

Petitioners' Exhibits 104.

KNOW ALL MEN BY THESE PRESENTS, that I, NICHOLAS ROERICH, of the City, County and State of New York, do hereby make, constitute and appoint LOUIS L. HORCH, of the same place, my true and lawful attorney for me and in my name, to ask, collect, receive and give receipt for all sums of money due or to become due me; to endorse my name to any check received therefor or which may be payable to me for any other cause, and to open an account in such bank or banks as he may deem advisable and to deposit checks or cash and any and all moneys payable to me in such bank or banks wherein said accounts may be opened or maintained, and to withdraw the same or any funds which I may have on deposit in any bank, and to sign my name to any and all checks on banks in which I may have deposits; to receive any and all dividends which may be payable to me on any and all shares of stock standing in my name, and to vote any and all such shares at any meeting of stockholders or for any purpose whatsoever and for me and in my name to buy, sell, assign, transfer or exchange any and all shares of stock, bonds or other securities held by me and for that purpose to make and execute any and all necessary acts of assignment, transfers or instruments requisite in connection therewith; to sell such of my paintings or personal property at such price and upon such terms as he may deem advisable; to institute any suit or proceedings for the recovery of any money or property to which I may be entitled; hereby giving and granting unto my said attorney full power to do everything requisite and necessary to be done in the premises as fully as I could do if personally present with full power of substitution and revocation, hereby ratifying and confirming all that my said attorney or



his substitute shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 3<sup>rd</sup> day of April, 1923.

In Presence of:

N. Roerich (L.S.)

9050  
STATE OF NEW YORK )  
CITY OF NEW YORK : ss.:  
COUNTY OF NEW YORK )

On this 3<sup>rd</sup> day of April, 1923, before me personally appeared NICHOLAS ROERICH, to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same for the uses and purposes therein set forth.

*Edward W. Homburg*

NOTARY PUBLIC  
N. Y. CO. CLK'S NO. 214. REG. NO. 4686  
COMMISSION EXPIRES MARCH 30, 1924

81/2  
Petis 9x10 1/2  
3-26-37  
RWP

Peters 4/14  
3-26-37  
RW

A Special meeting of the Directors of ROERICH MUSEUM INCORPORATED, held at the office of the corporation, No. 313 West 105th Street, Borough of Manhattan, New York City, N.Y., on the 9<sup>th</sup> day of July, 1928, at 10:30 A.M. of that day, pursuant to a waiver of notice duly signed by all the Directors at which meeting all the Directors were present.

The President presided throughout the meeting and called the same to order and the Secretary acted as such.

The waiver of notice was duly read by the Secretary and placed on file.

The President then stated that the purpose of the meeting was to consider, ratify, approve and confirm the action of the stockholders taken at a special meeting of the stockholders of this corporation, held on the 9<sup>th</sup> day of July, 1928, at 10:30 A.M. of that day, in authorizing, by due resolution, the conveyance, by warranty deed with full covenants, of premises No. 312 Riverside Drive and No. 323 West 103rd Street, Borough of Manhattan, New York City, N.Y., to ROERICH MUSEUM, a corporation organized and existing under the Education Law of the State of New York, and empowering and authorizing and directing the President and Secretary of this corporation to make, execute and deliver such deed or other deeds and any and all other papers, documents or instruments (and affix the corporate seal thereto) necessary to carry out and effectuate the objects and intentions of the said resolution.

The President then read to the meeting said resolution in detail and further explained the purpose of the resolution was to unite in the ROERICH MUSEUM the ownership of the premises consisting of Nos. 323 West 103rd Street, 310-311-312 and 312½ Riverside Drive, all in the Borough of Manhattan, New York City, N. Y., thereby enabling ROERICH MUSEUM to erect a new building to accommodate the collection of art objects of this and other corporations and consolidate and coordinate the facilities for educational, etc., instruction.

Upon motion duly made by MAURICE M. LICHTMANN, duly seconded by Frances R. Grant, it was unanimously

RESOLVED:

That the action of the stockholders taken at a Special meeting of the stockholders of this corporation, held on the 9<sup>th</sup> day of July, 1928, at 10:00 A.M. of that day and the resolution duly enacted at said meeting be ratified, approved and confirmed.

Upon motion duly made by MAURICE M. LICHTMANN, duly

seconded by FRANCES R. GRANT, it was unanimously duly

RESOLVED:

That this corporation, ROERICH MUSEUM, INCORPORATED, sell, convey and transfer to ROERICH MUSEUM, a corporation organized and existing under the Education Law of the State of New York, by warranty deed with full covenants, premises situate in the Borough of Manhattan, City of New York, State of New York, known as and by the street numbers 312 Riverside Drive and 323 West 103rd Street, and the President and Secretary of this corporation, ROERICH MUSEUM, INCORPORATED, are hereby authorized, empowered and directed to make, execute and deliver the aforesaid deed or other deeds and any and all other papers, documents or instruments (and affix the corporate seal thereto) necessary to carry out and effectuate the objects and intentions of this resolution.

The President further stated to the meeting that a certificate of voluntary dissolution of this corporation had been duly filed with and approved by the Secretary of the State of New York on the        day of June, 1928, and that a duplicate-original thereof had been duly filed in the office of the Clerk of the County of New York on the        day of June, 1928 and that due publication of the said notice of dissolution had been published in the New York Law Journal, County and State of New York, in accordance with and pursuant to the laws and statutes in such case made and provided.

Upon motion duly made by MAURICE M. LICHTMANN, and duly seconded by FRANCES R. GRANT, the following resolution was unanimously duly enacted:

RESOLVED:

That all acts and things done by the ~~affiliated~~ stockholders and directors of this corporation in effectuating the voluntary dissolution thereof pursuant to the laws and statutes of the State of New York in such case made and provided be and they hereby are ratified, approved and confirmed.

There being no further business, the meeting was then adjourned.

Nette S. Horch  
Secretary.

Pet 4115-37  
3-26 RW

A Special Meeting of the stockholders of ROERICH MUSEUM, INCORPORATED, held at the office of the corporation, No. 313 West 105th Street, Borough of Manhattan, New York City, N. Y. on the 9<sup>th</sup> day of July, 1928, at 10:00 A.M. of that day, pursuant to a waiver of notice duly signed by all the stockholders, at which meeting all the stockholders were present.

The President presided throughout the meeting and called the same to order and the Secretary acted as such.

The waiver of notice was duly read by the Secretary and placed on file.

The President then stated that the purpose of the meeting was to authorize the conveyance of the premises known as Nos. 312 Riverside Drive and 323 West 103rd Street, Borough of Manhattan, New York City, to Roerich Museum, a corporation organized and existing under the Education Law of the State of New York, so as to unite in said corporation the ownership of the premises consisting of Nos. 323 West 103rd Street, 310-311-312 and 312 $\frac{1}{2}$  Riverside Drive, New York City, N. Y., of which No. 312 Riverside Drive and No. 323 West 103rd Street are now owned by this corporation, Nos. 310 and 311 Riverside Drive are now owned by the Master Institute of United Arts, and 312 $\frac{1}{2}$  Riverside Drive by Roerich Museum, and further stated that a united ownership would enable the Roerich Museum to erect a new building to accommodate the collection of art objects of all the aforesaid corporations and consolidate and coordinate the facilities of

educational, etc., instruction.

Upon motion duly made by MAURICE M. LICHTMANN, and  
duly seconded by FRANCES R. GRANT, it was unanimously  
duly

RESOLVED:

That this corporation, ROERICH MUSEUM, INC., sell,  
convey and transfer to the ROERICH MUSEUM, a corpora-  
tion organized and existing under the Educational Laws  
of the State of New York, by warranty deed, with full  
covenants, premises situated in the Borough of Man-  
hattan, City of New York, State of New York, known  
as and by the street numbers 312 Riverside Drive and  
323 West 103rd Street; and the President and Secretary  
of this corporation, ROERICH MUSEUM, INC., are hereby  
authorized, empowered and directed to make, execute  
and deliver the aforesaid deed or other deeds and  
any and all other papers, documents or instruments (and  
affix the corporate seal thereto) necessary to carry out  
and effectuate the objects and intentions of this resolution.

The President further stated to the meeting that a certificate of voluntary dissolution of this corporation had been duly filed with and approved by the Secretary of the State of New York on the       day of June, 1928 and that a duplicate-original thereof had been duly filed in the office of the Clerk of the County of New York on the       day of June, 1928 and that due publication of the said notice of dissolution had been published in the New York Law Journal, County and State of New York, in accordance with and pursuant to the laws and statutes in such case made and provided.

Upon motion duly made by MAURICE M. LICHTMANN, and duly seconded by FRANCES R. GRANT, the following resolution was unanimously duly enacted:

RESOLVED:

That all acts and things done by the ~~executive~~ stockholders and directors of this corporation in effectuating the voluntary dissolution thereof pursuant to the laws and statutes of the State of New York in such case made and provided be and they hereby are ratified, approved and confirmed.

There being no further business, the meeting was then adjourned.

Mette S. Horch  
Secretary.

THE UNIVERSITY OF THE STATE OF NEW YORK  
THE STATE DEPARTMENT OF EDUCATION

STATE OF NEW YORK: : SS.  
COUNTY OF ALBANY :

I, Frank Pierrepont Graves, President of The University of the State of New York and State Commissioner of Education, do hereby certify that the annexed photostatic copy of the Application for Incorporation of the Roerich Museum, dated June 15, 1928, is a true copy of the original record on file in the office of the State Education Department, and that the same is a true copy of the original and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed the seal  
of the University at the city of  
Albany, New York, this 16th day  
of March, 1937.

President of the University and  
Commissioner of Education



Gre 42 / Petitioners' Ex. 99.

A P P L I C A T I O N

TO THE REGENTS OF THE UNIVERSITY  
OF THE STATE OF NEW YORK:

We, the undersigned, all being persons of full age, desiring to form a corporation under the Education Law, do hereby apply to the Regents of the University of the State of New York, for a charter to be granted pursuant to the provisions of Section 59 of such law, and do make, sign and acknowledge the following statement:

FIRST: The name of the proposed corporation is ROERICH MUSEUM.

SECOND: The purposes for which such corporation is to be formed are:

To establish a museum in which may be kept and exhibited objects of art, consisting of paintings, sculptures, statuary, musical instruments, artistic furniture, tapestries, decorations and generally objects of an artistic nature, and in connection with the same to establish classes for instruction in the various arts, musical, painting, sculpture, singing, artistic dancing, language, literature, dramatic art and generally to maintain, operate and conduct classes and a school or conservatory to instruct and teach pupils in the various branches of said arts.

To give, receive, establish or endow scholarships, free or otherwise, in every branch of art, above enumerated.

And generally, in furtherance of its powers and not in limitation thereof, to carry on any of the aforesaid objects where the same may be permitted by law, and to the same extent as the laws of this state will permit, as fully and with such powers as the laws of this state will confer upon corporations and organizations under this act.

THIRD: The trustees of the said corporation shall have the power to take and hold by gift, grant, devise or bequest in their own right or in trust for any purpose comprised in the objects of the corporation, real and personal property to be acquired at the time of incorporation, and such additional real and personal property beyond such as shall be authorized at

Start  
the time of the incorporation as the Regents shall authorize within one year after the delivery of the instrument or probate of the will giving, granting, devising or bequeathing such property, and such authority given by the Regents shall make any such gift, grant, devise or bequest, operative and valid in law. Any grant, devise or bequest shall be equally valid where made in the corporate name or to the trustees of the corporation and powers given to the trustees shall be powers of the corporation.

FOURTH: The trustees shall also have power to buy, sell, mortgage, let and otherwise use and dispose of the property of the corporation as they shall deem for the best interests of the institution; and they also shall be empowered to lend or deposit or to receive as a gift, or on loans or deposit, literature, scientific, artistic or other articles, collections or property pertaining to their work.

FIFTH: The trustees shall be empowered to appoint and fix the salaries of such officers and employees as they shall deem necessary, who, unless employed under special contract, shall hold their offices during the pleasure of the trustees, but no trustee shall receive compensation as such.

SIXTH: The trustees shall have the power to make by-laws and rules necessary and proper for the purposes of the institution and not inconsistent with law.

SEVENTH: The proposed corporation is to be a non-stock corporation, and will carry on its business with endowments, gifts, voluntary contributions and such payments as may be received for instruction and such other sources of revenue as may accrue to the corporation in the natural course of an institution of this character.

EIGHTH: The institution to be maintained by the proposed corporation is to be located at 310 - 311- 312 Riverside Drive, and 323 West 103rd Street, Borough of Manhattan, New York City.

NINTH: The number of trustees is to be seven.

TENTH: The names and post-office addresses of the trustees for the year are as follows:

<u>Names</u>	<u>Post-Office Addresses</u>
Louis L. Horch	905 West End Avenue, Borough of Manhattan, New York City.
Nicholas Roerich	313 West 105th Street, Borough of Manhattan, New York City.
Maurice M. Lichtmann	313 West 105th Street, Borough of Manhattan, New York City.
Frances R. Grant	313 West 105th Street, Borough of Manhattan, New York City.
Nettie Horch	905 West End Avenue, Borough of Manhattan, New York City.
Helena Roerich	313 West 105th Street, Borough of Manhattan, New York City.
Sina Lichtmann	313 West 105th Street, Borough of Manhattan, New York City.

ELEVENTH: The names and post-office addresses of the subscribers of this certificate are:

<u>Names</u>	<u>Post-Office Addresses</u>
Louis L. Horch	905 West End Avenue, Borough of Manhattan, New York City.
Nettie Horch	905 West End Avenue, Borough of Manhattan, New York City.
Frances R. Grant	313 West 105th Street, Borough of Manhattan, New York City.

IN WITNESS WHEREOF, we have made, signed and acknowledged this application on this 15th day of June, 1928.

*Louis L. Horch*.....

*Nettie L. Horch*.....

*Frances R. Grant*.....

STATE OF NEW YORK )  
CITY OF NEW YORK : ss:  
COUNTY OF NEW YORK)

On this 15th day of June, 1928, before me personally came Louis L. Horch, Nettie Horch and Frances R. Grant, to me known to be the persons described in and who executed the foregoing certificate, and severally duly acknowledged to me that they executed the same.

*Ruth E. Tuttle*

RUTH E. TUTTLE  
Notary Public, Westchester County  
N.Y. Co. Clks. No. 226, Reg. No. 0-203  
Commission expires March 30, 1930

Petitioners Ex. 87

81/15



Petitioners Ex. 87  
3-18-37  
RWP

# ROERICH MUSEUM

— Founded —  
November 17  
— 1923 —  
New York

LOUIS L. HORCH  
President  
M. M. LICHTMANN  
First Vice-President  
FRANCES R. GRANT  
Second Vice-President

TELEPHONE ACADEMY 3860  
310 RIVERSIDE DRIVE  
NEW YORK, N. Y.  
TEMPORARY OFFICE  
313 WEST 105 STREET  
NEW YORK, N. Y.

Believing that the lofty art and ideals of Nicholas Roerich serve as one of the glowing milestones of the evolution of humanity, we the Trustees of the Roerich Museum, which is devoted to the art and the ideals of this master, do hereby proclaim the Roerich Museum as the property of the people of the United States of America.

Ever striving for the unification of mankind through the great images of Beauty, Nicholas Roerich has dedicated his life to America and to the world, in the cause of free and enlightened development of humanity.

In proclaiming the Roerich Museum as the property of the American nation, we, the Trustees of the Roerich Museum, do hereby declare it an unalterable condition thereof, that the Roerich Museum shall never be dissolved, sold nor change its name or its original purpose as a monument to the art of Nicholas Roerich, nor shall the walls of the Roerich Museum ever be used for any purpose other than the exhibition of the paintings of this master to whose art the Roerich Museum is dedicated.

Further, be it resolved that in order to insure the perpetuation of the aforesaid aims and purposes of the Roerich Museum, and in order that the desire of its Trustees, who are elected for life, shall never be altered, that each of the Trustees shall, during his lifetime, nominate his successor to office, with the confidence and purpose that the appointed successor shall carry into the future, the ideals with which the founders brought the Roerich Museum into being. And, further, that each future Trustee, so appointed, and who shall himself hold his office for life, shall in turn designate his successor, thus perpetuating the destiny of this shrine to art.

N. R.  
L. L. H.  
M. M. L.  
T. R. G.  
N. S. H.  
S. L.  
S. S.  
G. R.

EXHIBIT No. 24  
IN EVIDENCE  
H. BIRNBAUM - STENO.

81/16



# ROERICH MUSEUM

— Founded —  
November 17  
— 1923 —  
New York

LOUIS L. HORCH  
*President*  
M. M. LICHTMANN  
*First Vice-President*  
FRANCES R. GRANT  
*Second Vice-President*

TELEPHONE ACADEMY 3860  
310 RIVERSIDE DRIVE  
NEW YORK, N. Y.  
TEMPORARY OFFICE  
313 WEST 105 STREET  
NEW YORK, N. Y.

--2--

In the event that unforeseen circumstances shall prevent a Trustee from nominating his successor, it is hereby resolved that the remaining Trustees shall, by a two thirds vote, elect a new member who in their light shall continue the traditions of this Foundation.

We, the Trustees of the Roerich Museum, do hereby make this gift to the people of America with the profound conviction that the inspired message of Roerich shall bring new beauty to this country, and that his call for a new brotherhood among men shall add glory to the present and the future America.

*gpc 36*  
In witness of this Resolution, We the Trustees of the Roerich Museum do each affix our signatures and the seal of the Roerich Museum.

New York, this 24th day of July, 1929

N. Roerich  
Louis L. Horch  
M. M. Lichtmann.

Frances R. Grant  
Nette S. Horch

Sina Lichtmann  
Sophie Schafraun  
George Roerich

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF NEW YORK )

LOUIS L. HORCH, being duly sworn, deposes and  
says: That he is a citizen of the United States and re-  
sides at No. 915 West End Avenue, New York City.

That he is the President of the Master Institute  
of United Arts, a corporation organized in 1922 under the  
Education Law of the State of New York. That the said  
Institute is now conducting a school for the teaching of  
music, dancing, painting, drawing, designing, architecture,  
languages, literature and other arts at No. 310 Riverside  
Drive, New York City.

That he is also President of Corona Mundi Inc.,  
which was incorporated under the Laws of the State of New  
York for the purpose of establishing an International Art  
Center. That the last mentioned corporation is closely  
affiliated with the Master Institute of United Arts and  
is housed with it at No. 310 Riverside Drive, New York City.

That the Master Institute of United Arts was  
founded in 1921 by Nicholas Roerich and under his inspira-  
tion and guidance it and Corona Mundi Inc. were subsequent-  
ly incorporated. That while both of these corporations  
function separately and occupy distinct fields, the purpose  
of both is to develop art and its humanizing influence.

That Nicholas Roerich was the moving spirit in  
the formation of the said corporations and conceived the  
basic ideas upon which they operate and the lines to be  
followed to accomplish the particular objects for which

*Petitioner's Exhibit 65*  
*Petro x 65*  
*2-26-37*  
*RWP*  
89/17

they were formed.

That the said Nicholas Roerich is a noted author, an eminent archaeologist and generally considered as the greatest living Russian artist. His paintings are now displayed in the Louvre, Paris, and other leading art centers of Europe and in the large museums and art collections of this country like the Widener Library-Harvard University; Chicago Art Institute; Detroit Art Institute and University of California.

That in recognition of the great genius of the said Nicholas Roerich and the aid he has given to the said corporations, he has been elected the Honorary President thereof, and in further testimony of his greatness as an artist there was founded in November, 1923 by and in connection with Corona Mundi Inc., The Roerich Museum in New York City, where a large number of his paintings are on exhibition. That this Museum is also located at No. 310 Riverside Drive, New York City, and is open to the public.

That it is proposed to celebrate the first anniversary of the founding of The Roerich Museum in November of this year by appropriate exercise in the same Museum in the City of New York. That the said corporations and the officers and directors thereof and the faculty of the Master Institute of United Arts have expressed a desire to have the said Nicholas Roerich present for the celebration of the said anniversary and he has expressed a willingness to attend the said celebration and an intention so to do.

*Page 29*  
That the officers and directors of the Master Institute of United Arts and Corona Mundi Inc. desire also

to confer with the said Nicholas Roerich regarding the work and activities of those institutions and the steps to be taken to broaden their influence, extend their scope and increase their effectiveness. These matters will be particularly considered by the Boards of Directors of the respective corporations during the months of October and November of this year. Those meetings of the respective boards will therefore be of the utmost importance to the said institutions and for this reason the attendance and guidance of the said Nicholas Roerich is especially desired. His advice and counsel is likewise desired in connection with a publishing enterprise which has recently been incorporated under the Laws of the State of New York under the name of Alatas, Incorporated. In order to secure the attendance of the said Nicholas Roerich for the said celebration and the important directors' meetings and to obtain his aid and assistance in the continuation of the said activities, deponent has been commissioned by the officers and directors of the Master Institute of United Arts, Corona Mundi Inc. and Alatas, Incorporated, to do whatever may be necessary to obtain his return to the United States and facilitate his journey to New York.

That the said Nicholas Roerich is now sojourning in Darjeeling, India, whence he went in May, 1923, to study the art and archaeology of that country.

That the said Nicholas Roerich aforesaid is a Russian subject and deponent has therefore been advised and verily believes that it will be necessary for him to obtain from the United States Consul or Consul General in

Calcutta, India, a visa in order to pay a temporary visit to this country.

That it will be necessary for Nicholas Roerich to make his arrangements to visit this country, without delay, and to leave India in a few weeks in order to reach the United States in time to assist in the plans for the said celebration and to attend said Board meetings. To make certain that the necessary visa will be issued or granted promptly upon the making of a proper application by the said Nicholas Roerich in the manner and form prescribed by the Laws of the United States and the Regulations of its Departments, deponent requests and prays, on behalf of the Master Institute of United Arts and Corona Mundi Inc., that the application of Nicholas Roerich be granted upon the satisfactory compliance with the requirements of the Laws and Regulations of the United States governing the issuance of a visa to an alien.

Sworn to before me this )

7<sup>th</sup> day of August, 1924 )

*Louis R. Horch*

*John J. Sullivan*

NOTARY PUBLIC, Kings County No. 365

Registers No. 6410

Certificate filed in New York County

Clerk's No. 1124, Registers No. 6866

Commission expires March 30, 1926



*(County Clerk's Certificate attached)*

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IN THE MATTER

of

the Application of Master  
Institute of United Arts,  
et al. for a visa for

NICHOLAS ROERICH,

a Russian Subject.

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(Copy)

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A F F I D A V I T

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MORRIS, PLANTE & SAXE,  
ATTORNEYS AT LAW,  
27 PINE STREET, NEW YORK

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81/22

680 West End Avenue,  
New York, July 21, 1931.

Mr. Louis L. Horch, President,  
Roerich Museum,  
New York City.

Dear Mr. Horch,

Enclosed I am returning the Minutes of the 100th and 111th Meetings, inclusive of the Trustees of Roerich Museum, which were sent to me for inspection and comment.

I regret that I am unable to offer very much in the way of constructive comment due to the fact that the greater part of the Minutes makes reference to letters, documents and matters which I have not had the opportunity to see or hear discussed, due to my inability, much to my regret to attend meetings. As I have informed you, the demands made upon me by the business of my firm have made it impossible for me to be present.

I feel it is hardly necessary to assure you and our dear colleagues that, in spite of my enforced absence, and interests of the Institutions are ever in my heart and mind. Upon reading the Minutes I must say I am astounded at the remarkable effort and accomplishments which they disclose; it is truly inspiring.

With respect to the Apartments I should like to submit for the information of the Trustees a few facts which have come to my attention recently:-

On the six room (three baths) apartment which we now occupy a reduction of \$200. per year is offered, when we took the apartment in October 1929 we secured it at a reduction of \$300. per annum from the previous rental/ On a bid we are confident we can obtain further concession. The building has just been thoroughly renovated and put in first class condition; it has been steam blasted, and the hallways have been refurnished and redecorated, as have the elevators, etc.

At 24 West 79th Street., 3 years old, a six room apartment for which the present rental is \$3,100 (leased three years ago) is now actually rented at \$2500.

In #16 East 96th Street, a high class apartment, six rooms are now offered at \$2600., compared with former rental of \$3100.

Five rooms, two baths, are offered at 41 West 96th St., a two or three year old building, at \$2000, formerly \$2600, and a bid is requested. This is a high class privately owned and managed apartment.

Since June, I understand that Paterno's buildings have reduced their asking prices all along the line from \$100 to \$400 per annum.

Since there are many families known to plan moving October 1st the owners are trying to hold up their rent schedules in the belief that people will be forced to sign leases rather than be without quarters when their present leases expire. However, it appears that anyone who is in a position to hold out until after the heavy rental season, will secure apartments at great concessions.

Six rooms and two baths are obtainable in an older building at 505 West End Avenue, (94th Street) at \$1900 per year. This figures \$300 per room per year which is extremely moderate for this section; such rentals prevailed until last year on the Concourse which has always been considerably lower than this section.

Apartment hotel rentals I understand have so far been held up to comparatively high levels in most cases, but with the slow inquiry and undoubted lack of prosperity there seems to be every prospect of early reductions. \$800 per room is the price I have heard for high class quarters, and less for more moderate types.

Price is the main consideration and prospective tenants care little for anything else but PRICE.

It appears extremely doubtful that any improvement which might take place in the near future will be sufficient to enable the average family to pay anything but most moderate rentals. I need hardly call your attention to the vast unemployment, salary reductions and generally stagnant business conditions now prevailing. I believe if tenants with satisfactory financial responsibility can be secured at reasonable rentals it would be a mistake to turn them down. \$100 more per year from a poor financial risk is not as good as less money from substantial tenants.

With best regards and good wishes to all and hoping for greatly improved conditions, I am,

Very sincerely,

Signed: Sidney N. Newberger.

81/24

C O P Y

March 4, 1932.

In re  
Roerich Museum  
and  
310 Riverside Drive.

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Messrs. Hamilton C. Rickaby  
and  
Thomas E. Keough,  
120 Broadway,  
New York City.

Gentlemen:-

Dr. Horch has shown me the proposed draft of letter, dated March 2, 1932, which, according to your suggestion, shall be signed by the Museum and addressed to the Committee for the Protection of the Holders of First Mortgage Bonds Sold Through the American Bond and Mortgage Company.

Before examining this letter in detail, there are certain general considerations which we have already discussed, but which are so vitally important in this matter that I think they should be recited:

1. The tenants of this property are attracted largely by the educational and other like privileges afforded to them. The privileges include free access to the Museum and to the picture galleries, to lectures, concerts, recitals, moving picture performances and the like. Because of these attractions the apartments are well rented and I believe a larger proportion of space is taken than in the neighboring apartment houses.

2. Also by reason of these unusual privileges a larger rental is charged and obtained than in the neighboring properties. In proof of this assertion, I am enclosing herewith a letter from Messrs. L. J. Phillips & Company addressed to Dr. Horch, dated February 25th, showing that in the neighboring apartment houses the average rentals per annum are from \$750. to \$535., while in the Roerich Museum the average is about \$900. per room.

Messrs. Hamilton C. Rickaby  
and  
Thomas E. Keough

-2-

March 4, 1932.

3. Because of these educational features an exemption of thirty per cent. has thus far been conceded by the tax authorities. From my examination of the matter I feel very confident that a total exemption can be obtained by appropriate legal proceedings which will be instituted at the earliest convenient time. It will be seen, therefore, that because of the Museum and its attendant educational facilities there are more tenants in the building, the rents charged are very substantially higher, and a tax exemption of thirty per cent. has already been granted and it is quite probable that a total tax exemption can be secured.

From these considerations you will see how absolutely essential it is that the Museum with its attendant activities shall be continued in full force. If this is not done, many of the tenants will leave, rents will of necessity be reduced, and we will run the risk of losing all tax exemption. Consequently, it would be most disastrous to the bond holders, as well as to those who are interested in the Museum. From a standpoint, therefore, of cold material interest, it is evident that those in charge must continue to conduct the activities of the Museum, the lectures, the exhibitions, concerts, recitals, moving picture performances and the like.

In this connection I understand that you have raised a question as to the expenses of the research operations in India. These researches are conducted with a view for the prevention and treatment of cancer and for other hygienic and medicinal purposes. They are being conducted on the highest and most ethical plane. They have a strong appeal to all those who are interested in human welfare. There is no doubt that cancer is the most serious enemy of human health. Any campaign against cancer attracts wide attention and has universal sympathy and support. Those who are in charge of this research are constantly receiving subscriptions for this work. In fact, a pledge for One Thousand Dollars for this purpose has been received in the last few days. Also the fact that the Museum authorities are engaged in such research work strengthens the hands of those who are supporting the enterprise. As an investment solely there is no doubt in my mind that these research expenses in India are not only justified but profitable.

81/26

Messrs. Hamilton C. Rickaby  
and  
Thomas E. Keough.

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March 4, 1932

Also, along this same line, in regard to the salary paid to Dr. Roerich, which is about \$9,000. a year, all those who are familiar with the enterprise know that it is the name and fame of Professor Roerich upon which the Museum and the entire project chiefly rests. He is one of the most disinterested and unselfish of men. He has a wife who is an invalid and is very ill and her illness is, of course, a cause of expense. It is essential that he should receive this very modest salary for his maintenance. If for any reason it should be withdrawn, the result would be most disastrous to the institution itself, because it might well mean the defection of many of his enthusiastic followers in this country. For this reason the salary paid to him justifies itself from a purely business point of view.

I am enclosing herewith also an estimated budget for the year beginning March 1, 1932. You will see that the net estimated budget which will be required is \$58,437.72, which does not include the salaries of Professor Roerich and Dr. Horch. The budget will not, in the opinion of Dr. Horch, exceed that amount and he and his assistants will use their utmost efforts to reduce it and are very hopeful that they can do so. The salary suggested for Dr. Horch is certainly most moderate in view of his devoted and incessant efforts for the institution, which could not possibly go on without his constant supervision and assistance.

Furthermore, it is, of course, essential that the supervision and management of the educational features must remain in the hands of Dr. Horch and his assistants.

Now as to the specific provisions of the proposed letter of March 2nd:

(a) The letter provides that Dr. Horch and his group agree to efficiently manage and operate the mortgaged premises under the supervision and direction of the bond holders. As I have just stated, it is absolutely necessary that Dr. Horch and his associates should have the supervision and direction of the educational features. We should be very glad to have Mr. Keough's advice in regard to the apartments.

(b) As to No. 2 in the letter of March 2nd, you will recall that in the different conferences that Dr. Horch and I have had with you, it was contemplated that only the extraordinary expenses should be countersigned by Mr. Keough. In my judgment, this limit of \$100. is entirely too low. It would seem to me that it would be sufficient

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Messrs. Hamilton C. Rickaby  
and  
Thomas E. Keough.

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March 4, 1932.

to provide that payments of more than \$1,000. should be countersigned by Mr. Keough.

(c) As to paragraph No. 3 in the said draft of March 2nd, the only suggestion is that the latter part of the clause should read as follows: "after paying all reasonable maintenance and operating expenses, including, of course, the Museum and other educational expenses, of the said mortgaged premises as above provided."

(d) As to No. 4, we see no objection, but we suggest that the last part of the first paragraph read: "all maintenance and operating expenses of said mortgaged premises, including the Museum and educational expenses, and the net income therefrom for the preceding calendar month."

My insistence in urging that these educational expenses be constantly referred to arises from the fact that if there is any litigation I think it would be most desirable that all the documents relating to this property should show that its use was intended to be chiefly for educational purposes. This would be most helpful in our tax matters and for the tenants and it is for the benefit of the bond holders as much as the occupants.

As to the following sentence of the proposed letter, we will agree in principle that no past due indebtedness out of income above specified be paid except with the consent and approval of Mr. Keough. There are, however, some considerations here which should be discussed and understood between us before the agreement is finally signed.

As to the next sentence, we repeat our suggestion that the limit of \$100. is far too small and that the limit of \$1,000. would be entirely sufficient.

We have no objection to the agreement not to transfer or encumber any personal property of the Corporation, nor have we any objection to an agreement that we shall not remove from the mortgaged premises any personal property covered by the mortgage.

Also we have no objection to the provision allowing the bond holders full access to our books.

As to the clause providing that Dr. Horch shall receive \$820. a month for managing the property, the present situation is that he is entitled to receive \$24,000. a year, but is willing to take \$12,000. Dr. Horch is so disinterested that he will not insist on anything so far as his personal

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Messrs. Hamilton C. Rickaby  
and

Thomas E. Keough

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March 4, 1932

interest is concerned. It is my personal opinion, however, and I am advancing this without his instruction, that the salary should remain at \$1,000. a month in view of all the circumstances.

As to the next provision that all amounts paid by us on or our behalf to the Manufacturers Trust Company under a certain mortgage or deed of trust, in such special account, shall be used:

1. To pay taxes, assessments, etc., and
11. To apply the balance in accordance with the provisions of said mortgage or deed of trust - that seems to be correct.

There is no objection to the final sentence.

I want to repeat my firm conviction that any attempt to unduly limit the educational expenses will have a disastrous effect for the reasons I have indicated, because, in my judgment, these educational facilities constitute a very great benefit not only to the Museum and its supporters but to the bond holders.

With personal regards from Dr. Horch and myself, I am

Faithfully yours,

(Signed) GEO. GORDON BATTLE.

P. S. - I am sending you this letter with my views on the matter and in the meantime I shall venture to prepare a letter along the same lines as that which you drafted, which I shall try to send to you tomorrow.

B. G. B.

81/29

**TELEGRAM SENT TO ALL MEMBERS OF THE BONDHOLDERS'  
COMMITTEE APRIL 1, 1932.**

Sent to:

CRAIG B. HAZLEWOOD, VICE PRESIDENT FIRST NATIONAL BANK, CHICAGO, ILL.  
FRANK W. BLAIR, PRESIDENT, UNION TRUST COMPANY, DETROIT  
FREDERICK G. CURRY, VICE PRESIDENT, CITY BANK FARMERS' TRUST CO., NEW YORK, N. Y.  
H. K. HALLETT, CHAIRMAN OF BOARD, ATLANTIC NATIONAL BANK, BOSTON  
DAYTON KEITH, VICE PRESIDENT CHICAGO TRUST CO., CHICAGO  
JOSEPH E. OTIS, CHAIRMAN OF BOARD, CENTRAL TRUST CO., ILLINOIS  
WALTER J. SUGDEN, JAMES SUGDEN CO., BOSTON  
CHARLES W. WESTON, VICE PRESIDENT, MANUFACTURERS' TRUST CO., 55 BROAD STREET,  
NEW YORK, N. Y.

"WE HAVE RECEIVED NOTICE FROM MR. RICKABY OF SIMPSON, THATCHER & BART-  
LETT THAT YOU HAVE DECIDED IMMEDIATELY TO APPOINT RECEIVERSHIP ON THE 103D  
STREET AND RIVERSIDE DRIVE BUILDING STOP TRUSTEES OF THE ROERICH MUSEUM  
WISH TO WARN YOU OF THE DISASTROUS EFFECTS OF SUCH ACTION FOR OUR ENTIRE  
BUILDING AND THE BONDHOLDERS FOR WHICH WE WILL HOLD YOUR COMMITTEE RE-  
SPONSIBLE STOP AS ALREADY EXPRESSED TO MR. RICKABY WE ARE READY TO PUT UP  
NECESSARY SUM IMMEDIATELY FOR SETTLEMENT OF DEBTS STOP AS YOU ARE WELL  
AWARE OUR PRESENT SITUATION IS DUE TO FAILURE OF THE AMERICAN BOND & MORT-  
GAGE COMPANY TO FULFILL ITS OBLIGATIONS TO US IN RETURNING \$320,000 UNSOLD  
BONDS TO US STOP WE ALSO WISH TO WARN YOU THAT YOU ARE TAKING THIS ACTION  
DURING THE ACTIVE DEVELOPMENT OF OUR CAMPAIGNS FOR FUNDS AND WHILE WE ARE  
APPEALING FOR TOTAL TAX EXEMPTION AND ON EVE OF THE RENEWAL OF LEASES  
AND YOUR ACTION THREATENS TO DESTROY SUCCESS OF ALL THESE MOVEMENTS STOP  
IN VIEW OF THESE CIRCUMSTANCES AND SINCE AN ASSIGNMENT WAS MADE OUT ONLY  
TWO WEEKS AGO TO THE MANUFACTURERS TRUST COMPANY TRUSTEE OF THE MORT-  
GAGE WE WISH TO STATE THAT THIS ACTION IS ENTIRELY UNJUSTIFIED AND THAT WE  
WILL HOLD THE MEMBERS OF YOUR COMMITTEE RESPONSIBLE STOP IN VIEW OF OUR  
READINESS TO SETTLE OUR DEBTS WE THEREFORE URGE YOU TO REVOKE IMMEDIATELY  
YOUR DECISION FOR APPOINTING A RECEIVERSHIP WHICH WE UNDERSTAND IS TO TAKE  
EFFECT ON MONDAY MORNING APRIL FOURTH"

IN BEHALF TRUSTEES ROERICH MUSEUM

LOUIS L. HORCH PRESIDENT

87/30  
Petitioners' Exhibit 10 2

Letter Concerning Riverside Drive and 103d Street Building Bond Issue.



Petrs 9 x 103  
3-26-37  
RWP

**ROERICH MUSEUM**  
310 Riverside Drive, New York, N. Y.

Office of the President

New York, May 10, 1932.

*To the Holders of*

FIRST MORTGAGE BONDS, SERIES "A" AND "B", ISSUED BY THE ROERICH MUSEUM, SECURED BY TRUST INDENTURE MADE TO THE CHATHAM PHENIX NATIONAL BANK AND TRUST COMPANY (NOW MANUFACTURERS TRUST COMPANY) AS CORPORATE TRUSTEE, AND CHARLES C. MOORE AS INDIVIDUAL TRUSTEE, ON THE PROPERTY KNOWN AS RIVERSIDE DRIVE AND 103RD STREET BUILDING, NEW YORK CITY.

DEAR BONDHOLDER:

Do not allow yourself to be disturbed by the **second call letter** sent out by the Bondholders' Committee and **do not be stampeded into depositing your bonds.**

Through their untrue statements the Bondholders' Committee is urging you to betray your own interests, because your only guarantee for preserving this Building and completely protecting your capital interests is by cooperating with us in our common task of saving this Building and working towards its complete success. As far as we know, no member of the Bondholders' Committee or Mr. Rickaby, their counsel, has ever entered this Building.

Please note that the Committee did not deny any statement made by me in my letter of April 25, 1932. In fact, they even admit, inferentially, that they intend to charge you, as they have done in the past, 5 per cent. of the face amount of your bonds for the lawyers and Committee Members. On your bond issue, if all deposited, these fees would amount to about \$100,000. And they get this irrespective of what you may get. Do you realize what this means? In an affidavit filed by their own attorney, Mr. Rickaby, the Committee admits that it has already called for deposit issues sold by the American Bond and Mortgage Company amounting to \$80,000,000 and that it intends to call about \$36,000,000 more, making the stupendous total of \$116,000,000. Do you imagine they are doing this altruistically? Figure it out for yourself. If they succeed, they will get 5 per cent. of \$116,000,000; or \$5,800,000 as fees of the Bondholders' Committee and its lawyers. Are you going to permit yourselves to contribute to this sum—and destroy your building besides?

The Committee asks you to inquire of your local banker about the members of the committee? Yes, by all means do so. Also ask your local banker to name one single issue handled by this Committee in \$80,000,000 that turned out satisfactorily to the Bondholders? But did the Committee members fail to get their fee? Certainly not.

They tell you that Underwriters sometimes take 10 to 15 per cent. What has this to do with Bondholders' Committees? They carefully omitted telling you that some Bondholders' Committees work for 2 per cent. Why was this overlooked?

Let your local banker also tell you of the Delancey Clinton Commercial Buildings and others, with their disastrous losses to bondholders, and the huge fees of this same Bondholders' Committee. Do you wish to be victims of the same methods?

The Bondholders' Committee tells you in very bold type that funds will not be available for the payment of interest which matures on June 15, 1932. But do you realize that the Bondholders' Committee is responsible for this and that their actions have lost you this possibility? **Heretofore, as you know, we always managed to raise the necessary funds required to pay your interest coupons at maturity.** As in the past, our friends would have come to our assistance and supplied the deficiency between the amount available from earnings and the amount required. Now the earnings from the property are in the hands of the Receiver appointed at the instance of this Bondholders' Committee, and they dare to tell you that your interest coupon will not be paid on June 15, 1932.

The Committee has tried to confuse you by stressing the failure to pay taxes. But, as I mentioned in my last letter, we had secured from the City an exemption from taxation of one-third of the assessed valuation of the property because of our educational activities. If anything happens to the Roerich Museum, this exemption will be lost and taxes on the full valuation exacted by the City. This will add approximately \$25,800 a year to the carrying charges of the property. Proceedings are now pending for complete tax exemption, and if successful would relieve your property entirely from this tax payment. If the Committee's plan goes through, full taxes will be levied of about \$75,000 a year against you.

As to the sinking fund, it is a matter of common knowledge that in these times such payments, known as amortization payments, are temporarily waived and the failure to pay them is not regarded with any degree of concern. With a little time, and a little indulgence, and a little cooperation from our bondholders, we will pay the principal and interest on your bonds.

Concerning the campaign of \$3,000,000, the Bondholders' Committee is deliberately misconstruing this, when they say it was not a success. It was the action of the Bondholders' Committee that damaged this campaign aimed to raise money to pay off your investment in full and cancel the Mortgage before maturity. In fact, that Campaign, which naturally took several months of preparation, was beginning its inaugural work through Committee meetings, rallies and preparation of literature when this act of the Bondholders' Committee, so hostile to your interests as well as our own, arrested what would have been the greatest boon to you.

However, this Campaign can still move forward. Our friends are still willing to help us launch the Campaign, if you will help us to oust this Receiver and to assist us in preserving your capital and protecting this great Building.

In regard to the statement that the Roerich Museum constitutes an enormous drain on the property income, we again claim that this is a gross untruth. Quite the contrary, the Roerich Museum enhanced the income of your Building by \$100,000. The resident tenants of the Roerich Museum Building are paying on an average of \$200 per room per year more than other similar apartments in the vicinity, a fact substantiated by a survey of properties of the neighborhood made by a leading real estate authority. That means that on 325 rented rooms you are getting \$65,000 more rental than would be the case if the Roerich Museum were not there. The Roerich Museum, through tax exemption of one-third, saves you \$25,800 in taxes. And through other cultural activities of the Roerich Museum, the Building aggregates at least \$10,000 additional income. Do not let this statement in the Committee's letter deceive you, as to the true situation, because the cost of the cultural activities is small in comparison with its advantage to you.

Now, let me answer the other false assertions of the Bondholders' Committee. The intimation that Professor Roerich, Louis L. Horch and the officers of the Roerich Museum are receiving large salaries is a malicious falsehood. Professor Roerich, the founder of the Roerich Museum

and one of the greatest figures in international culture, has made the greatest contributions and devoted all his time for the entire period to this institution **without ever receiving any salary**—in fact, even the interest of 4 per cent. due to Professor Roerich on the indebtedness of the Museum to him was reduced this year to \$2,500 because of the depression.

As to myself, the Bondholders' Committee states that I personally guaranteed the payment of the bonds. That is quite true. In fact I took this responsibility so deeply that in August 1929, shortly before the completion of the Building when the American Bond and Mortgage returned \$320,000 of bonds unsold and the contractors threatened to stop the work and place liens on the building, I personally advanced \$102,000 to complete the Building and protect your interests. Of this sum only \$21,500 was ever returned to me. If this sum had not been advanced by me, the Building would have been lost; your entire investment would have been ruined and, of course, you would never have received any interest whatsoever in the last few years. In view of this and in view of the fact that I have given my entire fortune to the institution, you may see what a careless and unfounded statement is being made to you by this self-constituted committee.

As to salary, although Mrs. <sup>Horch</sup> ~~Hunt~~ and I have given our complete time to the institution, we have never received one cent of salary, and the only sums I have received have been a total of \$10,000 in three years, constituting interest on the vast sums I have advanced to the Building and amounting to approximately  $\frac{1}{2}$  of 1 per cent.

Furthermore in order to meet the pension of the depression the Roerich Museum constantly reduced its salaries in proportion. The highest salary paid to a member of the Roerich Museum staff is \$250 a month. The other salaries run under \$200 a month. For certain persons giving full time to the Museum, living quarters are also supplied. These salaries are certainly modest. Ask the Bankers what they will get out of this adventure? Then compare the two. Judge for yourself whether this Building will be saved by us—who love this Building, who want to protect it and to preserve the capital investment—or by this Bondholders' Committee, who have handled so many buildings, and none satisfactorily to the Bondholders.

As to the statement made by Mr. Hazelwood regarding the curtailing of expeditionary expenses, this is another attempt to deceive you, since all expeditions were paid for privately by Professor Roerich and myself, and the monies of the Museum have never been spent for expeditions. So you see the attempt made to malign this work!

As to the Press, of which the Bondholders' Committee writes, the books published are sold and bring monies to the institution, so that this statement is deceptive.

As to the statement concerning the operating agreement—the untruth of the charge is seen when we tell you that although the Bondholders' Committee secured the operating agreement, on the basis that it was to be tried for six months, the expenditures did not increase. Moreover, no expenditure was incurred during the ten days in which this agreement was permitted to stand without the permission of the Committee through their lawyers.

Moreover, indicating how little your interests were regarded by this Committee, they never permitted the agreement to be adequately tested. Their actions throughout were indicative of their determination to get a receiver despite any evidences of possible adjustment to the contrary, although I would have saved the Bondholders the huge expenses entailed in Receivership.

In regard to the statement that our Counsel accepted the situation and desired to cooperate with the Receiver, we again call your attention to the telegram enclosed in our last letter in which we warned the Bondholders' Committee that they were ruining your interests. To this, why did they never reply. Mr. George Gordon Battle—one of New York's leading attorneys, acting without compensation—urged this Committee to prevent the waste of foreclosure and receivership. He wrote as recently as March 22nd begging the Committee to preserve your equity. He said: "Of course, a foreclosure proceeding would mean the destruction of everything we have been striving to accomplish and should be avoided at any cost." In another letter written on May 3rd, Mr. Battle said: "I did not however nor did Dr. Horch nor any of his associates at any time consent to the institution of these proceedings or to the appointment of a receiver. On the

contrary, the bringing of the suit and consequent appointment of a receiver was strenuously and vigorously opposed by Dr. Horch and his associates and myself as was within our power." Mr. Battle resisted a receivership. Write to him if in doubt. In addition, you will be interested to know that we visited Mr. Weston, Vice-President of the Manufacturers Trust Company and member of the Bondholders' Committee, and Mr. Rickaby urging them not to permit Receivership and warning them that their action would ruin the Building and the Bondholders' interest. Against all our pleadings they were adamant, because without imposing a Receiver this Committee would not have received the fee.

*Jan 49* In regard to the Committee's assertions of what the Bondholders desire, we may inform you that our first letter has brought us gratifying responses, and with them several letters citing the grievous and unfortunate experiences of your fellow-bondholders with this same Committee. A substantial amount of bondholders are already with us, and if you wish to save your building we ask you to work with us. We assure you of our desire, beyond everything else, to preserve this Building, which is a monument and pride to this country, and we wish to protect your capital interests. There is no doubt that we will be able to do so, if you lend us your cooperation in vacating this Receiver and in carrying out our common task.

If you have not yet answered our first reply, please do so at once, filling in the enclosed form. Your help in saving this Building and in protecting the Bondholders' interests is needed. Write us that you are withholding your Bonds. If you have already deposited them, write at once and ask for their withdrawal, and without expense to you we will secure counsel who will represent you and get back your bonds.

A plan for your protection is being promulgated. We have been delayed in giving out any definite plan because we believed that our first duty was to endeavor to prevent the wastes of receivership. Legal steps in that direction have been instituted. We will shortly address ourselves to a plan for your benefit, to preserve your Building and equity. We may assure you that this plan will indicate our great desire to protect your capital invested in the Building and your interest; to preserve the Building, and to unite with you in our common task to carry on this work to the utmost success.

Very truly yours,

LOUIS L. HORCH.

POSTSCRIPT: Our attorneys are taking legal steps to have the Receiver dismissed. Please write to the Bondholders' Committee and ask them two questions: "Why did you handle this matter so as to wander to Bronx County for a receiver, when the property is in New York?" and "If you did not do this yourself why did you defend this unusual step in the subsequent court proceedings?" Until you have a satisfactory answer to these questions you have a right to be suspicious.

17639-117



## ROERICH MUSEUM

310 RIVERSIDE DRIVE  
NEW YORK, N. Y.

*Petrs 9x102  
3-26-37  
RWP*

OFFICE OF THE PRESIDENT

To the Holders of

FIRST MORTGAGE BONDS, SERIES "A" AND "B", ISSUED BY THE ROERICH MUSEUM, SECURED BY TRUST INDENTURE MADE TO THE CHATHAM PHENIX NATIONAL BANK AND TRUST COMPANY (NOW MANUFACTURERS TRUST COMPANY) AS CORPORATE TRUSTEE, AND CHARLES C. MOORE AS INDIVIDUAL TRUSTEE, ON THE PROPERTY KNOWN AS RIVERSIDE DRIVE AND 103RD STREET BUILDING, NEW YORK CITY.

DEAR BONDHOLDER:

Today you are entitled to receive the interest due on your bonds. We exceedingly regret that it is not being sent to you, but feel that this is not due to any fault on our part. While we controlled and managed the property, you received your interest regularly on the due date. The self-appointed "Bondholders Committee" put the property in receivership, and since then our hands have been tied. You are not receiving your interest today.

We have been devoting all our time and energy trying to work out a plan which will definitely preserve your interest, safeguard your investment and protect the success of the Roerich Museum Building. Everything is now being done to solve the present problem in a way which we are confident will meet with your full approval.

In the meanwhile we feel that in justice to the Roerich Museum and to ourselves, you are entitled to a statement in reference to certain matters which appear in affidavits of the Receiver and others, which have been sent out by the "Bondholders' Committee".

It is stated that Professor Roerich and I have been receiving large monthly salaries. This is absolutely untrue. We have both labored for the museum for years as well as made great contributions and neither of us have ever received one cent of salary. This is substantiated by a letter dated May 17, 1932, which I have received from Messrs. Weinberg and Josephson, certified public accountants, stating:

*gr 45* *3* "We have audited your records from October 1, 1929 to March 31, 1932. During that period there is no record of any payment of salary either to you or Professor Roerich."

As a matter of fact I personally advanced over \$1,000,000. to the Museum and its affiliated institutions. Over \$400,000. of this was a gift. In September, October, November and December 1929, when the American Bond and Mortgage Company failed, I advanced \$165,616 to insure the completion of the Roerich Museum Building. This is also attested by the certified public accountants in a letter, in which they say:

"\*\*\*\*had these payments not been promptly made by you, numerous liens would have been placed on the building, much to the detriment of both the Museum and the bondholders, and but FOR YOUR ASSISTANCE IN ADVANCING THESE FUNDS THE BONDHOLDERS MIGHT NOT HAVE RECEIVED INTEREST PAYMENTS IN 1929, 1930 and 1931."

In the Receiver's affidavit it is also stated that he did not get co-operation from the Roerich Museum. The fact is that he was given not only all the books which were then in use, but also all books, statements and documents in regard to the Roerich Museum Apartments and its real estate since its organization. We have done everything within our power to give the Receiver all the information to which he was entitled and resent the statement that we have failed to co-operate.

The "Bondholders' Committee" has also sent out a statement from the Receiver in which it is said that during the six months' period ending March 31, 1932, "there was advanced to the Roerich Museum from receipts of the Roerich Museum Apartments the sum of \$78,666." However, it is not stated that \$59,082.62 of this amount was used to meet the expenses of the building, INCLUDING THE PAYMENT OF INTEREST ON YOUR BONDS. The statement is likewise made that "the operating deficit of the museum to September 30, 1931 was \$560,185.08". But it is not stated from this amount up to that time, over \$468,000. was paid towards the carrying charges of the building and INCLUDED in the AMOUNT SO PAID WAS THE SUM OF \$237,470.13 TO YOU AS INTEREST ON THE BONDS.

Statements are also made that some apartments are occupied rent free by certain persons connected with the museum. The facts are that only four of these persons receive any salary from the museum, and because of the modest amount of the salaries paid to them, they receive living quarters instead of additional compensation. None of the others receive any salary and in return for their services they are given living quarters. This is entirely justified and is dictated by good business judgment. Without their presence the cultural activities which bring to the Roerich Museum Building higher rentals, tax exemption and other financial benefits, could not carry on. Not only does this mean a tax saving in the sum of over \$25,000 a year but that the museum is the principal attraction in the rental values of the apartments and has resulted in our ability to keep the property nearly fully rented in spite of general conditions, and the fact that other apartment hotels have many vacancies.

The "Bondholders' Committee" also sent you an affidavit from Harry J. Koerper, who is now employed by the receiver, in which it is stated that the property is not benefited by the educational features of the museum. The falsity of this statement can best be judged by the following letter which Mr. Koerper himself wrote in February 1932.

*"I wish to state that as managing director of the Roerich Museum Apartments, that the educational and cultural privileges of the Roerich Museum Apartments have of course been the greatest attraction in bringing the Roerich Museum Apartments its resident members.*

*"It is also my conviction that to these cultural advantages may be attributed the higher fees which Resident Members are willing to contribute for the Roerich Museum Apartments, as compared with apartments in this vicinity."*

The fact is that the operation of the Museum has NOT resulted in a loss to you. On the contrary, the Roerich Museum Apartments cannot exist as a profitable venture without the presence of the Museum. The direct financial benefits to you far exceed all expenses incurred for the Museum. If these expenses are not paid, the building will necessarily suffer. Many tenants will not remain if the activities of the Museum, guaranteed by their leases, are discontinued.

*gnc 46* The property is specialized and needs the Museum to protect your investment. We have also always recognized that your investment must be fully protected and have made this a paramount consideration. Only by the continued and united cooperation of you, the bondholders, and the directors of the Roerich Museum will the building be saved from disaster.

We therefore ask you not to deposit your bonds now. We will send you a report and a definite program before July 1, 1932.

Very truly yours,

*Louis F. March*

President.

Letter Concerning Riverside Drive and 103d Street Building Bond Issue.



**ROERICH MUSEUM**  
**310 Riverside Drive, New York, N. Y.**

Office of the President

New York, July 1, 1932.

*To the Holders of*

FIRST MORTGAGE BONDS, SERIES "A" AND "B", ISSUED BY THE ROERICH MUSEUM, SECURED BY TRUST INDENTURE MADE TO THE CHATHAM PHENIX NATIONAL BANK AND TRUST COMPANY (NOW MANUFACTURERS TRUST COMPANY) AS CORPORATE TRUSTEE, AND CHARLES C. MOORE AS INDIVIDUAL TRUSTEE, ON THE PROPERTY KNOWN AS RIVERSIDE DRIVE AND 103RD STREET BUILDING, NEW YORK CITY.

DEAR BONDHOLDER:

It is with great pleasure that we advise you that our efforts to remove the Receiver of the Roerich Museum Building have been successful. To-day the Appellate Division of the Supreme Court of New York unanimously reversed the order appointing the Receiver and ousted the Receivership.

The effect of this decision is to restore the direction of the property to the Directors of the Roerich Museum, where it properly belongs.

We congratulate you, dear bondholders, upon the victory which lifts from your shoulders and from ours the burden and expense of Receivership with its ruinous consequences.

We are now free to devote all our efforts to working out a plan of reorganization, to the end that your investment in the property may be protected and ultimately paid in full.

You will hear from us shortly. In the meantime, the income will be preserved for the benefit of the bondholders. Meanwhile, hold on to your bonds and do not deposit them.

With many thanks for your spirit of cooperation, believe me,

Cordially,

LOUIS L. HORCH,  
*President.*

SUPREME COURT: NEW YORK COUNTY

ROERICH MUSEUM,

Plaintiff,

-against-

CRAIG B. HAZLEWOOD, FRANK W. BLAIR,  
FREDERICK G. CURRY, "HENRY" K. HALLETT  
(said name "Henry" being fictitious, the  
true first name of said defendant being  
unknown), DAYTON KEITH, JOSEPH E. OTIS,  
WALTER J. SUGDEN and CHARLES W. WESTON,  
individually and as co-partners and joint  
adventurers, doing business under the firm  
name and style of "COMMITTEE FOR THE  
PROTECTION OF HOLDERS OF FIRST MORTGAGE  
BONDS SOLD THROUGH AMERICAN BOND AND  
MORTGAGE COMPANY."

Defendants.

COMPLAINT

44108 - - - 1932

Plaintiff above named, by GREENBAUM, WOLFF & ERNST, its  
attorneys, complaining of the defendants, alleges:

FOR A FIRST CAUSE OF ACTION

FIRST: At all the times hereinafter mentioned, plaintiff was  
and now is a domestic corporation duly organized and existing under and by  
virtue of the Education Law of the State of New York.

SECOND: At all the times hereinafter mentioned, plaintiff has been  
engaged in the promotion of science, literature, art, history and other  
departments of knowledge and education. Its purposes have been duly approved  
by the Board of Regents of the University of the State of New York, which  
duly adjudged the plaintiff and its said purposes as being of such educational  
and cultural value as to be deemed worthy of recognition and encouragement  
by the University of the State of New York.

THIRD: Plaintiff has established about fifty branches and societies  
in twenty countries, including Europe, Asia, South America and the United  
States, for the purpose of carrying on the activities aforementioned.

Through its various departments plaintiff cooperates with the elementary, public and high schools of the City of New York, as well as with public libraries, museums, hospitals and other educational and community centers in the City and State of New York and in other cities and states.

FOURTH: As a result of its educational and cultural activities aforementioned, plaintiff is well known to the general public, and has established a high and valuable reputation as an educational, cultural and social organization. Its activities, comprising the arts, sciences and all phases of knowledge and culture, have a universal appeal and extend to all nations, all races and all creeds.

FIFTH: At all the times hereinafter mentioned, the plaintiff was engaged in the raising of a fund of \$3,000,000 on Roerich Museum Friendship Bonds, which funds were to be devoted exclusively to the retirement of all of the plaintiff's obligations.

SIXTH: One of these obligations of the plaintiff was and is a mortgage upon the property owned by the plaintiff at the north-east corner of Riverside Drive and 103rd Street, Borough of Manhattan, City of New York, consisting of a 26 story building, containing apartments, restaurant, libraries, art galleries, class-rooms, studios, lecture hall and auditorium, all included in the appurtenances of the plaintiff as a home of art and culture.

SEVENTH: Under the provisions of the said mortgage, definitive certificates were originally issued in the face amount of \$1,925,000 and were sold and distributed by the American Bond and Mortgage Company.

EIGHTH: Upon information and belief, the defendants organized themselves as an alleged committee for the alleged protection of the holders of first mortgage bonds sold through the American Bond and Mortgage Company, and at all the times hereinafter mentioned, the defendants were and still are acting individually and as copartners and joint adventurers, and are doing business under the firm name and style of "Committee for the

Protection of Holders of First Mortgage Bonds sold through American Bond and Mortgage Company."

NINTH: On information and belief, the defendants, as said committee, have solicited and urged and are soliciting and urging owners and holders of the mortgage certificates issued under the plaintiff's mortgage, as aforesaid, to deposit said certificates with the said committee, and the defendants have engaged and are engaged in such occupation for profit, and have charged and are charging said certificate owners and holders five percent of the face amount of the certificates deposited as and for alleged compensation and expenses of said committee.

TENTH: On information and belief, the defendants, on or about the third day of May, 1932, for the purpose of furthering their own designs and seeking financial gain and profit for themselves, and in wilful disregard of the rights and interests of the plaintiff, composed, uttered, published and circulated the following false and defamatory statements of and concerning the plaintiff:

"The obligations of the Museum to general creditors aggregated approximately \$80,000. These creditors were pressing for payment. Bankruptcy proceedings seemed imminent. The institution of bankruptcy proceedings would have meant the subjection of this property to the jurisdiction of a bankruptcy court--an administration not primarily for the benefit of First Mortgage Bondholders. It was therefore vitally necessary that a receiver for the benefit of First Mortgage Bondholders be appointed."

ELEVENTH: By the aforementioned false and defamatory matter, and in addition to the simple and plainly false statements therein contained, the defendants meant and intended to mean, and were understood by the readers of the said statements to mean:

- (a) That the plaintiff was insolvent.
- (b) That the creditors of the plaintiff were pressing their claims for payment.
- (c) That these creditors proposed to institute bankruptcy proceedings against the plaintiff.
- (d) That bankruptcy proceedings against the plaintiff were impending.
- (e) That the appointment of a receiver of the plaintiff's property was necessary to forestall bankruptcy proceedings.

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(f) That the plaintiff was unworthy of credit.

**TWELFTH:** The aforesaid false and defamatory matter and statements were distributed by the defendants among and reached a large number of persons with whom the plaintiff had been doing business, and with whom the plaintiff had good credit, and through whom the plaintiff had received contributions, and from whom the plaintiff would have received funds on its Friendship Bonds.

**THIRTEENTH:** At the time the aforesaid matter and statements were composed, uttered, published and circulated, defendants well knew the same to be false, and the defendants composed, uttered, published and circulated the said matter and statements wickedly, maliciously and wilfully, and with the intention thereby to injure the plaintiff.

**FOURTEENTH:** On information and belief, at or about the times herein mentioned, the defendants secretly endeavored to stir up general creditors of the plaintiff so that they would try to petition the plaintiff into bankruptcy, and the defendants took steps to canvass the general creditors of the plaintiff in order to cause at least three of such creditors to institute bankruptcy proceedings against the plaintiff and to petition it into bankruptcy.

**FIFTEENTH:** By reason of said publication, a large number of persons who theretofore had sold goods to the plaintiff or performed services for the plaintiff, on credit, refused to further deal with the plaintiff and declined to extend further credit, a loss of tenants and rentals resulted, plaintiff's property and appurtenances have depreciated in value, and a large number of persons who would have contributed to the Friendship Bonds hereinabove mentioned, declined and refused to make such contributions.

**SIXTEENTH:** By reason of the foregoing, plaintiff was greatly injured in its credit, reputation and business, to its damage in the sum of Two hundred fifty thousand dollars (\$250,000.).

FOR A SECOND CAUSE OF ACTION

SEVENTEENTH: Plaintiff repeats and reiterates the allegations contained in paragraphs "First," "Second," "Third," "Fourth," "Fifth," "Sixth," "Seventh," "Eighth," and "Ninth" of the first cause of action herein, and makes them a part of this cause of action.

EIGHTEENTH: On information and belief, that defendants, on or about the 1st day of September, 1932, for the purpose of furthering their own designs and seeking financial gain and profit for themselves, and in wilful disregard of the rights and interests of the plaintiff, composed, uttered, published and circulated the following false and defamatory statements of and concerning the plaintiff:

"This letter (referring to a letter dated as of March 1, 1932, delivered to the defendants, as said committee, by the plaintiff) did not afford sufficient legal protection to the bondholders and was therefore never satisfactory to the Committee, but it seemed better, under the circumstances, than having no agreement at all, and the Committee felt that with the maximum cooperation from Dr. Horch, satisfactory results might be obtained thereunder. As soon as the general creditors, however, learned from Dr. Horch of the existence of said letter, certain of them became extremely active in urging the immediate payment of their claims. In order to forestall imminent bankruptcy proceedings, it seemed to the Committee advisable that certain small payments be made on these claims. The Committee was utterly opposed however, to any substantial payments. Such payments, however, were made,\*\*\*\*\*"

"\*\*\*\*\*that absolutely no cooperation whatsoever could be expected from the Museum in attempting to comply with the spirit of the letter delivered to the Committee. The letter itself being insufficient and the cooperation which it had seemed possible the Committee might secure thereunder not being given, foreclosure and receivership were imperative if any income were to be preserved for the benefit of the first mortgage bondholders."

NINETEENTH: By the aforementioned false and defamatory matter, and in addition to the simple and plainly false statements therein contained, the defendants meant and intended to mean, and were understood by the readers of the said statements to mean:

- (a) That the plaintiff was insolvent.
- (b) That the creditors of the plaintiff were pressing their claims for payment.
- (c) That these creditors proposed to institute bankruptcy proceeding against the plaintiff.

- (d) That bankruptcy proceedings against the plaintiff were impending.
- (e) That the appointment of a receiver of the plaintiff's property was necessary to forestall bankruptcy proceedings.
- (f) That the plaintiff was unworthy of credit.
- (g) That the plaintiff violated alleged contractual obligations.
- (h) That plaintiff made no effort to carry out the spirit of its undertakings.

TWENTIETH: The aforesaid false and defamatory matter and statements were distributed by the defendants among and reached a large number of persons with whom the plaintiff had been doing business, and with whom the plaintiff had good credit, and through whom the plaintiff had received contributions, and from whom the plaintiff would have received funds on its Friendship Bonds.

TWENTY-FIRST: At the time the aforesaid matter and statements were composed, uttered, published and circulated, defendants well knew the same to be false, and the defendants composed, uttered, published and circulated the said matter and statements wickedly, maliciously and wilfully, and with the intention thereby to injure the plaintiff.

TWENTY-SECOND: On information and belief, at or about the time herein mentioned, the defendants secretly endeavored to stir up general creditors of the plaintiff so that they would try to petition the plaintiff into bankruptcy, and the defendants took steps to canvass the general creditors of the plaintiff in order to cause at least three of such creditors to institute bankruptcy proceedings against the plaintiff and to petition it into bankruptcy.

TWENTY-THIRD: By reason of said publication, a large number of persons who theretofore had sold goods to the plaintiff or performed services for the plaintiff, on credit, refused to further deal with the plaintiff and declined to extend further credit, a loss of tenants and rentals resulted, plaintiff's property and appurtenances have depreciated in value, and a large number of persons who would have contributed to the Friendship

Bonds hereinabove mentioned, declined and refused to make such contributions.

TWENTY-FOURTH: By reason of the foregoing, plaintiff was greatly injured in its credit, reputation and business, to its damage in the sum of Two hundred fifty thousand dollars (\$250,000.).

WHEREFORE, plaintiff demands judgment against the defendants in the sum of Five hundred thousand dollars (\$500,000), together with the costs and disbursements of this action.

GREENBAUM, WOLFF & ERNST,  
Attorneys for Plaintiff,  
285 Madison Avenue  
Borough of Mahhattan,  
City of New York

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STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss:

ESTHER J. LICHTMANN, being duly sworn, deposes and says: That she is the Vice-president of Roerich Museum, the plaintiff herein; that she has read the foregoing Complaint and knows the contents thereof, and that the same is true of her own knowledge, except as to the matters therein alleged to be upon information and belief, and as to those matters she believes it to be true.

That the reason this verification is made by deponent and not by plaintiff is that plaintiff is a domestic corporation of which deponent is an officer, to wit, Vice-President.

Sworn to before me, this }  
10th day of November, 1932 }

ESTHER J. LICHTMANN

PAULA GROSS

At a Special Term, Part I of the  
Supreme Court held in and for the  
County of New York at the Court House  
thereof, in the Borough of Manhattan,  
City of New York, on the 4th day of  
November, 1932.

Present:

HONORABLE BERNARD L. SHIENTAG,

Justice.

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MANUFACTURERS TRUST COMPANY, as  
Corporate Trustee, etc.,

Plaintiff,

- against -

ROERICH MUSEUM, et al.,

Defendants.

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No. 32856-1932

The defendant Roerich Museum above named, having moved  
this court for an order authorizing and directing the Receivers herein  
to pay to the Trustees of Roerich Museum, out of the rents, issues and  
profits of the mortgaged property, the sum of \$2,500 permonth, to be  
applied by said Trustees on account of the support and maintenance of  
the Roerich Museum and its educational and cultural work and for such  
other or further relief as may be just, and said motion having duly come  
on to be heard, after hearing Greenbaum, Wolff & Ernst, Esqs., by  
Samuel J. Schur, Esq., of counsel for the defendant Roerich Museum, in  
support of said motion; J.M. Richardson Lyeth, Esq., of counsel for the  
plaintiff herein in opposition thereto; Joseph Kahn, Esq., of counsel  
for the Receivers herein; Hamilton C. Rickaby, Esq., of counsel for a  
bondholders' committee and Siegfried Hartman., of counsel for  
another bondholders' committee, and due deliberation having been had

thereupon, and the opinion of the court having been filed,

NOW upon reading and filing the notice of motion herein, with proof of due service thereof, the affidavits of Frances R. Grant and Hirman Cavanaugh, duly verified the 16th day of September, 1932, the affidavits of William B. Hall, Edward H. Skinner, and Simon M. Werner, duly verified the 29th day of August, 1932, the affidavit of Frances R. Grant, duly verified the 28th day of September, 1932, all in support of said motion, the affidavit of J.H. Richardson Lyeth, duly verified the 26th day of September, 1932 in opposition to said motion and the affidavit of Hamilton C. Rickaby, duly verified the 22nd day of September, 1932, the affidavit of Joseph Kahn, duly verified the 21st day of September, 1932, and the supplementary affidavit of Joseph Kahn, duly verified respectively the 22nd day of September, 1932 and the day of October, 1932, it is

ORDERED, that Philip J. Dunn and Louis L. Horch, the Receivers appointed in this action, be and hereby are authorized and directed to pay to the Trustees of the defendant Roerich Museum, out of the rents, issues and profits of the mortgaged premises, the sum of one thousand three hundred and fifty dollars (\$1,350) on the first day of each and every month commencing with the 12th day of August, 1932, provided the said Trustees of the defendant Roerich Museum shall deliver to said Receivers certified statements showing the expenditure of at least \$1,350. during the preceding calendar month for the physical support and maintenance of the Museum and for such other activities in connection therewith as may be approved by the said Receiver and it is further

ORDERED, that in the event the whole or any part of the funds in the hands of the Receiver appointed in the action commenced by

the plaintiff herein in the Supreme Court, Bronx County, the foreclose the trust mortgage, is at any time paid over to the defendant Roerich Museum, the plaintiff may apply for an order directing that the amounts so paid over shall be credited against payments to be made under this order at the rate of \$1,350 per month; and it is further

ORDERED, that as long as the apartments are not called for renting purposes by any prospective tenants the said Receivers be and they are hereby authorized to permit Louis L. Horch, Frances R. Grant, Miss E.S. Lichtman, M.M. Lichtman, Sina Lichtman and Mrs. F. Schafran, being persons who are all connected with the educational work of the said Roerich Museum, and whose services are beneficial to the proper maintenance and operation of the said premises, to occupy as heretofore the apartments they are now occupying, and it is further

ORDERED, that any and all parties Here may hereafter and from time to time apply for a modification of this order

ENTER

B.L.S.

J.S.C.

SUPREME COURT : NEW YORK COUNTY.

-----  
MANUFACTURERS TRUST COMPANY, as Corporate  
Trustee by merger of Chatham Phenix National  
Bank and Trust Company, under a certain Trust  
Mortgage made by Roerich Museum to Chatham  
Phenix National Bank and Trust Company, Cor-  
porate Trustee and Charles C. Moore, Individual  
Trustee, dated as of June 15th, 1928,

Plaintiff,

-against-

ROERICH MUSEUM, ROERICH MUSEUM, INCOR-  
PORATED, CHARLES C. MOORE, as Individual Trus-  
tee under Trust Mortgage made by Roerich  
Museum, dated as of June 15th, 1928, Louis L.  
Horch, et al.,

Defendants.  
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PLEASE TAKE NOTICE that pursuant to the order of  
Mr. Justice Shientag, entered March 2nd, 1934, there is sent  
to you herewith a copy of said order and a copy of the  
proposed Plan of Reorganization therein referred to.

PLEASE TAKE FURTHER NOTICE that the first hearing  
before me, pursuant to said order, will be held at my  
office, 27 William Street, in the Borough of Manhattan, City  
of New York, on the 3rd day of April, 1934, at 2:15 P. M.

Dated, New York, March 22nd, 1934.

CHARLES C. BURLINGHAM,

Referee.

SUPREME COURT : NEW YORK COUNTY

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MANUFACTURERS TRUST COMPANY, as Corporate:  
Trustee by merger of Chatham Phenix  
National Bank and Trust Company, under :  
a certain Trust Mortgage made by Roerich :  
Museum to Chatham Phenix National Bank :  
and Trust Company, Corporate Trustee and :  
Charles C. Moore, Individual Trustee, :  
dated as of June 15th, 1928, :

Plaintiff, :

-against- :

ROERICH MUSEUM, ROERICH MUSEUM, INCORPO- :  
RATED, CHARLES C. MOORE, as Individual :  
Trustee under Trust Mortgage made by :  
Roerich Museum, dated as of June 15th, :  
1928, LOUIS L. HORCH, et al., :

Defendants. :

- - - - -X

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS:

HARVEY WILEY CORBETT, being duly sworn,  
deposes and says:

I am Chairman of the Bondholders' Pro-  
tective Committee for First Mortgage Series "A" Bonds of  
Riverside Drive and 103rd Street Building (Roerich Museum).  
The following are members of said Committee:

Harvey Wiley Corbett, Chairman  
John O'Hara Cosgrave  
Wilbur F. Holt  
Ralph V. D. Magoffin  
Arleigh Pelham  
Theophile Schneider  
Mrs. Lionel Sutro

The said Committee now has on deposit with Empire Trust  
Company, First Mortgage Series "A" Gold Bonds of Riverside  
Drive and 103rd Street Building (Roerich Museum) in the  
face amount of \$369,200.00 and Certificates of Deposit  
issued therefor of the Hazlewood Committee hereinafter

referred to in the face amount of \$130,000.00. The Hazlewood Committee, consisting of Craig B. Hazlewood, Chairman, and Frank W. Blair, Frederick G. Curry, H. K. Hallet, Dayton Keith, Joseph E. Otis, Walter J. Sugden, and Charles W. Weston reports that it has on deposit with it First Mortgage Series "A" Gold Bond Certificates of Riverside Drive and 103rd Street Building (Roerich Museum) in the face amount of \$806,500.00.

The said Series "A" certificates are part of an issue of \$1,925,000. principal amount of First Mortgage Series "A" 6% Guaranteed Sinking Fund Gold Bond Certificates issued by Roerich Museum under a Trust Mortgage dated as of the 15th day of June, 1928, between Roerich Museum, Chatham Phenix National Bank and Trust Company, as Corporate Trustee and Charles C. Moore, as Individual Trustee. There are now outstanding \$1,925,000. in aggregate principal amount of said Series "A" certificates.

The mortgage above described covers a twenty-four story building located at Riverside Drive and 103rd Street, New York, N. Y., containing approximately 294 apartments of one room and bath, and 48 apartments of two rooms and bath. The first three floors except the lobby and the restaurant are used by the Roerich Museum for cultural and educational purposes exclusively, together with approximately one-half of the floor space contained on the fourth floor. Five apartments are used by the staff of the Museum. The land upon which the building is located has a frontage of 115 feet on Riverside Drive and 120 feet

on the north side of 103rd Street.

On or about April 1, 1932 foreclosure proceedings in respect to the mortgage above described were commenced by Manufacturers Trust Company, as alleged Successor Corporate Trustee by merger to Chatham Phenix National Bank and Trust Company and Charles C. Moore, as Individual Trustee, in the Supreme Court of the State of New York, County of Bronx. At that time the Roerich Museum had failed to pay three monthly deposits on account of the interest due January 15, 1932 on the Series "A" Certificates and five monthly deposits on account of the interest due on the Serial Series B 6% Guaranteed Gold Bond Certificates due June 15, 1932. Real estate taxes aggregating \$105,956.40 exclusive of interest and penalties thereon as provided by law, were past due and unpaid. Application for a receiver of the mortgaged premises was made in that proceeding by the Trustee and Philip J. Curry appointed receiver. On June 30, 1932 this receivership was vacated.

This action for foreclosure was thereafter instituted in the Supreme Court of the State of New York, New York County, and Philip J. Dunn and Louis L. Horch were appointed receivers. The last mentioned receivers now are and have been in possession of and have been operating the property since the day of their appointment.

The defendant Roerich Museum has answered the complaint herein.

The two aforementioned Committees have been endeavoring for several months past to formulate a Plan of Reorganization. The problem has been complicated by the

fact among others that the building is especially constructed for museum purposes and to oust the Museum would mean reconstruction of part of the mortgaged premises, entailing an expenditure estimated at \$100,000. Furthermore, a report has been submitted by L. J. Phillips & Co., a copy of which is hereto annexed, made part hereof and marked Exhibit "A", which indicates that the presence of the Museum in the mortgaged premises and the educational activities which it conducts therein account for at least 10% of the rentals derived from the mortgaged premises.

With these facts in mind, the two Committees, working in cooperation with the Museum, have formulated a proposed Plan of Reorganization, a copy of which is hereto annexed, made part hereof and marked Exhibit "B". No understanding has been reached with respect to the amount of compensation to be paid to the Hazlewood Committee or its counsel or to the counsel or secretary of the Corbett Committee or to counsel for the Roerich Museum. The Corbett Committee is of the opinion that the fairness and reasonableness of any compensation to be paid in connection with this reorganization as well as the fairness and reasonableness of the Plan, should be passed upon by this Court.

The Corbett Committee desires to intervene in this proceeding and to submit the said proposed Plan of Reorganization to this Court for its approval and supervision. The said Committee proposes that the said proposed Plan of Reorganization be referred by this Court to a referee to hear the evidence in respect thereto of any persons interested in the mortgaged property, and to consider suggestions and proposals, if any, for amendments

or changes in furtherance of said proposed Plan; to consider the fairness and reasonableness of the said Plan and any such proposed amendments or changes in respect thereto and to report thereon to this Court with his recommendations for the approval of this Court, and in connection therewith to consider, recommend and report what compensation shall be paid to counsel for the various parties to this action other than counsel for the plaintiff for or in connection with said Plan of Reorganization, to the Committee of which Craig B. Hazlewood is the Chairman, to the Secretary of the Committee of which Harvey Wiley Corbett is the Chairman, and the method and manner of paying such compensation and other expenses of reorganization and the funds against which such payments shall be charged.

WHEREFORE, I respectfully pray that an order be made and entered herein (1) permitting Harvey Wiley Corbett, John O'Hara Cosgrave, Wilbur F. Holt, Ralph V. D. Magoffin, Arleigh Pelham, Theophile Schneider and Mrs. Lionel Sutro, as the Bondholders' Protective Committee for said First Mortgage Series "A" Bonds to intervene herein as parties defendant, and to submit to this Court the proposed Plan of Reorganization, a copy of which is hereto annexed; (2) designating a referee herein to hear evidence in respect thereto of any persons interested in the mortgaged property and to consider suggestions and proposals, if any, for amendments or changes in furtherance of the said proposed Plan; to consider the fairness and reasonableness of said proposed Plan and any such proposed amendments and changes in respect thereto that may be submitted to him and to report thereon to this Court

with his recommendations for the approval of this Court; and in connection therewith to consider and recommend and report what compensation shall be paid to counsel for the various parties to this action other than counsel for the plaintiff for and in connection with the proposed Plan of Reorganization, to the Committee of which Craig B. Hazlewood is the Chairman, to the Secretary of the Committee of which Harvey Wiley Corbett is the Chairman, and the method and manner of paying such compensation and other expenses of reorganization and the funds against which such payments shall be charged; (3) directing said Referee at least ten (10) days before the first hearing to be had before him to mail to each known holder of said Series "A" Certificates secured by the mortgage to foreclose which this action was brought and to each known holder of Certificates of Deposit representing such Series "A" Certificates, a copy of this order and a copy of said Plan of Reorganization and a notice of the time and place of said first hearing; (4) directing the aforesaid Committees to file with said Referee a list showing the names and addresses of all holders of said Series "A" Certificates and Certificates of Deposit therefor known to them; (5) directing the Receivers herein to forthwith pay to the said Referee the necessary expenses for printing and mailing the copies of the said proposed Plan, of this order and of said notice.

Sworn to before me this

28th day of February, 1934)

HARVEY WILEY CORBETT

LOUIS MEHL

Kings County Clerk's No. 569

Kings County Register's No. 5184

New York County Clerk's No. 409

New York County Register's No. 5-M-223

Commission Expires March 30, 1935

Memo

It appears that the Plan of Reorganization submitted to the Supreme Court of this State by the two Bondholders Committees early in 1934, as referred by Mr. Justice Shientag of the Supreme Court to Mr. Burlingham as Referee, under date of March 2, 1934, and as later recommended by the said Referee (with minor modifications irrelevant to the present considerations) and as approved by the said Court, June 26, 1934, provided that the proposed New Company (the present Riverside Drive & 103rd St. Corporation), if it should buy the Museum's premises at foreclosure, should reconvey same, upon terms designated, "to an educational corporation, organized under the laws of the State of New York, and controlled by the present Roerich Museum interests" (i.e., controlled by the "Roerich Museum interests" as existing March 2, 1934).

The joint statement of the two Bondholders Committees, dated July 31, 1934, informing Certificate Holders of the Court's approval of the said plan, declared similarly that the educational corporation to whom the premises would be conveyed, if Certificate Holders approved, would be "controlled by the present Roerich Museum interests". The said Bondholders Committees jointly recommended to the Certificate Holders the approval of the said plan, including the provision quoted, and the said plan was thereupon approved.

On December 27, 1934, pursuant to the foreclosure proceedings provided for in the said plan, as so approved, the property "known as Roerich Museum" was purchased by the Riverside Drive & 103rd St. Corporation, the latter being, as aforesaid, "the New Company provided for in the Plan of Reorganization dated July 31, 1934" (see the said Company's Distribution Letter of August 20, 1935); title passing on February 23, 1935. On same date the "New Company" transferred the premises to Master Institute of United Arts, Inc.; declaring in the said Distribution Letter of August 20, 1935, the said Master Institute of United Arts, Inc. to be "the educational corporation provided for in said Plan".

It will be observed that the Referee's recommendation aforesaid, as approved by the Supreme Court, June 26, 1934, and as alleged by the Riverside Drive & 103rd St. Corporation in their said Distribution Letter to have been complied with to date of said letter, expressly provided that the transfer of the premises by the New Company should be "to an educational corporation \*\*\* controlled by the present Roerich Museum interests", i.e., controlled by the same Roerich Museum interests as controlled the said premises on the said dates, viz., March 2, 1934 and July 31, 1934. The Roerich Museum interests that controlled the said premises on the said dates were the then trustees of Roerich Museum, viz., Prof. & Mme. Roerich, Mr. & Mrs. Horch, Mr. & Mrs. Lichtmann and Miss Grant. It was apparently the intent of the Court to place and confirm control of the premises in the hands of seven persons, five of whom, viz., Prof. & Mme. Roerich, Mr. & Mrs. Lichtmann and Miss Grant, are now sought by adverse interests to be excluded from all participation in the control of same. It would appear that an injunction would lie to prevent such exclusion of said five trustees from participation in the control of the said premises, as being not merely inconsistent with the agreement and declared intent of all the parties, but as being in effect in contempt of the decree of the Court.

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P E T I T I O N  
of the

RESIDENT MEMBERS of the ROERICH MUSEUM APARTMENTS,  
103rd Street and Riverside Drive.

We, the undersigned, resident members and tenants of the Roerich Museum at 103rd Street and Riverside Drive, hereby advise you as follows:

When we became members and signed leases for apartments in the Roerich Museum, we did so because we wished to become members of this Educational Institution, to wit, the Roerich Museum, in whose activities we were vitally interested, and whose educational benefits and privileges we sought to enjoy. It was the cultural and educational life and environment which induced us to become tenants in the building of the Roerich Museum, and our faith in the personnel of the Roerich Museum and our reliance upon these individuals which led us to sign leases.

We respectfully call your attention to the fact that the very first paragraph of the lease which we signed refers to these facts. In the lease it is provided that --

"at all times during the demised term, the lessee may avail himself or herself of all museum privileges, and shall also be entitled to attend all special lectures and concerts, as well as classes for instruction in connection with the arts as given, held and conducted by the landlord."

We hereby advise you that if this clause is violated and if there is any interruption in the cultural or educational activities of the Roerich Museum, we shall feel that there has been a violation of the terms of our agreement, and shall feel at liberty to move from the premises.

We trust that some method will be found whereby there will be no interruption in this work, and the landlord and bondholders will not be deprived of the rent which we are paying, and that the present leaders of the Roerich Museum, with whom we have had most pleasant relations, and who have conducted the work to our entire satisfaction, may be permitted to continue in charge, in which event we shall be very happy to continue as resident members and tenants of the Roerich Museum.

SIGNED BY 160 TENANTS OF  
ROERICH MUSEUM APARTMENTS.

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**BOND**

In amount of \$1,674,800

---

Dated February 23, 1935

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FROM

MASTER INSTITUTE OF UNITED ARTS, INC.

TO

RIVERSIDE DRIVE & 103RD ST.  
CORPORATION

---

## KNOW ALL MEN BY THESE PRESENTS

that Master Institute of United Arts, Inc., an educational corporation organized and existing under the Laws of the State of New York and having its principal office at 310 Riverside Drive, in the Borough of Manhattan, City, County and State of New York, hereinafter designated as the Obligor, does hereby acknowledge itself to be justly indebted to Riverside Drive & 103rd St. Corporation, a corporation organized and existing under the laws of the State of New York and having its principal office at 120 Broadway, in the Borough of Manhattan, City, County and State of New York, hereinafter designated as the Obligee, in the sum of One million Six hundred Seventy-four thousand Eight hundred Dollars (\$1,674,800), lawful money of the United States of America, which sum the Obligor does hereby covenant and agree to pay, on the following terms and conditions, to the Obligee, its successors or assigns, at its office or agency in the City of New York, on December 31, 1949, with interest thereon or on so much thereof as shall remain from time to time unpaid, to be paid and to be computed as hereinafter provided, that is to say:

1. For the five year period commencing January 1, 1935 and ending December 31, 1939, the Obligor shall pay interest on the unpaid balance of the principal indebtedness represented hereby, semi-annually on August 15 and February 15 in each year (in each instance for the six months' period ending on the next preceding June 30 or December 31, as the case may be) at the rate of four per cent. (4%) per annum, but only if and to the extent that the surplus income of the Obligor, (as hereinafter defined and provided to be ascer-

tained and determined in the succeeding paragraphs hereof numbered 4 to 11, both inclusive) shall suffice for such payment. Such interest shall not be cumulative and no part of the interest hereon, for the payment of which the surplus income for any interest year, as hereinafter defined, shall be insufficient, need thereafter be paid.

2. For the five year period commencing January 1, 1940, and ending December 31, 1944, the Obligor shall pay interest on the unpaid balance of the principal indebtedness represented hereby, semi-annually on June 30 and December 31 in each year, at the rate of four per cent. (4%) per annum.

3. For the five year period commencing January 1, 1945, and ending December 31, 1949, the Obligor shall pay interest on the unpaid balance of the principal indebtedness represented hereby, semi-annually on June 30 and December 31 in each year, at the rate of six per cent. (6%) per annum.

4. The term "surplus income" for any period shall mean the balance remaining after deducting on an accrual basis the following items incurred or paid during such period, from the gross income for such period (as hereinafter defined) of the Obligor:

(a) All operating expenses, including repairs, maintenance, alterations and insurance in connection with the premises covered by the Mortgage collateral hereto, (except such portion of operating expenses as aforesaid as may be incurred in connection with or attributable to that portion of said premises consisting of the auditorium, all of the floor space occupied by the Museum on the first, second and third floors, one-half of the floor space

contained on the fourth floor and the reception hall to the Museum, so long as said portions of the premises are used exclusively for Museum, cultural or educational purposes, and apartments numbered 1706, 1707, 2004, 2401 and 2404 so long as said apartments are used for living quarters for the staff engaged in such Museum, cultural or educational purposes), and reasonable wages for employees and reasonable management expenses and commissions. Provided, however, such operating expenses shall not exceed the sum of \$105,000 per annum in any interest year (as hereinafter defined) unless the so-called "United States Bureau of Labor Statistics, Wholesale Commodities Index" shall show that the average price level for any six months' period in any interest year has advanced beyond the price level shown by said commodity index on July 1, 1933, in which case such operating expenses for the six months' period next succeeding the six months' period in which said average price level shall have advanced, as aforesaid, may exceed the sum of \$105,000 per annum by an amount equal to the increased percentage of such price level as shown by said so-called commodity index; the operating expenses hereinabove set forth shall not include any operating expenses incurred in the operation of the restaurant in the mortgaged premises except reasonable wages of employees engaged in the operation of such restaurant and the kitchen used in conjunction therewith;

(b) All real estate taxes, water rates and assessments assessed by the City of New York which may become a lien on said premises, less such tax exemption as the Obligor may procure, as hereinafter provided, and all in-

come taxes assessed by any governmental authority against the Obligor;

(c) Interest on the prior existing mortgage described in the Mortgage given as collateral hereto, but not including interest on the principal indebtedness represented hereby; payments actually made in reduction of the principal indebtedness secured by said prior existing mortgage, but not exceeding in the aggregate the amount required by such prior existing mortgage to be paid on account of the principal indebtedness secured thereby;

(d) Any real estate tax exemption accorded to the obligor by the City of New York, provided, however, that if such tax exemption in any year shall exceed the sum of \$16,000, then the amount which may be deducted under this subdivision (d) shall be only the said sum of \$16,000 plus 50% of the amount of the exemption in excess thereof.

(e) An amount equal to seven and one-half per cent. (7½%) of such part of the gross income (hereinafter defined) of the Obligor as shall exceed the sum of \$250,000 in the current interest year;

(f) An amount equal to the increase in the salaries of any employees, other than executives, employed in the operation of the premises covered by the Mortgage given as collateral hereto caused by the actual compliance of the Obligor with any code or license which may now or hereafter be imposed with respect to the operation of said premises by any government authority having jurisdiction thereof.

and shall be determined in accordance with approved accounting practice.

5. The term "gross income" for any period shall mean the entire income actually received during such period from the operation of the premises covered by the Mortgage given as collateral hereto, after deducting therefrom such income as may be received by the Obligor from the restaurant and from such portion of said premises, consisting of the auditorium, all of the floor space occupied by the Museum on the first, second and third floors, one-half of the floor space contained on the fourth floor, the reception hall to the Museum and apartments numbered 1706, 1707, 2004, 2401 and 2404 so long as actually used in the manner provided in sub-paragraph (a) of paragraph 4 hereof, provided, however, that there shall be no such deduction with respect to any net income actually received by the Obligor from any activities conducted in such portion of the premises, as aforesaid, by any one other than the Obligor.

6. The term "interest year" as mentioned herein shall mean the twelve months' period ending December 31 of each calendar year.

7. On or before August 1, 1935, the Board of Trustees of the Obligor shall determine the amount, if any, of the surplus income for the six months' period beginning January 1, 1935 and ending June 30, 1935, and on or before each February 1 and August 1 thereafter until and including February 1, 1940, the amount, if any, of the surplus income for the period of six months ending the last preceding June 30 or December 31, as the case may be, applicable to the payment of interest on the unpaid balance of the principal indebtedness represented hereby at the termination of such preceding six months' period and shall declare to be due and payable and the Obligor shall pay on August 15 or February 15, as the case may be, next succeeding the date for such declara-

tion, the semi-annual installments of such interest at such rate not exceeding four per cent. (4%) per annum as the surplus income for the six months' period shall suffice to pay.

8. If the surplus income of the Obligor for the first six months' period of any interest year during the first 5 year period is not sufficient to pay interest on the unpaid balance of the principal indebtedness represented hereby at the termination of such period at the rate of four per cent. (4%) per annum for such period and the surplus income for the subsequent six months' period of such interest year is sufficient to pay interest at the rate of four per cent. (4%) per annum for such subsequent six months' period on the unpaid balance of the principal indebtedness represented hereby at the termination of such subsequent six months' period and to make up in whole or in part any deficiency for such prior six months' period, such deficiency shall, to the extent possible, be made up from such surplus income of such subsequent six months' period until interest at the rate of four per cent. (4%) for the interest year shall be paid; and in like manner, if the surplus income for the first six months' period of such interest year is sufficient to pay interest on all of the unpaid balance of the principal indebtedness represented hereby at the termination of such period at the rate of four per cent. (4%) per annum for such six months' period and to make up in whole or in part all losses and any deficiency for such subsequent six months' period, such losses and deficiency shall, to the extent possible, be made up from the surplus income of the first six months' period so that interest at four per cent. (4%) may be paid for the entire interest year, the intention being to provide for the payment from surplus income of four per cent. (4%) per annum if earned, or such part thereof as may

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be earned, in such entire interest year. In each case such deficiency payments shall be made on the February 15 next succeeding the close of such interest year.

9. Within five days after such determination of the amount of surplus income applicable to the payment of interest, the Obligor shall file with the Obligee at its office or agency in the City of New York a copy, certified by the Secretary or Assistant Secretary of the Obligor, of a resolution or resolutions of its Board of Trustees, setting forth the determination and declaration to be made in accordance with paragraphs numbered 7 and 8, and a summarized statement verified by the Treasurer or Assistant Treasurer of the Obligor, showing the amount of the surplus income accounted and whether any surplus income is applicable to the payment of interest on August 15 or February 15 as the case may be, next succeeding such declaration, and showing also, the basis or method of ascertaining the same, and shall pay to the Obligee on August 15 or February 15, as the case may be, next succeeding such declaration and determination, the amount of interest, if any, payable to the Obligee in accordance with such declaration and determination. If the Obligee shall object to said statement and to the determination of the amount of surplus income applicable to the payment of interest on the unpaid balance of the principal indebtedness represented hereby, the Obligee shall, by written notice sent by registered mail with postage prepaid, addressed to the Obligor at the premises covered by the Mortgage given as collateral hereto, notify the Obligor of such objection within ten days after the filing of such statement and determination with the Obligee, as hereinabove provided, and the Obligee shall have the right, at the expense of the Obligor,

and which expense the Obligor hereby agrees to pay on demand, to cause an inspection to be made of the books of the Obligor by Messrs. Horwath & Horwath, certified public accountants, or their successors, and copies of the report of such certified public accountants shall be filed with the Obligor and the Oblige. The resolution and statement filed by the Obligor with the Oblige shall be final and binding upon the Obligor and Oblige if the amount of surplus income as determined in such report be equal to, or less than, the surplus income as determined in said resolution and statement filed by the Obligor. If the determination of such certified public accountants as to the surplus income made by the Obligor shows an amount of surplus income available for and payable as interest on the unpaid balance of the principal indebtedness represented hereby greater than the determination set forth in said resolution and statement filed by the Obligor with the Oblige, the Obligor, on the interest payment date next succeeding the filing of such accountants' report, in addition to the interest declared payable on such next succeeding interest payment date, shall pay to the Oblige the difference between the amount of interest determined to be payable by the Board of Trustees with respect to said six months' period and the interest which would have been payable if the Board of Trustees had actually determined the amount of surplus income for such period to have been the amount as determined by said accountants' report. In the event of the refusal, failure or inability of Messrs. Horwath & Horwath to act, the Oblige shall notify the Obligor of such refusal, failure or inability to act and should the Obligor and the Oblige be unable to agree on a certified public accountant of the State of New York to act in the place of Messrs. Horwath & Horwath within 10 days after such

notice to the Obligor then upon application of either the Obligor or the Obligee such successor certified public accountant of the State of New York shall be appointed by the President of the New York State Society of Certified Public Accountants and upon his failure so to do within 20 days after such application, then the Executive Committee for the time being of the Association of the Bar of the City of New York, upon application of either the Obligor or Obligee, shall appoint such successor certified public accountant.

10. The Obligor covenants and agrees that on or before the 1st day of February in the year 1936, and on or before the 1st day of February, in each succeeding year thereafter, so long as any part of the principal indebtedness represented hereby shall remain unpaid, it will file with the Obligee a certificate signed and verified by the President or a Vice-President and the Treasurer or an Assistant Treasurer, of the Obligor, stating the net earnings of the Obligor for the interest year next preceding by specifying the surplus income of the Obligor for such interest year, determined as provided in paragraphs 4 to 6 hereof, both inclusive, and deducting therefrom the following:

(a) All interest paid or payable in accordance with the provisions of paragraphs 1, 2 and 3 hereof for such interest year, on the unpaid balance of the principal indebtedness represented hereby; and

(b) The net deficit, if any, accumulated from January 1, 1935, to the beginning of such interest year, resulting from the inadequacy of the gross income of the Obligor, as defined in paragraph 5 hereof, for such period to meet all charges of the character specified in paragraph 4 hereof for such

period, and in subdivision (a) of this paragraph 10 for such period;

and the Obligor covenants and agrees that for the purpose of creating an amortization fund for the reduction of the principal indebtedness represented hereby, it will pay to the Obligees in equal semi-annual installments on or before the 15th day of February and the 15th day of February in each year, beginning with 1936, a sum in cash equal to such net earnings for such interest year.

In lieu of all or any part of any payment of cash under this paragraph 10, the Obligor shall have the right to deliver to the Obligees for cancellation, certificates for shares of the capital stock of the Obligees and/or Voting Trust Certificates issued therefor, duly endorsed in blank, with proper governmental stamps affixed and with the signature of the transferor guaranteed by a national bank or trust company doing business in the City of New York, and the Obligor shall receive a credit therefor on account of such amortization fund in an amount equal to the cost to the Obligor of such certificates so delivered, but not exceeding \$100 for each such share of capital stock represented thereby or so delivered.

All cash payments pursuant to this paragraph 10 shall reduce pro rata the principal indebtedness evidenced hereby. All shares of capital stock of the Obligees (or Voting Trust Certificates representing such stock) surrendered to the Obligees pursuant to this paragraph 10 shall reduce the principal indebtedness evidenced hereby to the extent of \$100 for each share so surrendered.

Interest at the then current rate payable on the indebtedness represented hereby shall be accrued and paid on the next succeeding interest payment date by the Obligor on the amount by which the

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principal indebtedness represented hereby is reduced by any cash amortization fund payment from the next preceding interest payment date up to the date of the receipt thereof by the Obligee and the prior acceptance by the Obligee of any such amortization fund payment shall not be deemed a waiver of such interest.

Certificates of Reduction of Mortgage in recordable form, duly executed and acknowledged by the Obligee, certifying the amount then due on this bond and the Mortgage given as collateral hereto shall be delivered from time to time on request of the Obligor.

The Obligor shall pay to the Obligee on demand all costs, expenses and counsel fees incurred in withdrawing the capital stock of the Obligee represented by such Voting Trust Certificates so delivered from the Voting Trust subject to which it was issued, and in connection with the reduction of the capital stock of the Obligee by reason of the cancellation of any shares of capital stock received by the Obligee under the provisions of this paragraph 10.

11. The whole of the principal indebtedness represented hereby shall become due at the option of the Obligee after default in the payment of interest for 20 days or after default in the payment of any tax, water rate or assessment for 30 days after notice and demand, and shall immediately become due and payable at the option of the Obligee upon the failure of the Obligor to perform any of the other terms and conditions of this bond or obligation on its part to be performed. All of the covenants and agreements made by the Obligor

contained in the Mortgage given as collateral hereto are hereby made part of this bond or obligation.

IN WITNESS WHEREOF, this bond or obligation has been duly executed by the Obligor this 23rd day of February, 1935.

MASTER INSTITUTE OF UNITED ARTS, INC.

By.....  
*President.*

Attest:

.....  
*Secretary.*

STATE OF NEW YORK, }  
COUNTY OF               } ss.:

On this        day of February, 1935, before me personally came Louis L. Horch, to me known, who being by me duly sworn, did depose and say that he resides in the Borough of Manhattan, City, County and State of New York; that he is President of Master Institute of United Arts, Inc., the corporation described in and which executed the above instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Trustees of said corporation and that he signed his name thereto by like order.

.....  
Notary Public.