lichtmann's assertion that Mrs Horch could be my heiress for Russian manuscripts which she cannot read, is ridiculous. No question of a gift ever arose. The only reason why the manuscript books had been sent to New York was that owing to travels I could not carry such heavy

baggage.

Regarding Miss Lichtmann's references to spiritistic seances, I wish to explain to you emphatically, that the
transmission of thoughts and words from living beings is agenerally known process of papapsychology. Entire university
departments are devoted to such studies in many countries.
I received many of the diary records from my Teacher, a
living Being, whom I met in his physical body. I repeat the
I have no communication from the world beyond.

Finally, I do not understand all the meaning of the questions about contents, part copies, etc., when there is the simple question of returning to me mu property, which was

given by me only for safe keeping.

Hoping your cable will come in time before the deposition.

Yours very truly,

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK February 26th, 1938 Prof. Nicholas Roerich, Naggar, Kulu, Punjab, British India. Various Matters. Re: Dear Prof. Roerich: I have received a request from Mrs. Lichtmann to give you a resume of the situations in the various matters together with any suggestions that I may have to offer. In the case of Roerich and others against Horch and others (the action in equity to regain possession of the stock and to correct the corporation's records)., a judgment was entered in the office of the Clerk of New York County on October 6th, 1937, dismissing the complaint with \$4,441.35 costs as against you and the other parties plaintiff and in addition a judgment in favor of Louis L. Horch and against you upon the notes and interest in the sum of \$210,951.96. In the case of matter of Grant, etc. v. Newberger, etc. (the special proceeding to contest the legality of the election of trustees) a final order was entered in the office of the Clerk of New York County on November 23. 1937 adjudging the election to be legal and assessing costs against you as well as the other petitioners in the amount of \$3,881.10. On behalf of you and our other clients we served notices of appeal in each of the cases. We then proceeded to have the record in each case printed. Printing is required under the court rules. The records are very long. In the first case the record is three volumes and of about 1,900 pages. In the second case, owing to the fact that a stipulation was made to omit the testimony, the record is about 150 pages. We also prepared and printed briefs in each of these cases. The briefs were served and filed. The argument on the

Prof. Nicholas Roerich

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appeals was noticed for February 28th. However last week the Court recessed and will not reconvene until March 7th. We expect to argue the appeals in that week.

Everything of any important nature depends upon the outcome of these appeals. If we are successful in having the judgment and final order reversed, we shall be in a position to have a restoration of the status quo and a vindication of our positions. If we lose on the appeals, mat-ters will look very hopeless. It is possible perhaps to take the cases to the highest court in this State, the Court of Appeals, which sits in Albany. We cannot tell now whether such a right to appeal further will exist because the right to appeal to the Court of Appeals is a very limited one, depending in great measure upon the action of the Appellate Division, the intermediary court in which the appeals are now pending. For instance, if the Appellate Division unanimously affirms a judgment and final order no right to appeal further exists as of right. It is possible to petition the Court of Appeals to allow an appeal. but upon an ultimate analysis the petition is granted or denied according to the discretion of the Court of Appeals and not as a matter of right.

If the Appellate Division should reverse and give us judgment our adversaries would have the right, as a matter of right and not of discretion, to go to the Court of Appeals. If the Appellate Division should affirm by a divided vote, we would have the right to go to the Court of Appeals. However the Court of Appeals decides only questions of law where there has been an affirmation by a divided court. In as much as our case is essentially one which involves questions of fact an affirmation by the Appellate Division by a divided court would be of very little help to us.

During the pendency of the appeal we attempted to have the court continue the injunction which continued the institution and apartments in the building. The court decided to continue the injunction only upon the condition that an additional bond of \$15,000. should be filed. We were almost successful in obtaining someone to indemnify an insurance company to write this bond, but at the last

Prof. Nicholas Roerich -3- February 26th, 1938

moment the effort proved unsuccessful. As a consequence the injunction was not continued and the people here had to move out of the school quarters.

Thereafter dispossess proceedings were begun against Mr. and Mrs. Lichtmann and Miss Grant to evict them from the apartments. We contested these dispossess proceedings on their behalf. The most that can be hoped for is delay because we feel ultimately that the Lichtmanns and Miss Grant will be dispossessed. This is the probable result because even though the Appellate Division should reverse the judgment and final order their decision cannot well be handed down much before April 1st, if by then.

Under the law of this State the judgment is final, even though an appeal from it has been taken, until it is reversed. As a consequence, Horch can sue upon the judgment he obtained against you for costs and for the notes in India. It is our understanding that the procedure is for him to obtain an exemplified copy of the judgments and begin an action upon the judgments against you. Put another way, the judgments in New York do not have extra-territorial effect beyond the limits of the State of New York. An action upon the judgments must be begun. For this reason he cannot seize any property of yours in India without first having obtained a judgment in the Indian courts against you. If such an action is begun there will not be any defense unless of course the New York judgment and final order are reversed. The only defense which can possibly be interposed to such an action would be that the New York Court lacked jurisdiction. Lack of jurisdiction over you did not exist here, however.

In as much as the New York judgments for costs ran against Mme. Roerich as well, she is under the same disadvantage as you are.

The above seems to be a very discouraging account. It cannot honestly be anything else. The only hope lies in the possibility of a reversal. We cannot give any positive assurance that the judgment and final order will

Prof. Nicholas Roerich -4- February 26th, 1938

be reversed. That is more than any lawyer can well do. The most distressing point against us is the huge size of the record. This is not a matter of law but is a matter of psychology. We must over-come the judges' inertia before we can expect that they will sufficiently interest themselves in the case.

To over-come this inertia, we must get them most interested in the case and the injustice which was done. We had hoped to obtain the services of nationally famous counsel to argue the appeals. Again, time and money stood in the way.

As a consequence, we are required to pilot the ship alone. This has been a very onerous burden for us to bear. Our office is not a large one. The funds to carry on have not been forthcoming in any measure at all proportionate to the amount of labor and time involved. Our sole incentive to carry on has been our inner feeling that an injustice such as has been committed so deeply offends our sense of right and wrong that we have been willing to do as much as we could to correct the evil result.

For the above reasons it has not been possible to commence the multitude of actions and proceedings which have been suggested to us. To be blunt we have neither the hands nor the time and most important, the money, to do the many things which have been suggested. We are concentrating solely upon the essentials.

The tax case was tried on February 4th-9th, last. We have to submit a brief by March 11th. The government will have thirty days after that to submit its brief. We shall have an extra fifteen days to reply to theirs. The tax case is essentially one of fact in which there are some embarrassing writings. Our main job is to over-come the letter which you signed in 1928 to the effect that the paintings were sold by you to Horch. This is an especially difficult task owing to the fact that you were unable to testify personally at the hearings. At best a deposition

Prof. Nicholas Roerich -5- February 26th, 1938 is a poor substitute for personal testimony. The libel case is at a standstill. You will recall our correspondence of last spring and summer in which we asked for money to carry on the case and unfortunately we were unable to get the funds. To carry on with that case requires a great deal of money. Depositions would have to be taken in many foreign places but of course we cannot afford to finance this expensive litigation ourselves. The case has not even been noticed for trial. The above accounts for most of the litigation. which is now pending. It consumes seventy-five per cent. of our working days. How much further we can carry on is a matter of conjecture because we have so exhausted ourselves mentally and financially to carry on thus far that we cannot look too much in the future for further effort. Sincerely yours, HP:BS

331 65

PLAUT & DAVIS

ATTORNEYS

HERBERT PLAUT HAROLD DAVIS CABLE OLDBERTLAW
TELEPHONE DIGBY 4-4644

76 BEAVER STREET NEW YORK

September 28th, 1938

Professor Nicholas Roerich Naggar, Kulu Punjab, British India

Re: Roerich vs. Commissioner of Internal Revenue

Dear Professor Roerich:

We beg to enclose herewith the decision of the United States Board of Tax Appeals in the above matter.

We regret to state that your petition for a redetermination of the deficiency was in the main decided against you. The Board has held, as you will read from the enclosure, that you received income from the sale of paintings in 1926 and 1927 and that there was certain other taxable income received by you in these years.

The Board has also held, as was in fact conceded by you, that you received certain other taxable income in 1934 amounting to \$6,069.00 from the sale of paintings. The Board also held that the failure to file a return for 1934 were due to fraud with intent to evade tax and that the fifty percent penalty for that year was properly added by the commissioner to the deficiency.

On the other hand there were these savings. The fifty percent penalties assessed against you for 1926 and 1927 amounting to \$5,340.20 and \$5,412.41, respectively, were held not justified and the commissioner's attempt to include as part of your income for 1934 the sum of \$5,743.75, the compensation and subsistence paid to you by the United States Government, was not properly taxable.

After carefully studying the decision, we regret that we have come to the conclusion that it would be hopeless to appeal. Such an appeal would involve an expenditure of approximately \$2,000.00 and we cannot honestly advise that this expenditure would be merited.

However, if you differ with us concerning the advisability of appealing we would have no objection to turning over our file to any other attorney who would be retained by you to go further in the matter. For our part, we cannot feel justified in doing more.

Very truly yours,

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERBERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK November 12th, 1938. Professor and Madame Roerich Naggar, Kulu, Punjab British India Dear Professor and Madame Roerich: We have now reached the stage where we are of the opinion that we should like to resign and retire as your attorneys in the various matters which we have been handling on your behalf up to this time. These include the following: 1. The equity action of Roerich, et al v. Horch, et al, in which we have made our arguments to the Court of Appeals but in which there has been no decision as yet. 2. The special proceeding to contest the election of trustees entitled In the Matter of Grant, et al v. Newberger, et al., in which we have made our argument to the Court of Appeals and in which there has been no decision as yet. 3. The tax proceeding in behalf of Professor Roerich in which the United States Board of Tax Appeals has made its decision. 4. The replevin action in behalf of Madame Roerich to recover the manuscripts. The libel action on behalf of Professor Roerich against The Sun Printing Association and The Associated Press. 6. And all other incidental matters which may not have been specifically mentioned above. We shall be happy to sign formal substitutions and to deliver all papers in our possession to you or to your designated attorneys upon receipt by us of payment of our various charges and disbursements. Very truly yours, HP: hs

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS HERRERT PLAUT 76 BEAVER STREET HAROLD DAVIS NEW YORK November 14th, 1938. Professor Nicholas Roerich Naggar, Kulu, Punjab British India Re: Roerich v. Commissioner of Internal Revenue Dear Professor Roerich: I have your letter of October 26th, 1938. While I am not now acting in your behalf to prosecute an appeal, having expressed my opinion that such an appeal would be futile and also having offered my resignation as attorney in all of the various matters, nevertheless I answer the various points mentioned in your letter in the order named so that you may have the benefit of my views. I understand that a Mr. Kellogg is now acting in this matter in your behalf. I do not know where the information emanated that if a case is not considered as a fraudulent one there can be no claim now. The statute of limitations does not run against the Government where no tax return has been filed, in contrast to the situation where a tax return has been filed where the return is either insufficient or faulty. The cost of production of the paintings, in my opinion, would in no way come anywhere near the amount paid. Figured in that cost would be cost of materials but hardly the expenses of the expedition. I am quite convinced that the cost of the expedition is not any index of the cost of production. 3. You say that the paintings on which there is said to be a lien does not belong to you. This information should be passed on to Mr. Kellogg and I am sending a copy of this letter to Mrs. Lichtmann so that she can transmit that information to him. 4. The theory on which the tax was imposed was not that there was a sale of paintings from you to Horch and payment for work done abroad.

Professor Nicholas Roerich November 14th, 1938 Page 2. 5. It is too late at this time to raise the point that there are other proofs and evidences without specifically mentioning what these proofs and evidences are, why they could not have been obtained before this time, and these proofs and evidences must be so material as to have warranted a change in the result. Until such information is received no application could be made for a new trial. Up to the point of the hearings no information was received by us that full data had not been obtained from you through the form of depositions. I constantly advised that depositions are a most unsatisfactory form of proof and strongly urged that you be present in person at the hearing. I beg to enclose a copy of the formal decision of the Board of Tax Appeals which I received in the mail today so that your records may be complete. I thank you for your letter and it is with sorrow that I state that my opinion still is that an appeal would be a futile one. Very truly yours, HP:hs Enc.

UNITED STATES BOARD OF TAX APPEALS Washington

NICHOLAS ROERICH,

Petitioner,

V.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Docket No. 83065

DECISION

Subsequent to the Board's report, 38 B.T.A. 567, the respondent filed a computation which came on for hearing on November 9, 1938. No objections having been made to the said computation, it is

ORDERED and DECIDED that for 1926 there is a deficiency of \$10,838.53 in income tax and a penalty of \$2,709.63; that for 1927 there is a deficiency of \$10,982.94 in income tax and a penalty of \$2,745.74; and that for 1934 there is a deficiency of \$314.21 in income tax and penalties of \$78.55 and \$157.11.

Enter:

Entered Nov. 10, 1938.

(Signed) John M. Sternhagen
Member.

CABLE OLDBERTLAW PLAUT & DAVIS TELEPHONE DIGBY 4-4644 ATTORNEYS 76 BEAVER STREET HERBERT PLAUT NEW YORK HAROLD DAVIS 13 April 1939 Professor and Mme. Nicholas Roerich Naggar, Kulu, Punjab British India Dear Professor and Mme. Roerich: We beg to enclose herewith summary statements showing disbursements made by us and payments received by us and we also beg to enclose statements for professional services rendered in Roerich vs. Horch and Grant vs. Newberger, in re Lichtmann, and Roerich vs. Commissioner of Internal Revenue. HP:BS Enclosures

Professor Nicholas Roerich

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To PLAUT & DAVIS

ATTORNEYS

76 BEAVER STREET

NEW YORK CITY

FOR PROFESSIONAL SERVICES

Roerich vs. Commissioner of Internal Revenue

Preparation of petition and other pleadings, taking of depositions, trial before U. S. Board of Tax Appeals 2/4/38, 2/7/38, 2/8/38, 2/9/38 and preparation of briefs

\$ 750.00

Received Payment,

January 5th, 1939

Mr. and Mrs. Maurice M. Lichtmann, 250 West 57th Street, New York, New York. 34292

Miss Frances R. Grant, 45 West 45th Street. To PLAUT & DAVIS New York, New York.

ATTORNEYS

Prof. and Mme. Nicholas Roerich, Naggar, Kulu, Punjab, British India.

76 BEAVER STREET

NEW YORK CITY

FOR PROFESSIONAL SERVICES

Re: Roerich v. Horch Grant v. Newberger

For preparation of records and briefs and arguments of appeals in the Appellate Division and Court of Appeals \$2,000.00

Received on account to date

1,574.21

Balance

\$ 425.79

Disbursements

Balance due Press of Fremont Payne Inc. for printing

588.28

Total

\$1,014.07

Received Payment,