

1. How did the money (\$76,000 plus \$74,000) get into the Nicholas Roerich bank account in view of:

a. from "Statement regarding Status of the Paintings of Prof. N. de Roerich," dated October 24, 1935:

"The second group, consisting of paintings painted in Asia between 1923 and 1929, was handed over by me to the Museum for a sum, which was determined by the Board of Trustees at \$200,000.- Since the Board of Trustees did not dispose over such an amount, it had been decided that this amount remains owing by the Museum to me and a rate of interest of 4% p. a. was fixed on this amount, as due and payable to me. This interest, because of the financial difficulties of the Institution, I do not receive. Knowing the most difficult situation called forth by the unheard of in the history world crisis, I did not all this time claim the interest due, provided that the inviolability of the Status of the solemn Declaration of July 24, 1929 is maintained to the letter, as pledged. Let us not forget that this solemn Declaration had in view the entire American Nation and that of this Declaration at the time the U. S. Government was officially informed and a copy of said Declaration duly deposited with the Government. Of course all Members of the Board fully realize the complete irrevocability of the above Declaration, which has become a national property."

b. From Annex #1 to Statement regarding Status of Paintings of N. de Roerich, dated October 29, 1935:

"The paintings from 1924 up to 1928 including the Oriental series, constitute the \$200,000 group, which was acquired from me by the Museum, but for which I did not receive payment on account of lack of funds (see my preceding statement regarding the Status of Paintings).

"On July 24, 1929 both the original group as well as this group were by declaration proclaimed the property of the Nation, as mentioned in the same Statement."

c. From Annex #26, dated March 29, 1933:

"\$200,000 represents Purchases of Paintings. The \$200,000 Principal or Capital was donated by Prof. Roerich with the understanding that 4% interest per year should be paid to Prof. R.

The \$21,086 are Trip Expenses of Prof. Roerich to the United States and Return to India (1929-1930). The Capital Sum of \$21,086 was donated and Interest of 4% to be paid to Professor Roerich.

At the time when these financial transactions were made the Capital sums of \$221,086 and \$636,271.55 were donated outright and Interest of 4% per Annum was to be paid to the Donors. These are transactions of the same type as 'Trust' and Annuity agreements. Donations of Capital the Auditors felt, could not be placed on the Books as Loans. However as the Interest has lately not been paid to the Donors the Writer will ask the Our Attorneys if on account failure to pay the Interest the Capital Sums now fall due and the Item 'Donation' could be changed to 'Loan'.

The Item of \$300 referred to in this Paragraph is a Loan of Prof. Roerich's made by him to the European Center."

2. What is the explanation for the following from Annex re. R. M. Minutes #18 Par. 1:

"The Item '\$1,057,657.55 under Surplus Column consists of the following items

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*L.L. Horch Nettie S. Horch (outright Donation)	\$400,000.
L.L. Horch and Nettie S. Horch (donation of Capital with Interest of 4% per annum payable)	636,271.55
N. Roerich (Donation of Capital with Interest of 4% payable)	21,086.
Loan of N. Roerich (Since repaid) (Date	300.
	<u>\$1,057,657.55</u>

*The change in this figure will
be explained personally.

These figures only refer to the year ending
September 30th, 1932. The Receipts of the
Sales of Old Masters was shown in the Period
October 1st, 1929 to September 30th, 1930.

The Item \$117,000 given to save the Institution
goes back to prior to October 1st, 1929.

The revaluation of the expedition Item will
have to be personally explained to you."

3. What is the reason for the inconsistency of the
following showing not a donation of the paintings by
Horch but a purchase:

(From Minutes of the 350th Meeting of R. M., held
August 29, 1935, page 5)

"The ground on which this Building (310 River-
side Drive) stands, was donated by Mr. Horch.
The cost of the ground amounted to \$400,000.-

If the Museum which honors the Artist is in
existence, it is due to Mr. Horch's having
purchased the paintings. The paintings were
not donated.

Due to the financial assistance by Mr. Horch,
the 'Central Asiatic Roerich Expedition' took
place."

And from Addenda to Minutes of 140th Meeting
of R. M.:

"ADDENDA to Minutes 140 Meeting:

Mr. and Mrs. Horch herewith amend their former donations as follows: \$1,112,496.74 had been advanced to the Roerich Museum, of which the principal was donated in Perpetuity, retaining however for themselves the interest at 4%.

At the Trustees Meeting held on October 11, 1931: 'Mr. and Mrs. Horch decided to donate \$500,000, completely relinquishing all interest on this amount, also donating interest accrued on the \$612,496.74 up to October 11, 1931. Mr. and Mrs. Horch retain for themselves, however, the interest at 4% on the \$612,496.74 for themselves and heirs.'"

pl + Da -

Copies like this were given to S.L. M.M. 2-7-9 -
in hopes they might help to clear up
the tax matters for Paul & David - There
are such inconsistencies that even pl. & Da
can not make it out -

No 5
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