

C O P Y

July 21st, 1936.

Mr. Paul Raigorodsky,
Philtower Building,
Tulsa, Oklahoma.

Dear Mr. Raigorodsky:

This memorandum should have gone to you sooner but in the pressure of things which seemed more emergent, I am afraid I overlooked it. I feel that there is substantial agreement between you and Professor and Madam Roerich on the major points of the proposed transaction - probably in all respects, - and that being so, it ought not to be difficult to reduce the agreement to writing. However, since some phases of the matter were or might become uncertain, it is perhaps better that before attempting to draw an agreement, we explore each other's minds to find out what, if any points of difference, there may be or in what respects, if any, the proposed arrangement is not clear.

My understanding of the transaction is that Madam Helena Roerich who is a resident of India has agreed to sell to you and you have agreed to purchase from her subject to the reservations referred to hereafter, ninety-four paintings each to be the original work of Professor Nicholas Roerich. Some of these paintings are presently finished, some are in course, and some are still to be commenced. That being so, it is recognized that it will be impossible to describe the paintings accurately and excepting only for the general provision as to the size or area of the ninety-four paintings, the aggregate of which is to be specified as a given number of square feet, you rely on the integrity and honor of Madam Roerich and on the reputation and standing as an artist of Professor Roerich. These paintings are all to be delivered within a period of four years beginning December 1936, it being contemplated that approximately twenty-five paintings shall be delivered at or about that time, say within thirty or sixty days after December 1st next. The remaining paintings are to be delivered within four years after the delivery of the first lot, there being no definite dates of delivery excepting that it is contemplated that such paintings shall be delivered in lots of not less than twenty and approximately at intervals of not more than one year.

The total purchase price is \$40,000.00, and payment is to be made substantially as follows: A first installment of \$10,000.00 is to be made in the month of December 1936, at which time the first batch of paintings is to be delivered. Now a word as to the manner of payment. You will recall that in our discussion it was agreed that the place of sale would

Beno feels that if Adrian wished he could by now judge fairly well the earnings of the new plant & could at least pledge to pay a part of first payment as a guarantee of agreement -

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important for taxes

be in India where Madam Roerich resides. I do not know whether the first batch of paintings or any of them are now in America. Would it be your idea to make payment in funds in India? I think this would be desirable from Madam Roerich's point of view and for your protection it might be provided that payment be made against the delivery of bills of lading, shipping documents, etc., if the paintings are over there. I suggest this because it is from every angle desirable that the transaction be consummated in India. The remaining \$30,000.00 is to be paid in three installments of \$10,000 each against the delivery of a batch or group of paintings as above set forth. The same procedure with respect to payment in India against delivery of shipping documents, etc. suggested with respect to the first installment would be followed unless the paintings to be delivered are already in this country as I believe is the case with respect to some of them. In view of the fact that paintings are free of duty, this will offer no objection.

This is a suggestion only and I am sure you understand that my making it does not imply the slightest doubt of your entire good faith and willingness to go through with the transaction. You will recall that it was so strongly stressed that a sale ought to be made in India and it of course immediately occurs to one that payment there against delivery of shipping documents is logical and the strongest proof of the sale there. *to protect*
Mr. R.
 On the other hand, it may be that that is not feasible. If the transaction is to take another form, that is to say, if the paintings are to be delivered in advance of payment, it might, I suppose become necessary for any lawyer representing the seller to consider the matter of securing the payment and while this is easily possible, you will remember that we discussed and rather concluded that the customary method of taking such security in the way of a chattel mortgage which under the laws of most States would have to be recorded to be effective, has or might have obvious objections. *the Bess*
could
be done
of course
is
impossible

no answer
at least
say yes unless
said by

I think we can undoubtedly iron these things out and I would appreciate very much if you would, as you suggested you would do, discuss the matter with Mr. Holleman and let me have the benefit of his and your views. Of course I remember too that you wished to make some reservation or that you expressed a desire to make your obligation to buy these paintings subject to the result of the operation of a refinery or cracking plant in Louisiana in which you were largely interested. While we discussed this to some extent, I am not very clear what conclusion we arrived at. My recollection is that you concluded that you might wish to divide the first payment of \$10,000. into two or three installments because you felt that the first returns from this plant would be used to repay capital advances, etc. You will, I am sure, appreciate that in this respect particularly I cannot offer any con-

but
of course it would be better
to have received
the money in full
at once

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structive suggestions. It may be that sufficient time has now elapsed and that you can say with a little more definiteness just what arrangements you are prepared or would like to make in this regard and without doubt Mr. Holleman, knowing your point of view and having in mind also the seller's position, would be able to offer a helpful suggestion. As I said before, I am sure that where both parties are agreed on fundamentals and are disposed to do business, it will not be difficult to arrive at complete accord notwithstanding apparent difficulties which after all affect in the main chiefly the mechanics of the transaction.

Will you let me have the benefit of your views after you discuss this with Mr. Holleman.

Very truly yours,

(Signed) LEO C. STERN

LCS-MG.