

RG 131
Entry 247 FFC General
File American Jewelers Protective Assn. Inc.
Box 13 (Copies) 6/1/00

PLEASE RETURN TO: ROOM 24
FILE DESIGNATION: 4

9 AMERICAN JEWELERS PROTECTIVE ASSOCIATION, INC.

SEE: Customs Files Numbers 810 and 833.6
(FRANCE, REPUBLIC OF - AMBASSADOR - UNITED STATES and AMERICAN JEWELERS PROTECTIVE ASSOCIATION, INC.)



331920

RG 131
Entry 247 FFC General
Correspondence
File American Jewelers
Protective Assn. Inc.
Box 13 (Copied
6/1/00)

August 21, 1940.

MEMORANDUM RE IMPORTATION OF LOOTED DIAMONDS AND ART TREASURES

Yesterday I conferred with Messrs. Cairns, Dwan and Chambers concerning possible action by Customs to prevent the importation into the United States of diamonds and art treasures confiscated by the Germans. In addition to the material contained in the attached file, the British have notified us of the possibility that diamonds may be "smuggled" in on clippers coming from Europe. Dwan has been reanalyzing this subject from the Customs point of view, and after careful consideration has determined, with Cairns' approval, that Customs can do nothing in the circumstances, except, of course, to take steps in connection with goods that are actually smuggled. Dwan and Chambers considered the possible application of the National Stolen Property Act to the articles in question, but are of the opinion that this Act does not apply to articles confiscated by an invader. Their conclusion in this respect appears to them to be fortified by the recent effort in the McCormick bill to amend the National Stolen Property Act so as to make it applicable to confiscated goods. (Incidentally, we are informed that upon the basis of the State Department testimony, this bill was tabled by the House Judiciary Committee.)

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Cairns stated that the only way in which Customs could stop the entry of these articles would be by virtue of their entry being unlawful under some other law than Customs law. By a strained process of reasoning, it might be said that the entry is unlawful under Executive Order No. 8899, as amended. Section 9(f) prohibits any transaction for the purpose of which has the effect of evading or avoiding the foregoing prohibitions. Presumably, the diamonds are brought into the country for purposes of sale. Any payment involved in any such sale would be a payment involving property in which a "national" had an interest on or since the respective dates. Presumably, such payment would not be under license. Therefore, it might be said that the act of bringing the goods into the United States is presumptively a transaction for the purpose of avoiding the prohibitions of the Order. On this theory, however, the Executive Order would permit us to stop at Customs any goods or merchandise which might have been confiscated by the Germans.

It does not seem desirable at this time to attempt to strain the meaning of the Executive Order so as to include the transactions in question. In the first place, there seem to be sufficient fields which are clearly within the purview of the Executive Order which demand more attention and stricter enforcement before we attempt to extend its

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scope. In the second place, we do not have sufficient information that the transactions in question constitute a really acute problem.

Therefore, a proposed noncommittal letter is submitted in response to the diamond inquiry.

It is not believed necessary to make any response to the art treasures inquiry (1) because of its age, and (2) Mr. de Saint Quentin is probably now in a concentration camp or worse.

LCA

Original filed:
 Customs file no. 533.6
 American Jewelers
 Protective Assn., Inc.

LCA:nrd -

331923

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 File American Jewelers Protective Assn. Inc.
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COPY

(Notation by hand) 8/26/40

I discussed this at a meeting of For. Funds Control and it was decided to take no action and not to answer this letter from Rothschild

(Letter not sent - see notation) BB

Dear Sir:

Reference is made to your letter of July 2, 1940, enclosing a letter from Mr. Warner Prins pertaining to diamonds which may have been confiscated in certain European countries and shipped into the United States.

The Treasury Department has given careful and sympathetic consideration to the questions raised in your letter and its enclosure, but feels that for the time being there are no additional steps which may appropriately be taken by the Department in this connection.

Very truly yours,

/s/ J. P. Chamberlain

Assistant to the Secretary.

Mr. Meyer D. Rothschild, President,
 American Jewelers Protective Association,
 17 and 19 West 45th Street,
 New York, New York.

LCA:nrd - 8/21/40.

Initialed: LCA JFF

Initialed copy filed:
 Customs File No. 833.6 -
 AMERICAN JEWELERS PROTECTIVE
 ASSOCIATION, INC.

331924

DECLASSIFIED

Authority WNO 968103By JA NARA Date 6/8/00Entry FFC Investigative Reps.File NY 1-7Box 1 (copied)
6/8/00DIGEST

1-7

June 27, 1941

Re: Bernard Frank
Hartog Frank.

Bernard Frank is a young man, about 25 years old and a native of Holland. He arrived in the U. S. on January 12, 1940 and declared his intention of becoming a citizen on April 12, 1940.

His father, Hartog, and his brother, Jacob, were probably selling their real and personal property in France to Americans residing in France but with funds in the U. S., as a means of sending money to Bernard in contravention of the French law. Not much money has changed hands so far.

Bernard disclaims any knowledge of the transaction mentioned in despatch 2114.

"It is believed that this investigation will have the result of preventing further attempts."

PG - 9-11-41

331925

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By JA NARA Date 6/8/00

131
Entry FFC Investigative Rpt
File NY 1-7
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TREASURY DEPARTMENT
WASHINGTON

NY 1-7
01-1-09/997

file 5/20/48

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, Rector 2-5700

JUN 27 1941

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

Re: BERNARD | FRANK | F 652 120
HARTOG | FRANK | F 652 120

Reference is made to your memorandum of April 16, 1941, forwarding a copy of Despatch No. 2114, relative to attempted payments of blocked funds into the account of Bernard Frank in the Columbus Circle Branch of the Manufacturers Trust Company, New York City.

The only person of that name having an account in that branch is Bernard Frank, 25 years old, a native of Holland, who arrived in the United States as an immigrant on January 12, 1940, and declared his intention to become a citizen on April 12, 1940, No. 459756. The only address of record at the bank was 10 West 47th Street, a large office building occupied almost exclusively by persons in the diamond trade. It was found there that he had worked for a short while for B. Weisz & Company, lapidaries, and he was finally traced to a rooming house at 315 West 70th Street, where he occupies one room with his father, Hartog Frank.

Bernard Frank was finally interviewed on June 14, 1941, and said that he was a graduate civil engineer from the Ecole Speciale des Ingenieurs Techniciens, Charleroi, Belgium, and that he first came to the United States to continue his studies, although he entered under an immigration visa. He had been supported by his father up to the time of the invasion of Belgium, when his father and his brother Jacob, both diamond dealers in Antwerp, fled to France. Bernard had left with them a ring inherited from his mother and some \$1500 worth of diamonds, and the father and brother proceeded to sell these to Americans residing in France but with funds in the United States, as a means of sending money to Bernard in contravention of the French law. He has altogether received \$2200 in this way, under the following licenses:

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N.Y. 76043 - \$500 from Douglas Graham
N.Y. 93554 - \$500 from same
N.Y. 104821 - \$1000 from Blanche Marie Miller
Boston 1904 - \$200 from Arthur Heathfield

When his income was cut off, Bernard gave up his studies and obtained employment as a diamond salesman on commission from dealers who had known his father, but was unable to earn a living in that way. He is now employed as an engineer by the Mutual Machine Company, 1209 Broadway, at \$20 a week, and supplements this salary by drawing from \$25 to \$50 a month from his bank account.

Frank's unblocked account at the Manufacturers Trust Company was opened May 10, 1940, by transfer from the company's Foreign Department, with a balance of \$1551.25. The only deposits since then have been the \$1200 received under N. Y. 76043, N.Y. 93554, and Boston 1904, and the various small withdrawals have brought the balance down to \$1898 as of May 31, 1941. Although Boston license 1904 apparently bore stipulation No. 1, the \$200 covered thereby was credited to this free account.

N.Y. 104821 also bore stipulation No. 1 and, to meet this condition, the bank permitted Frank to open a special interest account, which was blocked. This gives rise to an anomalous situation, in that Frank is treated as a "national" in one account and not in the other; in fact, of course, Frank is not a "national". The only deposit in this account is the deposit of \$1000 under N.Y. 104821, and there is only one withdrawal, of \$300, under G.L. 11.

Bernard Frank disclaimed all knowledge of the transaction covered by Boston No. 1708, mentioned in the Department's memorandum as "not approved"; also of the attempted transaction mentioned in Despatch No. 2114. He said his brother Jacob was last heard of in Monaco, and may be still trying to transfer funds to him or to his father.

The father, Hartog Frank, arrived in the United States in March, 1941, and is now living with Bernard. The files of the Federal Reserve Bank show no transactions in his name. He has a special interest account with the Manufacturers Trust Company, balance under \$250.

N.Y. license 96655, mentioned in the Department's memorandum, does not refer to this case, and no other relevant licenses have been found.

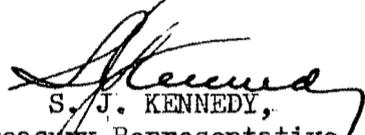
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By JA NARA Date 6/8/00

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It would seem probable that Hartog Frank still has property in France and that he has been trying to convert it into dollars through the agency of his son Jacob. At any rate, it is evident that not much money has changed hands so far, and it is believed that this investigation will have the result of preventing further attempts. In view of the pressure of other work, this investigation will be discontinued for the present.

Respectfully,


S. J. KENNEDY,
Treasury Representative

Respectfully forwarded,
Approved:


ERWIN G. MAY,
Treasury Attache.

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Authority NWD 918103
By JA NARA Date 6/8/00

131
Entry FFC Investigative Rpt.
File NY 1-7
Box 1 (copied)
6/7/00

JUNE 16 1941

FOREIGN PROPERTY CONTROL DEPARTMENT
FEDERAL RESERVE BANK OF NEW YORK

NY 151187 YOU ARE AUTHORIZED TO ISSUE A LICENSE FOR THE
PAYMENT OF SECURITIES PROVIDED THE INFORMATION CONTAINED
IN THE APPLICATION HAS FIRST BEEN VERIFIED BY THE INVE-
STIGATING UNIT OF THE FOREIGN FUNDS CONTROL.
STIPULATION NO. 1.

RLJ:gab 6/16/41

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Authority NWD 98103
By JA NARA Date 6/8/00

131
Entry FFC Investigative Rpt.
File NY 1-7
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JUNE 16 1941

FOREIGN PROPERTY CONTROL DEPARTMENT

FEDERAL RESERVE BANK OF NEW YORK

NY 153405 APPROVED FOR PAYMENT PROVIDED THE INFORMATION
CONTAINED IN THE APPLICATION HAS FIRST BEEN VERIFIED BY
THE INVESTIGATING UNIT OF THE FOREIGN FUNDS CONTROL.

RLJ:gab 6/16/41

331930

DECLASSIFIED

Authority NWO 918103By JA NARA Date 6/8/00Entry FFC Investigative Rpt.File NY 1-7Box 1 (copied)
6/7/00

1-7

FILE COPY

June 10, 1941.

Mr. Bernard Frank,
10 West 47th Street,
New York City.

Sir:

Mr. Sidney J. Kennedy of this office has been trying unsuccessfully to get in touch with you regarding your account with the Manufacturers Trust Company which is blocked under Executive Order 8889, as amended.

Will you please telephone Mr. Kennedy any morning this week between 9 A. M. and 10 A. M., at the above telephone number, Extension 262, so that an appointment can be arranged.

Respectfully,

ERWIN G. MAY,
Treasury Attache.

331931

DECLASSIFIED
Authority NND 968103
By JA NARA Date 6/8/00

NO 131
Entry FFC Investigative Rpt
File NY 1-7
Box 1 (copied) 6/8/00

1-7

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE **APR 16 1941**

TO Mr. May
FROM Mr. Pehle
Re: Bernard Frank

Attached herewith is a copy of Despatch No. 2114.

It will be appreciated if you will have an appropriate investigation made with respect to the matter referred to therein. Please refer to licenses NY 76043, 93554, 96655 and 104821.

For your information two Boston applications are summarized below.

Boston 1708

Applicant: Oliver Wolcott

Transaction: To transfer \$3,000 from a blocked account in the name of Amos A. Lawrence with the Chemical Bank and Trust Company to the account of Bernard Frank at Manufacturers Trust Company.

Action: Not approved.

Boston 1904

Applicant: Boston Safe Deposit and Trust Company

Transaction: To transfer \$200 by debit to the account of Arthur Heathfield, a British citizen living in Monte Carlo, to the account of Bernard Frank at the Manufacturers Trust Company.

Action: Approved, stipulation No. 1

Rec'd
4-17-41

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Authority	NWD 918103
By	JA NARA Date 6/8/00

Entry	151	FFC Investigative Reps.
File	NY 1-7	
Box	1	(copied) 6/8/00

April 1, 1941

Memorandum for Mr. Towson

Subject: Despatch 2114

Despite the statement in the despatch that information on Bernard Frank "conclusively indicates that he is engaged in the operation of a plan to beat the British blockade by getting money into occupied territory," we have no collaborating evidence. Review of a number of applications, however, indicates that Bernard Frank is receiving funds from a number of sources for reasons that do not sound entirely reasonable, and this, together with the despatch, warrants an investigation.

NY 76043, filed by Irving Trust Company, requests a license to debit the account of Douglass Graham of Monte Carlo \$615 and pay \$500 to Manufacturers Trust Company for the account of Bernard Frank. Mr. Graham's letter requesting the transfer indicated that funds were to be used to pay a debt. (The \$115 went to National City Bank for the account of Edmund Field.) This was approved. A letter accompanying the application quoted part of a letter from Bernard Frank to the effect that the payment was for property belonging to Frank in Cannes, France, and had been sold for him by his father, Hartog Frank, resident in Cannes, France.

NY 93554, filed by Irving Trust Company requests a license to debit Graham account \$500 to be paid to the Manufacturers Trust Company for credit to the account of Frank. Accompanying this application is a letter addressed to Manufacturers Trust Company by Frank in which he states that after his arrival in this country on January 12, 1940, he sent his father in Antwerp, Belgium, \$1500 to buy diamonds to be sent to this country. This was not done and his father went to unoccupied France. The letter continues with the statement that he understands that Douglass Graham had bought some of the diamonds and that the transfer was in part, or possibly full, payment for the diamonds. This also was approved.

NY 99655, filed by Central Hanover, requested a license to debit the account of Blanche Marie Miller \$1000 to be paid to Bernard Frank's account with the Manufacturers Trust Company. Blanche Miller is an American citizen residing in Cannes, France. This applications was denied under General Authorization No. 42.

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Authority WFO 968103
By JA NARA Date 6/8/00Entry FFC Investigative Rpt's
File NY 1-7
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6/7/00

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NY 104821, filed by Central Hanover, is for the same transaction as NY 99655. A letter accompanying this application from Frank to the Manufacturers Trust Company states that the \$1000 is in liquidation of an account owed Frank by Mrs. Miller for a diamond ring sold to her by Frank's brother. This application was approved, stipulate.

Boston 1708, filed by Oliver Wolcott, requests a license to transfer \$3000 from a blocked account in the name of Amos A. Lawrence with the Chemical Bank and Trust Company to Bernard Frank at the Manufacturers Trust Company. The application states that the applicant received a cable authorizing the payment. Not approved. (Two other applications have been filed by Wolcott to make remittances to Lawrence in Cannes. Both were approved.)

Boston 1904, filed by Boston Safe Deposit and Trust Co., is for permission to transfer \$200 to the account of Bernard Frank, Manufacturers Trust Company, by debit to the account of Arthur Heathfield, a British citizen living in Monte Carlo. Approved, stipulation No. 1. With the exception that a reference is made to cable instructions from Heathfield, no explanation is given as to the reason for this payment. A reference, however, was made to Boston 1427, which was an application to remit \$250 to Arthur Heathfield. That application was denied.

While all of the above transactions may be legitimate, the fact that Frank is receiving funds from different sources in the United States on behalf of people in France, for reasons that may or may not be as stated, considered with the despatch raises considerable doubt as to the legitimacy of Frank's operations.

Despite the fact that two of the above payments were stipulated, there is nothing in our records to indicate that Frank's account with the Manufacturers Trust Company is blocked.

An investigation of this case appears to be in order.

Walter M. Day
Walter M. Day

2114

331934

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Authority NWD 918103
By JA NARA Date 6/18/00

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Entry FFC Investigative Reps.
File NY 1-7
Box 1 (copied) 6/8/00

Day

(Received from Mr. Stanford by
Mr. White - 3/13/41)

March 13th, 1941.

I have been informed by a firm of accountants acting on behalf of a New York publishing firm that they have received a request from an English lady now in Monte Carlo that they should make an advance of \$400 on a book which they are publishing for her and deposit this sum to the credit of Mr. Bernard Frank with the Columbus Circle Branch of the Manufacturers Trust Company. The object of this deposit is that the money should be transferred to the lady in Monte Carlo. We are arranging for certain funds to be placed at the disposal of the lady under the agreement which we have with the State Department.

Our informants added that their investigation of Mr. Bernard Frank quite conclusively indicates that he is engaged in the operation of a plan to beat the British blockade by getting money into occupied territories. In fact he urges upon many that others have treated him with very large sums of money.

The address of Mr. Frank is not given.

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By JA NARA Date 6/8/00

Entry FFC Investigative Rpt
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March , 1941

Mr. Day

Mr. Rowson

Despatch No. 2814

As I understand that you are making some further investigation of the subjects discussed in the despatch above, I am holding it pending receipt of your relative advices.

331936

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By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 9-43
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9-43
01-9-00043

TREASURY DEPARTMENT
WASHINGTON

for 2/7/44

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, REctor 2-5700

AUG 4 1941

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

8560-

Sir: Re: Transfer of Funds to GEORGE SOMMER, 1-120
B400 EDGAR BLOCK and RENE BLOCK, all 1-100
French Nationals. B420 1-120

Reference is made to Despatch No. 2474 wherein information is given relative to the transfer of funds to George Sommer, a French national, through the intermediary of Les Fils Dreyfus & Cie., Basle, Switzerland, Shaw, Strupp & Cia., Buenos Aires, J. W. Seligman & Company, New York, and Manufacturers Trust Company, New York.

S 425 3-120
J. W. SELIGMAN & COMPANY, New York

On July 16, 1941, I interviewed Mr. S. L. Reed, one of the partners of this firm, at his office, 65 Broadway.

It appears that at the outbreak of the war Les Fils Dreyfus & Cie., bankers, of Basle, Switzerland, were holding numerous accounts of French citizens. In the spring of 1940, when it was thought that Switzerland might be invaded, these holdings were transferred to the Dreyfus account with J. W. Seligman of New York for safe-keeping. In the Seligman records these holdings appear as special deposit accounts, each bearing a number. On January 21, 1941, J. W. Seligman & Company received the following cable from Les Fils Dreyfus & Cie.:

"Deliver free to Manufacturers Trust Company, New York, for account of Shaw Strupp & Company, Buenos Aires, each amount in a sealed envelope ex special account 2110 \$12,000 A \$5,866.34 B \$4,865.31 C \$9,471.00 2115 \$25,000 2116 \$22,000."

Pursuant to these instructions, the following property was withdrawn from the Dreyfus special deposit accounts and delivered to the Manufacturers Trust Company:

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The following transfers have also been made by the Manufacturers Trust Company to the Shaw, Strupp & Cia. account on orders received from Dreyfus:

Jan. 24, 1941	(inclusive of \$64,000 received from J. W. Seligman)	\$239,000.
Jan. 25, "		73,000.
Feb. 1, "		96,000.
March 3, "		19,000.
June 16, "		12,700.
June 26, "		250.
Total -		\$439,950.

This sum of \$439,950 plus the \$79,203.15 (contents of the six sealed envelopes), all in U. S. currency, was immediately turned over to George Sommer, a French national, residing at Hotel Berkley, New York City.

No satisfactory explanation could be obtained as to why this sum of \$519,153.15 was turned over to a French national instead of being blocked in conformance with Executive Order No. 8446 of June 17, 1940.

Mr. Phieler, assistant manager of the Foreign Department, Manufacturers Trust, stated that he had been under the impression that George Sommer was of Swiss nationality. Mr. Strupp of Shaw, Strupp & Company, who handed over these funds directly to Mr. Sommer, must certainly have been aware of his (Sommer's) national status. Mr. Strupp, having returned to Buenos Aires, could not be interviewed, and the representative of Shaw, Strupp & Company now at the Manufacturers Trust claims entire ignorance of these transactions.

GEORGE SOMMER, EDGAR BLOCK and RENE BLOCK

These gentlemen, all French nationals, who are the recipients of the afore-mentioned sum of \$519,153.15, were interviewed on July 22, 1941, in the apartment of George Sommer at the Berkley Hotel, New York.

George Sommer and his mother, Claire Block Sommer, arrived at New York from France on January 11, 1941, under immigration visas.

Rene Block, uncle of George Sommer and brother of Mrs. Claire Sommer, accompanied by his wife Suzanne and two minor children, arrived at New York from France on May 28, 1941, under immigration visas.

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Edgar Block, a cousin of Rene Block and Mrs. Claire Sommer, accompanied by his wife Lucie and two minor children, arrived at New York from France on May 28, 1941, under immigration visas.

George Sommer resides with his mother at the Berkley Hotel, 170 West 74th Street, New York City. Rene and Edgar Block reside with their families at the Ansonia Hotel, Broadway and 72nd Street, New York City. It appears that the Blocks had resided in Strasbourg, France, for several generations where they accumulated a fortune in the textile and wood working industries. George Sommer was the manager of the Block plywood factory at Strasbourg.

Funds remitted through intermediary of Shaw, Strupp & Co.

The Blocks had maintained quite a large account with Dreyfus & Company of Basle, Switzerland, since the outbreak of the war, which funds were transferred to the United States and delivered to George Sommer at the Manufacturers Trust Company, as heretofore mentioned. George Sommer, on receiving the \$519,153.15 (cash U. S. currency), did not deposit these funds in a bank, but kept them in a safe at the Hotel Berkley pending proper allocation to the various members of the family. The following accounting of these funds was made at the time of this investigation on July 22, 1941:

George Sommer & Claire Block Sommer -	\$87,815.31
Deposited June 9, 1941, Nat. City Bank	
(Farmers Trust Br.)-	\$30,000.00
Deposited June 15, 1941, Manufac-	
turers Trust Co.	\$26,000.00
Holds cash at Berkley Hotel	\$28,365.31
Spent for living expenses	\$ 3,450.00
Rene and Suzanne Block	\$242,690.54
Deposited June 9, 28 and July 21, '41,	
Nat. City Bank (Farmers Trust Br.)	
	\$110,000.00
Deposited June 15, 1941, Manufac-	
turers Trust	\$ 60,000.00
Deposited June 9 & 13, 1941,	
H. Cassel & Co., Members of N.Y.	
Stock Exchange	\$ 20,000.00
Holds cash at Ansonia Hotel	\$ 51,000.00
Spent for miscellaneous expenses	\$ 1,690.54

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Edgar and Lucie Block	\$188,647.30
Deposited July 2 & 21, 1941, Nat. City Bank (Farmers Trust Br.)	\$60,000.00
Deposited June 9, 1941, H. Cassel & Co., Members of N.Y. Stock Exchange	\$5,000.00
Deposited June 15, 1941, Manufacturers Trust Company	\$50,000.00
Holds cash at Ansonia Hotel . . .	\$72,000.00
Spent for miscellaneous expenses	\$ 1,647.30
<hr/>	
Total accounted for	\$519,153.15

Form TFR-100 has never been filed on any of the above. Form TFR-300 has not been filed since forms are not yet available.

All the above accounts have been blocked. Withdrawals (\$500 per month) have been made by these individuals under the privileges of General License No. 11 only from their accounts in the National City Bank (Farmers Trust Co. Branch). A special license (N.Y. 189371) was, however, accorded to Edgar Block on June 9, 1941, allowing \$500 monthly withdrawals for living expenses from his account at the Manufacturers Trust. In this special license (N.Y. 189371) it is specifically stipulated that Edgar Block's account at the Manufacturers Trust is excluded from the privileges of General License No. 11 owing to the fact that he is already withdrawing for living expenses at the National City (Farmers Trust Co. Branch).

At H. Cassel & Company, 61 Broadway, securities have been purchased for the accounts of Rene and Edgar Block under licenses N.Y. 153994 and N.Y. 155269, respectively.

These gentlemen have been advised to deposit the U. S. currency, which they had retained in their possession, into their blocked accounts. I have since been informed that this currency has now been deposited in the Bank of the Manhattan Company and the National City Bank (Farmers Trust Co. Branch).

Other Funds and Securities.

In addition to the funds already accounted for in this report, the existence of the following funds and securities was disclosed in the course of the investigation: Rene Block and Edgar Block have a large number of foreign securities (bonds of various South American countries, stock certificates in South African copper mines, etc.) which had been held by them in France for many years back.

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By JA NARA Date 6/8/00

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They have been authorized to take these securities out of France (unoccupied France), as the French passports of both Rene and Edgar Block bear mention of the fact that they were bearers of securities appearing on a list stamped with a French Government visa. Although mention of these securities appeared on the passports, they were not seized by the customs inspectors on the pier at the time of arrival (May 28, 1941) in accordance with General Ruling No. 5 under Executive Order 8389.

On June 19, 1941, Rene and Edgar Block turned these securities over to H. Cassel & Company, 61 Broadway, New York City, for safe-keeping. H. Cassel & Company immediately reported these securities on Form TFA-1 and turned them over to the Federal Reserve Bank on June 20, 1941.

Edgar Block has had funds on deposit with Henry Meis, Danville, Illinois, since the year 1938. Mr. Meis immigrated to the United States from Alsace about 25 years ago. He is a naturalized American citizen and purported to be a very successful business man in Danville where he owns a large department store. Mr. Meis, being an old friend of the Block family, was entrusted with these funds, exact amount not ascertained, to invest in American securities for the account of Edgar Block. It is claimed that Meis reported his Block holdings on TFR-100 to the Federal Reserve Bank of Chicago at the time the Executive Order became effective blocking the accounts of French nationals. On June 4, 1941, Meis transferred \$20,000 of these funds, together with various securities (domestic), to the National City Bank (Farmers Trust Co. Branch), New York City, for the account of Edgar Block. At this bank the \$20,000 was deposited in the regular blocked account of Edgar Block and the securities were placed in a special securities account (blocked account) under his name.

George Sommer received a check for \$33,958.58 from Dominick & Dominick, members of New York Stock Exchange, 151 Broadway, New York City, on June 7, 1941, which check he deposited in a special George Sommer account (blocked account) on June 23, 1941, at the National City Bank (Farmers Trust Co. Branch). On inquiry at Dominick & Dominick, where Mr. Beach, one of the partners, was interviewed, it was ascertained that the \$33,958.55 was turned over to George Sommer on instructions from De L'Harde & Cie., Geneva, Switzerland. It appears that Mr. Beach gave this check personally to George Sommer, a French national, in the office of

331942

DECLASSIFIED
Authority WJD 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 9-43
Box 3 (copied 6/8/00)

Dominick & Dominick on June 7, 1941. On being questioned as to why he turned over funds freely to a French national on June 7, 1941, contrary to the Executive Order blocking such funds as of June 17, 1941, he replied that he did not check up on Mr. Sommer's nationality as he did not feel that he was required to do so.

Respectfully,

Charles Schlager
CHARLES SCHLAGER,
Treasury Representative.

Respectfully forwarded,
Approved:

Erwin G. May
ERWIN G. MAY,
Treasury Attache.

Distribution 1.

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Authority WJO 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-43
Box 3 (copied 6/8/00)

9-43

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE (5-7-41)

TO Mr. May
FROM Mr. Pehle
Re Dreyfus Sons and Co. ✓
Shaw, Strupp and Cia. ✓

RECEIVED
MAY 9 - 1941
Foreign Funds Control
New York

Attached is a copy of Despatch No. 2474.

This despatch, which may be of interest in connection with other investigations, is forwarded for your information.

Attachment

DECLASSIFIED
Authority NND 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-43
Box 3 (copied 6/8/00)

Confidential information has been received to the effect that Dreyfus Sons & Co., Basle, Switzerland, wrote on January 23rd, 1941 to Shaw, Strupp & Cia., Reconquista 336, Buenos Aires. Manufacturers Trust Co., New York, on order of writers, have remitted \$308,000 to the addressees to be held for writers account.

Further 6 sealed envelopes containing money (amount not stated) have been transferred to addressee's account by J. W. Seligman & Co., New York, both the envelopes and \$308,000 are to be held at the disposal of George Sommer. There are no further details.

Writers have paid Werner Mankiewitz 1,000 Swiss francs and they have debited addressee's account with that amount.

CONFIDENTIAL

DECLASSIFIED
 Authority WJO 918103
 By JA NARA Date 6/8/00

RG 131
 Entry FFC Investigative Rpt
 File NY 9-43
 Box 3 (copied 6/8/00)

9-43

DIGEST

9 - 43
 August 4, 1941

Re: George Sommer et al.

On instructions from Les Fils Dreyfus and Cie to J. W. Seligman and Company, Manufacturers Trust was made the recipient of cash totalling about \$143,000, prior to June 14, 1941; the funds were for the account of shaw, Strupp and Cia., Buenos Aires.

Dreyfus was blocked since June 14, 1941, but Shaw, Strupp was not blocked.

Manufacturers Trust later turned over about \$519,000 to Shaw, Strupp and Cia., which, in turn, gave the funds to George Sommer, a French national. Manufacturers Trust thought Sommer was Swiss but Shaw, Strupp must have known he (George Sommer) was a French national. However, Mr. Strupp went back to Argentina; his representative in New York claims ignorance of these transactions.

Form TFR - 100 was sent in on above assets.

In another set of transactions, Mr. Beach, a partner in Dominick and Dominick, acting on instructions from De L'Harde and Cie., Geneva, handed over a check of \$33,959 to George Sommer. Sommer's subsequent deposit was blocked at the National City Bank (Farmer Trust Co. Branch). But Mr. Beach was asked why he paid out money belonging to a French national in opposition to the Executive Order and he said he didn't check up on Mr. Sommer's nationality as he didn't feel he was required to.

PG:jh 8/18/41

DECLASSIFIED

Authority NND 968103

By JA NARA Date 6/8/00

RG

131

Entry FFC Investigative Rpt

File

NY 5-59

Box

5

(copied
6/8/00)

Aug. 19, 1941

To Mr. Seibel

From Mr. Carlick

Re: Miriam & Sidia Korngold (May report 5-59)
S. Osterneck & Co.

On the day this case was being investigated by May, a license was granted to Korngold to make the investment in Osterneck & Co., as indicated in application 138561. The approval was agreed to by Mr. Pehle.

The license was worded to the effect that neither of the above partners could make any further payments, transfers or withdrawals from their accounts without further special licenses.

This case, therefore, ought not be considered an "urgent" one; it should be filed without action at present, since Osterneck & Co. has already submitted an affidavit in connection with application 138561 to the effect it will not carry on business with the Axis Powers.

331947

DECLASSIFIED
Authority NWD 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 5-59
Box 5 (copied 6/7/00)

6/27/41
10/5-59
(01) 5-000/59

TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, Rector 2-5700

June 9, 1941.

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Efraim/Korngold/ K652 120

Sir:

Re EFRAIM & SIDZIA KORNGOLD K652 120
S. OSTERNECK & COMPANY 0236 120

Reference is made to telephonic request from Mr. Towson on May 19th for an investigation in respect to New York Application No. 138581 by which Efraim Korngold seeks permission to invest \$40,000 of blocked funds in the business of S. Osterneck & Company, Philadelphia, Pa., manufacturers of jute bags and dealers in second-hand jute bags and scrap metal.

Dun & Bradstreet, Inc.

There are transmitted herewith as Exhibits A and B copies of Dun & Bradstreet reports on the firm of S. Osterneck & Company, which reports include balance sheet of the company as of December 31, 1940.

The accountants for S. Osterneck & Company are Brosgol & Company, Philadelphia. This firm submitted to me a copy of the balance sheet of S. Osterneck & Company as of December 31, 1939. This document is transmitted herewith as Exhibit C.

A further report by Dun & Bradstreet dated May 24, 1941, Exhibit B, indicates that articles of incorporation were to be filed at Harrisburg, Pa., to obtain a certificate of incorporation of a new company, viz., S. Osterneck & Company, Inc.

Local Banks

In view of the apparent unstable condition of the Osterneck business as indicated by the balance sheet, etc., inquiries were made at the Corn Exchange Bank and the Kensington National Bank, both in Philadelphia.

Osterneck & Company dealt exclusively with the Corn Exchange Bank prior to the time this account was placed with the Kensington National Bank early in the year 1940.

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Authority NWD 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 5-59
Box 5 (copied 6/8/00)

- 2 -

5-59

The Corn Exchange Bank requested Osterneck & Company to withdraw its accounts for the reason that the bank considered certain practices of Osterneck to be unethical and which practices led the bank to the conclusion that the credit of S. Osterneck & Company was not satisfactory.

The Corn Exchange Bank held a copy of the balance sheet of S. Osterneck & Company as of December 31, 1939. This agreed with Exhibit C herewith. The bank was thoroughly satisfied with this audit which was also made by Brosgol & Company.

The 1939 audit shows net sales of \$432,000 and accounts receivable \$45,000, round figures, as compared with figures as of December 31, 1940, of \$528,000 and \$64,000, respectively.

The officials of the Kensington National Bank have confidence in S. Osterneck personally and are satisfied to make loans to him regularly in respect to the business of S. Osterneck & Company up to \$40,000, being secured by accounts receivable which are assigned to the bank together with certain investments and life insurance on the wife and children of S. Osterneck. The bank is working on a margin of 80 per cent in respect to the loans in question. The bank considers the accounts receivable of the company to be very good. On the strength of the new capital expected from E. Korngold, the bank loaned an additional sum of \$6,500 to the company for a short period. This amount was unsecured.

S. Osterneck has discussed with bank officials the formation of a corporation for the purpose of taking in additional capital. The officials in question consider that the business is badly in need of additional working capital and advised Osterneck to consummate the transaction with Korngold. An official informed me that the company is paying an average of \$3000 per year as interest on loans, etc.

Osterneck informed an official of the Kensington National Bank that Korngold would endeavor to build up an export business in jute bags. (See Exhibit D, affidavit re type of business.)

An official of the bank informed me that Korngold had made an inquiry through the Guaranty Trust Company as to the financial standing of Osterneck & Company and that the Kensington National Bank had cooperated in this matter.

331949

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Authority NWO 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 5-59
Box 5 (copied 6/8/00)

- 3 -

5-59

On May 26, 1941, I interviewed Mr. Samuel Osterneck and Mr. Efraim Korngold at the offices of S. Osterneck & Company, 171-179 Jefferson Street, Philadelphia.

Mr. Osterneck informed me that his business has been entirely domestic and that he does not intend to engage in a direct export business; that his company has not made sales of jute bags for export; that sales of scrap metal have been made to New York brokers and these sales were made f.o.b. Philadelphia; that these transactions were with the following two firms:

Weil-Robbins, Inc.,
117 Liberty Street,
New York, N. Y.

Associated Metals & Minerals Corp.,
49 Rector Street,
New York, N. Y.

Mr. Korngold informed me that he holds a Belgian passport; that he left Belgium May 14, 1940, for France where he remained a few weeks; that he arrived at Lisbon in June, 1940; that he was unable to secure passage to the United States at Lisbon because of heavy advance bookings and that he proceeded to Capetown to take passage there; that he stopped en route at Lourenco Marquez, Portuguese East Africa, and was urged to establish a jute bag business at that place; that after a study of the situation he decided it would not be practicable to establish such a business at Lourenco Marquez; that after five or six weeks he proceeded on his journey, arriving in the United States in December, 1940; that he entered this country on a visitor's visa and consequently left this country in February, 1941, for Cuba, returning in March, 1941, on an immigration visa; that upon arrival in the United States he filed with the Southern District Court of New York a declaration of intent to become an American citizen. Korngold was accompanied by his wife and two sons aged 20 and 16 years.

Mr. Korngold informed me that prior to meeting Osterneck through one Lowenstein of the Consolidated Bag Company, 79 Wall Street, New York City, he had been in touch with the following two bag firms with a view to investing his money:

Jan. 1941 - Dolfman Bag Company,
309 - 10th Ave., Brooklyn, N. Y.

Jan. and Feb. 1941 - Acme Burlap Bag Company,
42 Emerson Place, Brooklyn, N. Y.

331950

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Authority NJO 918103

By JA NARA Date 6/8/00

RG

131

Entry FFC Investigative Rpt

File NY 5-59

Box 5 (copy)
6/8/00

- 4 -

5-59

The managers of the Royal Palm Court Apartments at 45th and Pine Streets, Philadelphia, are Markheim, Chalmers & Ludington, 1424 Walnut Street, Philadelphia. I was informed by this firm that Korngold has taken a lease on an unfurnished apartment in the building in question for one year, beginning May 1, 1941, at a rental of \$72.50 per month.

S. Osterneck & Company is not an incorporated firm and Samuel Osterneck informed me that he is the owner of the business; that he has two brothers who work for him on a salary basis and who are given a share of the profits; that for income tax purposes the business has been reported as a partnership to include the two brothers. Through one source of information open to me in connection with this investigation, I was informed that the practice in question results in an evasion of the Social Security Act.

A license was granted to Korngold, to make the investment as indicated in application 138581, on the day I was making this investigation, and it is not therefore contemplated to make any further investigation in this case unless such action is requested.

Respectfully,

Chas. R. Howard

CHAS. R. HOWARD,
Treasury Representative.

Respectfully forwarded,

Approved:

Erwin G. May

ERWIN G. MAY,
Treasury Attache.

Enclosures:

Exhibits A, B, C and D

331951

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Authority WJO 918103

By JA NARA Date 6/8/00

RG

131

Entry FFC Investigative Report

File NY 5-59

Box 5 (copied 6/7/00)

Special Notice

Ch - B

OSTERNECK, S., & CO.
(Osterneck Bag & Bagging Co. (Not Inc.))
(Div. R)

**MANUFACTURE BAGS & JOB
USED BAGS & SCRAP METAL**

PHILADELPHIA, PA.
171-9 W. Jefferson
St.

SN 349-321 4 MAY 24, 1941

Notice has been published that on May 26, 1941, Articles of Incorporation will be filed with the Department of State, Harrisburg, Pa., to obtain a Certificate of Incorporation of a new company, S. Osterneck & Co., Inc.

On May 23, 1941, Jack Osterneck, General Manager, said that the business was being incorporated to provide for new interests coming into the business, and that about \$50,000 additional capital was being invested. He stated he was unable to give any corporate details at this time, but said that the business would be continued as heretofore and that there would be no change in the method of operation.

5-24-41 (59)

D + 2 1/2

Remington National Bank

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY
The foregoing reports are furnished, at your request, under your Subscription Contract, in STRICT CONFIDENCE, by DUN & BRADSTREET, Inc., to your agents and employees, for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.

DUN & BRADSTREET, INC.

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Authority WJD 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 5-59
Box 5 (copied 6/8/00)

DIGEST

5-59

June 9, 1941

**Re: Efraim and Sidzia Korngold
S. Osterneck & Co.**

With regard to application No. 138561, Efraim Korngold sought (and received) permission to invest \$40,000 of blocked funds in the business of S. Osterneck & Co., Philadelphia, Pa., manufacturers of jute bags and dealers in second-hand jute bags and scrap metal.

Mr. Osterneck, the owner of S. Osterneck & Co., informed the investigator that this business has been and will be entirely domestic.

Mr. Korngold, formerly a Belgian, entered the U. S. on March, 1941 and filed a declaration of intent to become an American citizen.

Since the license was granted to Korngold, Mr. May contemplates no further investigation unless such action is requested.

PG - Aug. 19, 1941

331954

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Authority NWD 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 5-59
Box 5 (copied 6/8/00)

Special Notice  *Match* *CRH* 5-59

KORN GOLD

OSTERNECK, S. & CO.
(Osterneck Bag & Sacking Co. (Not Inc.))
(Div. 3)

MANUFACTURE BAGS & JOBS
USED BAGS & SEWING MACHINES

PHILADELPHIA, PA.
17149 W. Jefferson
St.

SN 349-521 in JUNE 26, 1941

As of May 5, 1941, Samuel Osterneck was succeeded by S. Osterneck & Co., Inc., a Pennsylvania corporation chartered on May 26, 1941.

On June 9, 1941, Jacob Osterneck, Secretary, said that the corporation was continuing the same activities as carried on under the individual ownership of Samuel Osterneck, and that the incorporation of the business had resulted in no change in the method of operation.

6-25-41 (59)

D + 2 1/2 to N 9

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY. The foregoing report is furnished at your request, under your Subscription Contract, in STRICT CONFIDENCE by DUN & BRADSTREET, Inc. to your agents and employees for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.

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Authority NWD 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 5-59
Box 5 (copied 6/2/00)

5-589

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, N.Y. 10037

May 19, 1941.

MEMORANDUM FOR FILE

Re EFRAIM and SIDZIA KORNGOLD

Mr. Towson of Foreign Funds Control, Washington, telephoned this afternoon to request that an investigation be made in respect of the above subject in connection with New York Application No. 138581. This application covers Korngold's request to invest funds in a burlap business which is situated in Philadelphia, and the investigation should include this transaction as well as any other which seems of importance.

E. G. M.

THE BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY. The foregoing report is furnished, at your request, under your Subscription Contract, in STRICT CONFIDENCE, by DUN & BRADSTREET, Inc., to your agents and employees, for your exclusive use as an aid in determining the advisability of granting credit or insurance, and for no other purpose.

331957

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Authority NND 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 5-59
Box 5 (copied 6/8/00)

file 5-59

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE May 9, 1941

TO Mr. Erwin G. May
FROM Harding Cowan

SUBJECT: Account of Efraim and Sidzia Korngold
at the Guaranty Trust Company of N.Y.

In accordance with the request of the Treasury Department,
(Mr. Towson), I have notified Guaranty Trust Company that withdrawals
may be made from the Korngold account pursuant to license. No further
action necessary on our part.

Harding Cowan

*file
JLH*

DECLASSIFIED

Authority NWD 968103
By JA NARA Date 6/8/00

RG 131.
Entry FFC Investigative Rpt
File NY 5-59
Box 5 (copied) 6/8/00

Message received from Mr. Towson, May 5, 1941, 11:10 a.m.

Telegram has been received as follows:

Secretary of the Treasury
Honorable Sir:

Please be informed that a refugee, Mr. KORNGOLD, is about to withdraw a large sum of frozen funds from the Guaranty Trust Company at New York to purchase jute and burlap material to be shipped to the Axis powers.

(signed) John W. Martin,
Pennsylvania Hotel,
New York City.

PENNA 6-5000

Mr. Towson said that Mr. Cowan of the Federal Reserve Bank is getting out license on this and will check with Guaranty Trust Company.

Please consult with Mr. Cowan on this matter.

*5/5 - 1:30 pm
Mr + Mrs. Warren Martin of (3401 - R. St.)
Room 922 Wash. DC. requested. no response*

*6:30 pm Mr. Warren Martin is not 'John W' and says he did not send a telegram to Treasury
a John Martin, Linden, N.J. (130 Springfield Rd.) requested
final apr 16 and checked out a few days afterward*

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Authority WJO 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-45
Box 4 (copied 6/7/00)

9-45

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

SEP 12 1941

TO Mr. May
FROM Mr. Pehle
Re: Felix Graf ✓
Astor Financial Corporation ✓
Trade Bank and Trust Co. ✓

File
Graf
this
report
AK

Attached is a copy of Despatch No. 5362.

In the light of this despatch and in view of your report 9-45, dated August 14, 1941, it would be appreciated if you will have a further investigation made of the subjects, especially with regard to the possibility of a Lazard Freres' participation. In this latter connection, reference is made to your report 3-152, dated August 22, 1941.

JWP

RECEIVED

SEP 16 1941

Foreign Funds Control
New York

Law working on this
AK

SSM

DECLASSIFIED
Authority NWD 918103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-45
Box 4 (copied 6/7/00)

Confidential information has been received supplementing former despatch No. 3095 in effect that on April 19th, 1941, I sent you a memorandum attaching copy of a communication from "Dad" Multitex Corporation, 225 West 34th Street, New York, to Dr. Francis Konner, c/o Trainee Farm, Millisle, County Down, Northern Ireland. This dealt with an alleged "American-Swiss Syndicate in New York" interested in paying out dollars in the United States to refugee immigrants against surrender by the latter of their rights to real estate in Czechoslovakia at "knock-out" prices.

Subsequent inquiries have produced certain information which is summarized on the attached sheet.

It is suggested that some inquiry should be made as to the connection of Mr. Felix Graf and/or the Aster Financial Corporation and/or the Trade Bank and Trust Company with these offers.

RECEIVED
SEP 16 1941
Foreign Funds Control
New York

CONFIDENTIAL

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331961

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Authority WJO 968103
 By JA NARA Date 6/8/00

RG 131
 Entry FFC Investigative Rpt
 File NY 9-45
 Box 4 (copied 6/7/80)

- (a) "Dad" is Mr. Frank Geduldiger, President of Multitex Corporation, 305 Fifth Avenue, New York City, and in reality the father-in-law of Dr. Francis Konner, who is still at Millisle, Co. Down.
- (b) Mr. Geduldiger was born at Bela, Czechoslovakia in 1885 and fled the German advance into the Sudetenland, coming to the United States from London in September 1939. He has called here at our request and produced a Czechoslovak passport and Registration Certificate No. 699125 issued at Bow Street on January 3, 1939. He created a favourable impression and is well recommended. His attitude was one of complete cooperation and we enclose copies of a German demand to sell his property, consisting of two linen mills at Trutnov, Czechoslovakia, and Mr. Geduldiger's rejection through his lawyer, Maurice Neckritz, 36 West 44th Street, New York City.
- (c) According to his statement, Mr. Geduldiger was recently approached by Mr. Felix Graf, Manager of the Travel Department of the Trade Bank and Trust Company, 481 Seventh Avenue, New York City. Mr. Graf offered to buy the Czechoslovak properties, valued by Geduldiger at \$234,250., in U.S. dollars at the rate of \$1.20 per 100 crowns instead of \$3.50 per 100 crowns, which after deducting a 5% commission for Graf, would have amounted to about \$65,000. Mr. Geduldiger stated that he had rejected this offer and asked Mr. Graf whom he represented. The latter stated that he did not know himself but said that it was an American Swiss Syndicate.
- (d) Mr. Felix Graf was also born in Czechoslovakia and has been in the United States for 45 years, being a U.S. citizen by naturalization. According to Mr. Geduldiger, Mr. Graf has approached at least two other owners of property in Czechoslovakia, at present in the U.S., Messrs. Burbaum and Deutsch.
- (e) Mr. Felix Graf, in addition to being Manager of the Travel Department of the Trade Bank and Trust Company, 481 Seventh Avenue, New York City, is also a Director of Astor Financial Corporation of Room 302, 239 Fourth Avenue, New York City. The officers and directors of this organization, which was chartered in October, 1927, seem to be closely connected with the Trade Bank and Trust Company.
- (f) The Trade Bank and Trust Company, which was established in 1922, has recently made considerable progress both in deposits and profits. While its dividend for the year 1938 was only 60 cents per share of \$12½ Par Value, it not only distributed the same dividend for 1939, but also added a stock dividend in November, 1939 (when the Par Value of its shares was reduced from \$12.50 to \$10) of 2/3 of a share for each share held. In other words, a stockholder starting the year with 1 share of a Par Value of \$12½ finished the year with 1 2/3 shares of a total Par Value of \$16 2/3, plus a presumed new earning capacity of \$1 per annum instead of 60 cents.

CONFIDENTIAL

5362

331962

DECLASSIFIED
Authority NJO 98103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-45
Box 4 (copied 6/8/00)

TRANSLATION

Governmental President of Sudetengau.

Aussig, August 10, 1939.

To: Mr. F. Geduldiger,
229, Mount Royal, Marble Arch,
London, W. 1.

Regarding: Exemption of Jew of the Firm F. Geduldiger,
in Parschnitz, Near Trautenau.

In accordance with Paragraph 1 of the Decree in connection with Jewish capital dated December 3, 1938, I am ordering you, as Owner, of the Firm F. Geduldiger, Linen & Cotton Mills, in Parschnitz, to sell the property of your firm to the admitted bidder, Joseph Hein, of the Firm Laux & Co. Parschnitz, on the basis of the Appraisement Report of Survey of authorized buildings and machines expert, within a term of three weeks from the date of receipt of this command. If there would not be submitted to me a properly signed selling contract within the above space of time, I would appoint, in accordance with paragraph 11 of the above-mentioned Decree, a Trustee whereby there would be taken away from you every possibility of disposing of the above specified property.

By Proxy:

(Signed) Dr. Moelle
Governmental Director.

Verified:
Proseldt,
Office - Clerk.

RECEIVED
SEP 16 1941
Foreign Funds Control
New York

CONFIDENTIAL

5362

331963

DECLASSIFIED

Authority WJO 918103By JA NARA Date 6/8/00RG 131Entry FFC Investigative RptFile NY 9-45Box 4 (copied 6/8/00)COPY

of my lawyer, Mr. Maurice Neckritz's answer dated September 5, 1939, to the Governmental President of Sudetengau.

"Mr. F. Geduldiger, London, who remained the sole proprietor of his firm and its branches, is at present on a business trip to North America. He has authorized me to handle his legal matters. The verified copy of his authorization we are willing to mail you, if necessary, in duplicate.

Your letter — 111 A-Wi/Jd.Se XI/15-39 — was delivered late through no fault of Mr. Geduldiger, and I am informing you as follows:

My client would be willing to sell his property in Parschnitz, which is the mill Kat.Z. 195/2 195/1, with residences and gardens Kat Z 277, and also the employee's houses Kat Z. 93 and 1084/1, and also the big grounds and gardens Kat Z 278/4 283/3 277/3 at the correctly conscribed and legally acknowledged value of Kc 4,400,000 (Four Million, four hundred thousand Kronen) under the condition that this amount would be given to my disposal at the rate of exchange of U.S.A. \$3.45 to 100 Kc each, which equals to the rate of exchange of Kc 29. for U.S.A. \$1.00 which would have to be done free of charge here until the end of this year.

The blanket mortgage on the landed property of Mr. Geduldiger would be a matter of separate negotiation because the big value of the many very valuable items is many times higher than the mortgage which is covered many times.

Besides this, Mr. Geduldiger owns larger lawful claims against the Trautenau and Prague bank connections. Therefore, he would NEVER recognize your threatening to sell his property, which would be entirely against the law. Will you please take note of this and inform accordingly also Mr. Joseph Hein of the firm Laux & Company, Parschnitz.

Very truly yours,

(Signed) Maurice Neckritz.

REC-111
 SEP 16 1941
 Foreign Funds Control
 New York

CONFIDENTIAL

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Authority NND 968103

By JA NARA Date 6/8/00

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Entry FFC Investigative Rpt
File NY 9-45
Box 4 (copied 6/7/00)

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Aug. 19, 1941

TO **Mr. Volkman**

FROM **Mr. Garelick**

Re **Prospective investigation of Felix Graf and/or Astor Financial Corporation and/or Trade Bank and Trust Company**

May report No. 9 - 45, submitted August 14, 1941, makes mention of Felix Graf. But little is said therein concerning the latter's association with Astor Financial Corporation and Trade Bank and Trust Company.

It is quite possible, moreover, that the last two mentioned firms in some way tie in with the activities of Mr. Hanns Ditsheim whom Mr. May is in the process of investigating (see report No. 9 - 45).

I suggest therefore that Mr. Sherbondy's request for an investigation of Felix Graf et al be forwarded to Mr. May and, furthermore, that May's attention be directed to the possible connection between the persons and firms mentioned in report No. 9 - 45 and those to be currently investigated.

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SJK:MWG



TREASURY DEPARTMENT
WASHINGTON

FOREIGN FUNDS CONTROL
55 Maiden Lane
New York, REctor 2-5700

AUG 14 1941

9-45
01-9-60045
M-2
for 9/20/43

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

^{D325} Re - HANNS/DITISHEIM, Hollywood, California. 120
FRANK S. GEDULDIGER, New York City
MULTITEX CORPORATION, New York City
G 610 FELIX/GRAF, New York City. 120

Reference is made to the Department's memorandum of May 9, 1940, and to Despatch 3095A, regarding a communication from "Dad", on the letterhead of the Multitex Corporation, to Dr. Francis Konner in Northern Ireland. The writer of this communication stated that he had received an offer from an American-Swiss syndicate in New York for certain property in the Sudetenland, and the Department asks for information regarding this syndicate and regarding the Multitex Corporation.

It has been ascertained that the writer of the letter in question was FRANK S. GEDULDIGER, a refugee from Czechoslovakia and at present the president of the Multitex Corporation, converters and dealers in textiles, which Geduldiger organized shortly after his arrival in this country in July, 1939.

The letter was addressed to Dr. Francis Konner, Geduldiger's son-in-law and also a refugee from Czechoslovakia, where he had been a prominent lawyer. Dr. Konner went to Millisle, County Down, No. Ireland, with his wife and children, to get away from the bombing in London, where he had been awaiting a visa to emigrate to the United States. As immigration to the United States has been suspended, he plans to remain in Northern Ireland for the time being.

Mr. Geduldiger told me that he owned a complete linen weaving mill, office buildings, residences and other real property in Porici and Trutnov, Bohemia, which he values at Kc. 6,730,000. When the Germans occupied the Sudetenland, he was ordered to sell the property to an "Aryan" firm at

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something like 10% of what he considered its true value. He declined to do so, and he was dispossessed of the property which was put under the management of a Nazi commissar. He says he still has the deeds and other evidence of title to the property.

Mr. Geduldiger says that the proposal to buy this property was made to him in October, 1940, by FELIX GRAF, manager of the Travel Department of the Trade Bank & Trust Company, 36th Street and Seventh Avenue, New York City. Graf told Geduldiger that a Swiss-American syndicate, composed of Jews of high reputation, were interested in buying Czechoslovakian property as a speculation, but that he (Graf) was not allowed to make any offer therefor; on the contrary, he asked Geduldiger to make an offer to sell, in writing and binding for three months, naming a firm price. Geduldiger took the matter under advisement and wrote his son-in-law, but it seems that all the discussion in his letter was speculation on his part, as Graf had told him nothing more than that payment could be made in dollars were his offer accepted. Geduldiger never made the offer and Graf did not follow up the matter, so the sale has never been consummated.

FELIX GRAF is a naturalized American citizen of Austrian birth, now about 60 years old. He first came to the United States in 1892 but lived from 1902 to 1927 in Vienna and Prague as an employee of the Vacuum Oil Co. This company retired him on a pension in the latter year and Graf returned to the United States. He is highly regarded by his present employers, for whom he has worked since 1936.

He says that he was approached in this matter about a year and a half ago by a Jewish refugee whom he had known in Prague, and that he knew nothing of the matter except what this man had told him, i. e., that a syndicate of Jewish-Swiss textile manufacturers wished to buy title to Bohemian textile mills from refugees on speculation, if obtainable at low prices. Graf was approached because of his acquaintances among refugees and was offered a commission on any deal which he might originate. He says that he does not know of any such deal having gone through.

Graf would not reveal the identity of his immediate contact, but offered to secure the name of the principal behind

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the proposal in this country. He later advised me that this person was HANNS DITISHEIM, whose name has already appeared in Despatch 1615, relating to a plan to purchase American holdings in a German concern, and in Despatch 3989, in which Ditisheim is accused of selling smuggled German securities. He is a wealthy Swiss Jew and former partner in the Swiss banking firm of LUESCHER & CO., Basle, Switzerland. Some information concerning him is revealed by N.Y. applications 36756, 131842, 156946, 158599, 158600, 192827 and 195201. He lived for a time at Essex House, 160 Central Park South, New York City, and had desk space with Diehl and Kahn, 50 Pine Street, who claim to know nothing of his activities but give his present address as 1338 1/2 Miller Drive, Hollywood, California.

It is believed that some information regarding Ditisheim can be obtained from local sources, and report thereof will be made in connection with our investigation of Despatches 1615 and 3989, including the activities of LAZARD FRERES. This present report is intended to dispose of the question as to the Multitex Corporation's activities, as this company does not seem in any way connected with any attempts to acquire German property, except as hereinbefore stated. The following data as to this company is added merely as a matter of record.

MULTITEX CORPORATION

This is a New York corporation, chartered July 29, 1939, with an authorized capital of 50 shares common stock of no par value.

The officers and directors are:

Frank S. Geduldiger, President and Director.
Emilia Geduldiger, Secretary and Director.
Richard M. Jerie, Treasurer and Director.

The company is a manufacturer and converter of linen and other textiles, the actual manufacturing being done by others under contract. It occupies one large room at 303 Fifth Avenue, New York City, which is used as a combined office and stock room.

Frank S. Geduldiger is 56, married, a native of Bela, Bohemia, and has his first citizenship papers. He came to this country in July, 1939. He entered business in 1911 in the linen line, and is reported to have operated two mills, in Trutnov

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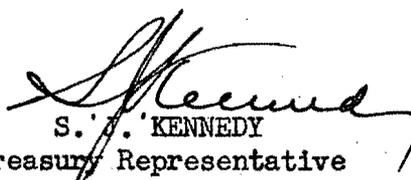
- 4 -

and Porici, Bohemia. The German Government took over the mills during 1939, and Geduldiger subsequently came to this country. His wife is not active in the business.

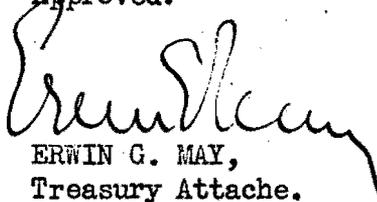
Richard M. Jerie was elected Treasurer of this corporation during April, 1941. He is 52, married a native of Prague, Bohemia, and has his first citizenship papers. He was educated in the State College of his native city, and graduated with a degree in Civil Engineering in 1910, also studied in various textile schools in Europe. He founded and was the principal interest in a shirt and collar factory in his native city, under the name of "Erco", later establishing branches throughout Europe. He achieved some prominence in the textile field and served on various important committees in his native land. In 1933, he moved his headquarters to Prague, and thereafter, had offices at other points in Europe, under the style of "Establishment Erco". He came to the United States on September 17, 1940.

The actual capital of the company is \$8,000. contributed equally by Geduldiger and Jerie. The funds of the company are blocked, but it is doing business under a sixty day license, N.Y.181457. Prior licenses are N.Y. 160220, 163070 and 178550.

Respectfully,


S. J. KENNEDY
Treasury Representative

Respectfully forwarded,
Approved:


ERWIN G. MAY,
Treasury Attache.

Distribution 1.

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PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

MULTITEX CORP.

Mfrs. & Converters
Textiles

NEW YORK CITY, N.Y.
303 Fifth Avenue
Room 1810

Frank S. Geduldiger, Pres.
Emilia (Mrs. Frank) Geduldiger, Secy.
Richard M. Jerie, Treas.

DIRECTORS: The officers
CD 983 1 June 27, 1941

HISTORY

This is a New York corporation, chartered July 28, 1939, with an authorized capital of 50 shares of no par value common stock.

Frank S. Geduldiger is 56, married, a native of Bela, Bohemia, and has his first citizenship papers. He came to this country in July, 1939. He entered business in 1911 in the linen line, and is reported to have operated two mills, in Trutnov and Porici, Bohemia. The German Government took over the mills during 1939, and Geduldiger subsequently came to this country. His wife is not active in the business.

Richard M. Jerie was elected Treasurer of this corporation during April, 1941. He is 52, married, a native of Prague, Bohemia, and has his first citizenship papers. He was educated in the State College of his native city, and graduated with a degree in Civil Engineering in 1910, also studied in various textile schools in Europe. He founded and was the principal interest in a shirt and collar factory in his native city, under the name of "Erco" later establishing branches throughout Europe. He achieved some prominence in the textile field and served on various important committees in his native land. In 1933, he moved his headquarters to Prague, and thereafter, had offices at other points in Europe, under the style of "Establishment Erco." He came to the United States on September 17, 1940, and upon being elected to his present office, according to Frank S. Geduldiger he contributed \$4,000. in capital stock.

METHOD OF OPERATION FIRE HAZARD

Manufactures and converters of textiles and household linens, with approximately two-thirds of the sales made on 3-10 EOM terms to large retailers and department stores located throughout the country. The remainder of the sales are made at export to countries in South America and Africa, on a cash against document basis. There are approximately 40 active accounts at the present time. Two are employed. Manufacturing is done by others under contract.

RENTS office quarters on the eighteenth floor of a twenty-story office building, which is in normal repair, and otherwise occupied principally by concerns engaged in textile and allied lines. Adjacent structures are similar in type and occupancy.

FIRE RECORD: No fires reported.

STATEMENT

From inventory of May 31, 1941:

ASSETS		LIABILITIES	
Cash on hand	15.05	Accts. payable	10,586.62
Cash in bank	17,528.85	Loans from officers	709.65
Accts. Rec. (good) customers	1,177.09		
Merchandise	2,325.50		
Total current	21,046.49	Total current	11,296.27

(CONTINUED)

6-27-41 (56)

DUN & BRADSTREET, INC. RATING CHANGE

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 By JA NARA Date 6/8/00

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PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

MULTITEX CORP.

Mfrs. & Converters
 Textiles

NEW YORK CITY, N. Y.
 (Page #2)

CD 983 1 June 27, 1941

STATEMENT (Cont'd)

ASSETS		LIABILITIES	
Fixtures	228.29		
Deposits	15.00		
Agent Samples	73.92		
Organization expense	75.00	Common Stock	8,000.00
		Surplus	2,142.43
Total assets	21,438.70	Total	21,438.70

(Signed) MULTITEX CORP.
 (by) Frank S. Geduldiger, Pres.

Based on audit by: Orens Reiner & Weissbarth,
 19 Hector Street, N. Y. C.

This business started active operations in July, 1939, with an initial capital of \$4,000., contributed by Frank Geduldiger. Recently Richard M. Jerie became an officer as a principal of the corporation, contributing an additional \$4,000., which resulted in the present capitalization of \$8,000.

According to Frank Geduldiger, the present surplus existing is the result of profitable operations, with profits retained in the business. He advised that to date, withdrawals have been restricted in order to build up the business capital.

The principals, who have been identified with this line for many years in their native lands, and occupied prominent places in this industry, according to local quarters consulted. Investigation indicates that the capital is adequate for the present scope of operations, although the indebtedness on the statement date, was heavily in excess of the net worth. According to Geduldiger, this resulted from the purchase of approximately \$6,000. worth of ~~stocks~~ *flax* which were imported on an open account basis. The debt, although somewhat large, is amply covered by cash alone.

PAYMENTS

One house reported on May 25, 1941, one house reported a high credit of \$250., owes \$75., on 3-10 EOM terms, with payments anticipated to discount and sold from 1940 to 1941.

A second house reported high credit \$600., owes \$100., on terms of E. O. M., with payments prompt, and sold for sometime.

SUMMARY

THIS COMPANY IS OPERATED PROFITABLY, THE PRINCIPALS WERE PROMINENT IN THIS FIELD ABROAD, AND THE CAPITAL IS CONSIDERED A DEQUATE.
 6-27-41 (56) H 3 1/2 to F 3

DUN & BRADSTREET, INC. RATING CHANGE

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NAME: FRANK (Frantisek) GEDULDIGER Parentage: Czecho: Religion: Jewish
Address: Offices: 225 W. 34th St. N.Y.C. Married: Dependents: Two (2)
Home: 89-18 Grenfell Ave. Kew Gardens, L.I.N.Y. One married and one single.

Born: 1885 in Bela (which is between Pardubice and Kolin) Czechoslovakia.
Weight: 195# Height, 6' Health: Excellent:
o - o - o - o - o - o - o -

QUALIFICATIONS: Technical Expert, Manufacturer, and Sales Director of Textiles, particularly linens (Yarns, gray goods, and finished articles).
o - o - o - o - o - o - o -

EDUCATION: Czecho public schools - Czecho & German high schools- Commercial Academy - Weaving School.
o - o - o - o - o - o - o -

LANGUAGES Czecho - German - English - - - - - 100%
French- - - - - Fair
Understand a little Italian and Spanish
o - o - o - o - o - o - o -

BUSINESS RECORD:

Until 1911, I was in big linen mills in Austria (Bohemia) and about one year I spent in English Textile mills (Manchester and Belfast). My last position was as Managing-Director of two prominent Czechoslovakian linen mills (formerly Austrian).

In 1911, I established myself with a linen mill (hand-weaving industry) when I bought machinery consisting of 88 jacquards.

In 1914, I joined the army, and came back in 1918, as "oberleutnant" and started to work again in 1919, concentrating on exports.

In 1923, I made my first visit to the United States and Canada as the very first Czecho linen-manufacturer who visited customers abroad. Since then I have come to U S A at least every second season. This is my tenth trip to the Western Hemisphere.

From 1920 to 1926, which is just before I bought my power looms, I acted also as a purchasing agent of linens, yarns, and cotton goods for a well-known firm in New York City, with whom I alone made a yearly turnover averaging over \$1,000,000.

In 1926, I bought the entire estate of Louis Romann, Parschnitz, including also a power loom mill, which is now under Nazi-commissar management and is considered one of the best equipped export linen mills in the Sudeten. It contains, besides all the preparing and finishing machines, 210 power-driven looms.

December 1936, to February 1937, I spent in the Argentine, Uruguay, and Brazil, so I know not only the production of linens, but also all the principle markets thoroughly.

Since 1924, I was on the Board of the Czechoslovakian Textile Industry Association (Spolek).

Since 1925, I was on the Tax Commission for the District of Trautenau Town, and since 1924, the President of the Czechoslovakian Governmental Home Industry Commission for Northeastern Bohemia.

Since 1932, I was a Counsellor of Commerce (Komerční rada)

Since 1933, I was a member of the Advisory Committee on flax growing in the Czechoslovakian Department of Agriculture, Prague.

In 1936, I became Vice President of the Linen Section (Skupina Lnářskýoh Tkalců).

Only about 5% of my production I used to sell to the home trade I exported 95% to different countries, mostly to the United States, Argentine, Switzerland, France, Brazil, Australia, South Africa, etc.

In 1937, my exhibit at the L'Exposicion Internationale de Paris

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was recognized as the best in my line of goods, and I received a Gold Medal. My linen Mill was one of the very few which was working fully even during the depression periods; many times it ran two shifts, and sometimes even three shifts.

In 1936, 1937 I was a member of the Committee which negotiated for the new commercial treaty between Czechoslovakia and the United States, and I became at the same time also a Counsellor of Commerce in Latin America - and also in the Palestine Czechoslovakian Chamber of Commerce.

In September 1939, I formed the Multitex Corporation here in New York, and am trying now to convert linens and union goods of the same or similar caliber that I formerly made in Czechoslovakia.

I have recently applied to the United States Patent Office at Washington for two patents on textile manufacturing processes of my invention.

Besides my technical and commercial knowledge, I am also an expert on Governmental subsidies, and the manner in which they are operated, not only in Czechoslovakia, but also elsewhere. (I also think I know how the flax growers in this country could be subsidized, and I would be able to create a real line industry on a large scale.)

Mr. [Signature]

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File NY 9-45
Box 4 (copied) 6/8/00*J. Geduldiger*

The following figures are taken from the duplicates of the official Conscription-Sheets. The correctness of the duplicates has been confirmed by the public notary, Dr. Anděla Kozakova, Prague, on February 13, 1939.

Registration - EXTRACTof my Real Estates - (LANDED PROPERTY)

<u>Register Numbers in PRAGUE, BOHEMIA Czechoslovakia</u>	<u>LAND REGISTRY office in TRUTNOV/TRAUTENAU</u>	<u>DETAILED DESCRIPTION:</u>	<u>ACKNOWLEDGED VALUE:</u>	
			<u>Czecho Crowns</u> Kc	<u>i.e. U.S.A</u> \$
110.631 Porici Parschnitz	195/1 - 195/2 93 & 1084/1	Complete weaving mill, office buildings foregardens, orchard, gardens & arable land, plain level 20,000 sq. mtr. i.e. abt 210,000 sq. feet	4,000,000	140,000.
110.633 Porici Parschnitz	277/3 277/1 278/4 286/3		400,000	14,000.
110.630 Trutnov Trautenau	30 & 32 - (18/32) 1840 (213/12) Bp37	Old city houses 2/3 (Store and office buildings and garden) also 1/44th Citizens Brewery Share (270 & 210,000 i.e. 480,000)	270,000) 130,000) 80,000)	16,500.
110.632 ,,				
110.630 Trutnov	(215/4) 1720/4 1720/6 1345	New Park House (villa of 19 rooms, and garage) with big gardens & orchard. Plain level 4,200 sq. mtrs. (i.e. abt. 4,900 sq. yards, respectively, 44,000 sq. feet)	1,500,000	51,750.
110.630 W Pokračování	1975/1 1976/1/2 2078/1	Traet of Land, for building 28 single houses (with gardens) Plain level 14,000 sq. mtrs. (i.e. abt. 16,000 sq. yds., respectively 140,000 sq. feet.)	350,000.	12,000.
<u>Altogether</u>			<u>Kc. 6,730,000.</u>	<u>\$234,250.</u>

(Kc 100- equal to \$ 3.48 OR 1.00 \$ equal 28.74 Kc)

EXPLANATION:

I. I myself am the landed proprietor of all these real estates, except the one part (third) of the house No. 18/32 with the Brewery Share (stated under Reg. 110632) amounting altogether to Kc 210,000., which is \$7,500. This part belongs to my wife, Mrs. Emilie Geduldiger.

II. The entire Land-certificates, with all the official documents, proving all this, I have here, and all the above registrations. They are in the vaults of my New York lawyer, 36 West 44th Street, New York City.

331974

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III. Besides Kc 600,000 for the C. S. Government in Prague. and 1,000,000 Bank in Trautenau. altogether Kc 1,600,000 (which is about 20%, respectively one-fifth of the actual value) there are no mortgages on these real estates, but in fact the Government owes me because:

- A. I paid all taxes long ago.
- B. The Tax Office did not refund to me yet the so-called turn-over taxes (which had to be refunded on exported goods) and they owe me besides certain export premiums, that amount to Kc 235,000., and:
- C. Because the C.S. Governmental National Bank, respectively, the C.S. Ministry of Finances owes me besides still Kc 820,000 for subsidies on exports. These Kc 1,055,000. I claimed through the Bank of England, when the Czecho-slovakian financial obligations were conscribed there in accordance with the "Clearing" regulations made under the terms of the English Treasury Notice, published on the 3rd April, 1939. Consequently, the above mortgage is anyhow null and void.
- IV. I also owe nothing to my bank, because every thing was paid up.
- V. What I was owing in Trautenau, when I escaped from the Sudeten, was for yarns, delivered only about two (2) to four (4) weeks before I left, but I could not take out this raw material (the Henleinists opposed it) the Nazi Commissar kept these yarns. Even in accordance with the German law, he is obliged to pay these about Kc 600,000 (\$20,000.) because he collected for the goods, made out of these yarns.

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Authority WJO 918103By JA NARA Date 6/8/00RG 131Entry FFC Investigative RptFile NY 9-45Box 4 (copied 6/8/00)**J E R I E R i c h a r d ,**

Prague XIX., Bubeneč, Hřebíková 4, Telephone 722 22,

Civil engineer, factory owner, partner of the firm of "Erco" at Prague VII./466, member of the Board of Trade.

Born on the 30th June 1887 at Prague. Father Ludwig †. Mother Pavlína formerly Freudenfeldová †. Wife Irma formerly Pfeiferová. Son Valtr born 1910, Civ. engineer.

Education: State College at Prague, Technical High School at Vienna, granted Civil Engineer 1910, Textile Schools in Germany. In 1912 he founded the firm of "Erco", Shirt and Collar factory at Prague VII., No. 466, U Průhonu 18n, of which he has been a partner ever since. The firm has offices at Amsterdam, Copenhagen, Stockholm, Oslo, Zurich and Zagreb. Since 1933 partner of the firm of "Etablissements Erco" at Paris. Chairman of the Linen and Clothing Industry at the Czechoslovak Manufacturer's Association at Prague. Member of the Czechoslovak Custom's Board, of the Commercial Board at the Government Statistic Office and chairman of the XIV Department of the Commercial Price Commission, Vice - chairman of the Austrian Chamber of Commerce at Prague, member of the presidential Board of the Czechoslovak-Hungarian Chamber of Commerce at Prague, member of the Board of Trade of the Czechoslovak Institute of Export at Prague. Member of the Czech Economic Society at Prague, of the Scandinavian and Dutch Institute at Prague. Vice-chairman of the Prague Riding Club, member of the Czechoslovakian Automobil Club. Decorated with Austrian, Yugoslavian and Italian and Spanish Honours. Owner of a picture gallery: Antonín Chittussi, Christian Hilfgott Brand, Alfons Mucha, Jaroslav Čermák, Jan Preissler, Max Pirner, August Piepenhagen, T.F. Šimon, Jakub Obrovský, Joža Úprka, Josef Feigl, Willy Novák, I.T. Blažek, Karel Wagner, Viktor Rolin, Quido Reni, Caravaggio, Petr Cornelli, Jan van Rijk, Arie Scheffer, Philipp Peter Roos, Gottlob Gutekunst, Friedrich Gauer-mann, Franz Dobyaschowsky, M. Schlesinger, E. Pendl, Vla-ho Bukovac etc. Owner of a stamp collection.

Publications: Treatise on economic matters in the daily press and professional magazines.

CZECHOSLOVAK BIOGRAPHICAL ALMANACH. Serie 14.- 15.I.1938.

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By JA NARA Date 6/8/00

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9-45

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE **MAY 9 1941**

RECEIVED

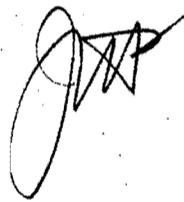
MAY 10 1941

Foreign Funds Control
New York

TO Mr. May
FROM Mr. Pehle
Re Multitex Corporation
American Swiss syndicate

Attached is a copy of Despatch No. 3095.

It will be appreciated if you will have an appropriate investigation made with respect to the matter referred to therein, including the identity of the American Swiss syndicate, the Multitex Corporation, and their activities.



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By JA NARA Date 6/8/00

RG 131

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File NY 9-45

Box 4 (copied 6/8/00)

Confidential information has been received dealing with a communication from "Dad" Multitex Corporation, 225 West 34th Street, New York City to Dr. Francis Konner, c/o Trainee Farm, Millisle, County Down, Northern Ireland.

Informant makes the following comments:-

"The American Swiss Syndicate mentioned appears to be paying out in dollars in the U.S.A. to refugee immigrants, for real estate in Czechoslovakia of those immigrants, purchased by the former at "knock-out" prices. These operations may be:-

1. Purely speculation.
2. An operation by the Nazi confiscators themselves whereby they seek to assure themselves a valid legal title in case of an Allied victory.
3. It may represent a liquidation by the Nazis of their dollar estates in U.S.A. in exchange for land within the Reich sphere in anticipation of U.S.-German hostilities."

We are asked to ascertain the name and activities of the Corporation mentioned, and would be grateful for any assistance you could afford.

CONFIDENTIAL

3095.

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Authority WJO 968103By JA NARA Date 6/8/00RG 131Entry FFC Investigative RptFile NY 9-45Box 4 (copied 6/8/00)

C O P Y

From:

"DAD
Multitex Corporation
225 West 34th Street
New York City

To:

Dr. Francis Konner
c/o Trainee Farm
Millisle
County Down
Northern Ireland

Date: 31st October, 1940.

Enclosed with other correspondence having reference to Application for Visas, made on behalf of Dr. Konner and Family to emigrate to the United States of America, there is a letter dated as above, the third paragraph on the reverse side of which refers to an American-Swiss syndicate in New York, being interested in Buying Land Property and Mills in the Sudeten District and also in the Protectorate, under the condition that if one can prove rightful ownership.

Writer says when approached with this proposal, he told them that even if he had all the Deeds proving ownership and even the extracts of the Register here, he did not know how much the Nazis charged for Reichsflucht-Steuer, Gruinspan-Steuer or some other taxes, despite the fact that he did not owe anything for taxes.

Writer further says, that he answered that they know all about such things generally, but they do not care for it, knowing that such registrations are illegal, and when he asked them how much they would pay and in what way, they answered that they would pay the actual value in dollars in the United States but that the dollar would be taken at the exchange of the so-called black Bourse, which is at present around 120 Kc. for \$1.00. This means that he would get about 25% of the actual value which is, according to the opinion of friends he consulted, a marvelous offer, considering that the Nazis paid to those who sold out voluntarily roughly around 8% or as high as 10% of the actual value, but in blocked marks over there, "which means again nothing, because one would have to go there and eat it up. Consequently, I think the above proposition is still excellent and would suggest that you inform Rudy of this fact."

In the following paragraph writer says the fact alone that there exists a possibility to sell such things here, and to get at least 25% for it leads us to think that the aforesaid syndicate is either speculating now on a general victory of democracies or that they have very much money here, the actual owners of which are somewhere else and want to unload at Prague.

CONFIDENTIAL

8095A

331979

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Authority NND 968103

By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 9-45
Box 4 (copied 6/7/00)

May 3, 1941

Memorandum for Mr. Towson

Subject: Despatch 3095

The attached applications (NY 82923, NY 119290) involve the payment of five small checks of Rumanian origin, all endorsed by the Multitex Corporation. The connection of this corporation with the transactions does not seem at all clear, and the applications may not be connected directly with the matter referred to in the despatch. However, they may be utilized as a basis for an investigation by Mr. May, which appears to be required by the despatch. This latter appears to be very important, and it is suggested that Mr. May be asked to investigate at once.

TGR

Thomas G. Reid

3095

DECLASSIFIED

Authority WJO 918103

By JA NARA Date 6/8/00

RG 131

Entry FFC Investigative Rpt

File NY 9-45

Box 4 (sup. ed) 6/7/00

9 - 45
August 14, 1941

DIGEST

Re:

- Hanns Ditisheim, Hollywood, California
- Frank S. Geduldiger, New York City
- Multitex Corporation, New York City
- Felix Graf, New York City

Mr. Geduldiger, refugee from Czechoslovakia and president of Multitex Corporation, owns property in Bohemia, Czechoslovakia, valued at about \$234,000. When the Germans occupied the Sudetenland, he was ordered to sell the property to an "Aryan" firm at about 10% of true value.

Mr. Graf, manager of Trade Bank and Trust Company and director of Astor Financial Corporation, New York City, proposed to buy Geduldiger's property at 25% value. Graf is acting as agent for some immediate person whose identity he refuses to divulge. The ultimate principal behind the deal, however, is Hanns Ditisheim, a Swiss Jew and former partner in the Swiss banking firm of Luescher & Company, Basle.

Ditisheim's name appears in two dispatches: one relating to the purchase of American holdings in a German concern; in the other he is accused of selling smuggled German securities.

The investigator in this case plans to get more information on Ditisheim.

RG:fn 8/19/41

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Authority WJO 968103By JA NARA Date 6/8/00RG 131Entry FFC Investigative RptFile NY 9-45Box 4 (copied)
6/8/00

8/19/41

Mr. Volkman

Mr. Garellick

Re Prospective investigation of Felix Graf and/or Aster Financial Corporation and/or Trade Bank and Trust Company

May report No. 9 - 45, submitted August 14, 1941, makes mention of Felix Graf. But little is said therein concerning the latter's association with Aster Financial Corporation and Trade Bank and Trust Company.

It is quite possible, moreover, that the last two mentioned firms in some way tie in with the activities of Mr. Hanns Ditschels whom Mr. May is in the process of investigating (see report No. 9 - 45).

I suggest therefore that Mr. Sherbondy's request for an investigation of Felix Graf et al be forwarded to Mr. May and, furthermore, that May's attention be directed to the possible connection between the persons and firms mentioned in report No. 9 - 45 and those to be currently investigated.

There is a pending investigation on Felix Graf, but it is not related to this memo. In the pending investigation, the relationship between Graf + Fazard Freres is questioned. pg.

PG:fn 8/19/41

331982

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Authority NJO 918103

By JA NARA Date 6/8/00

RG 131

Entry FFC Investigative Rpt.

File NY 9-31

Box 3 (copied 6/7/80)

~~NY-9-31~~

September 18, 1941.

225 Broadway, NYC

CONFIDENTIAL REPORT

Internal Revenue Agent in Charge,
225 Broadway,
New York, N. Y.

In re: Eduard Vollech,
Hotel Savoy-Plaza,
59th Street & 5th Avenue,
New York, N. Y.

Years: 1939 and 1940

There is submitted herewith information concerning the above-named taxpayer. This information has been obtained in connection with examination of the taxpayer's income tax returns for the years 1939 and 1940, and follows the plan outlined in special memorandum relative to subjects of Axis powers and Switzerland.

1. Citizenship

Taxpayer is a resident alien. In 1935 he came to this country as an immigrant, and four weeks later he returned to Holland. In March 1940 he came permanently to this country. In the interim years he came to this country once or twice a year. Originally he came from Germany. It is understood that in 1927 he worked for the Bank of America.

2. Income and Deductions

		<u>1939</u>		<u>1940</u>
1. Salaries:	Albert Gruof, Inc.	\$1000.00		\$2000.00
	Park Bridge Corp.	2800.00		2450.00
	Total	\$4800.00		\$4450.00
Less:	Entertaining	1000.00	3600.00	1000.00
				4450.00
2. Dividends			1995.00	2615.00
3. Miscellaneous Interest				805.88
4. Bond Interest			2570.00	1780.00
10a. Net short-term capital gain				6427.44
10b. Net long-term capital loss or gain			(3652.01)	560.11
	Total Income		\$4512.99	\$16,089.43

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Authority NJO 968103
By JA NARA Date 6/8/00

RG 131
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NY 9-31

In re: Edward Wallach

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2. Income and Deductions (continued)

	<u>1939</u>	<u>1940</u>
<u>Brought forward</u>		
<u>Total Income</u>	<u>\$4512.99</u>	<u>\$19,089.43</u>
13. Contributions	150.00	750.00
14. Interest	63.99	68.81
15. Taxes	158.73	832.50
18. Other Deductions	200.00	261.84
<u>Total Deductions</u>	<u>572.72</u>	<u>1,493.16</u>
20. <u>Net Income</u>	<u>\$3940.27</u>	<u>\$17,596.27</u>

3. Reconciliation of deposits with return

In place of the reconciliation there is submitted instead, as Exhibit "A", an explanation of the credits in the banking and brokerage accounts which do not affect income.

3a. Safe deposit boxes

National City Safe Deposit Co., 57th St. & Park Avenue.

4. Withdrawals

Taxpayer does not keep his cancelled checks. However, a record of the payees is kept and they were inspected. The following withdrawal deserves special comment:

May 29, 1940 from brokerage a/c at Albert Graef, Inc. \$24,000.00

Withdrawal of cash - said to represent money of a non-resident alien, was refused to this agent. Stated will report it on required Treasury forms.

5. War sympathies

Mr. Wallach is anti-Nazi in his views.

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Authority WJO 968103

By JA NARA Date 6/8/00

RG	<u>131</u>
Entry	<u>FFC Investigative Rpt</u>
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NY 9-31

In re: Edward Wallach

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C. Other information

Mr. Wallach apparently holds money for residents of Europe which was sent here by various means. His refusal to give their names to this agent is explained on the grounds that harm will result to them should this information become known to the Nazis. In this connection it should be stated that he has established a blocked account with the Bank of Manhattan, 40 Wall Street, New York, N. Y. in the name of Grunwald Administrations, Inc. into which he has paid these funds. There is a "Q" account with Albert Graf, Inc., had funds transferred to it from the "ordinary account", and from the "Q" account withdrawals were made to the Bank of Manhattan.

Mr. Wallach, also, has the care of a brokerage account with Albert Graf, Inc. which is said to belong to his cousin, Ernst Wallach, now living in Buenos Aires.

(Signed) Morris Blumberg
Internal Revenue Agent.

or

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 by JA NARA Date 6/8/00

RG 131
 Entry FFC Investigative Rep's
 File NY 9-31
 Box 3 (copied 6/8/00)

NY 9-31

EDWARD WALLACE

EXHIBIT "A"

DEPOSITS

Brokerage a/c with Bendix, Furtweller & Co., 58 Wall Street, New York, N. Y.

<u>Date</u>	<u>Amount</u>	<u>Source and Explanation</u>
7-13-39	61,600.00	Transfer from brokerage a/c at Albert Graef, Inc.
6-2-40	77,548.61	Transfer of funds per cable instruction. Now stated to be holding it in box for an alien--Will report it on required Treasury form. Refused to name owner.
8-6-40	8,945.00	Transfer from brokerage a/c at Albert Graef, Inc.
8-8-40	2,000.00	ditto
8-23-40	2,000.00	ditto
8-27-40	5,000.00	ditto
10-20-40	10,000.00	ditto
12-11-40	5,000.00	ditto

Brokerage a/c with L. F. Rothschild & Co., 120 Broadway, New York, N.Y.

1-6-39	3,570.87	Transfer from brokerage a/c at Hersfield & Stern.
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Brokerage a/c with Hersfield & Stern, 30 Broad Street, New York, N.Y.

4-17-39	1,236.60	Transfer from brokerage a/c at Albert Graef, Inc.
6-6-40	1,342.20	ditto
6-10-40	144.60	ditto
6-21-40	280.00	ditto

Brokerage a/c with Albert Graef, Inc., 70 Pine Street, New York, N. Y.

2-10-39	100.00	Transfer from brokerage a/c at Loeb Rhoades & Co.
2-10-39	135.00	Cash
3- -39	150.00	do
3-21-39	618.75	Transfer from brokerage a/c at Bendix Furtweller & Co.
4-11-39	10,000.00	From checking a/c at Fifth Ave. Bank
4-15-39	118.75	Cash
6-23-39	1,500.00	Transfer from brokerage a/c at Bendix Furtweller & Co.
9-5-39	200.00	Cash
9-16-39	5,975.54	From New York Trust Co. by order of Barclays Bank, Ltd., West End Foreign Branch, London - transfer of funds.
3-27-40	504.65	Canadian currency brought from Europe
3-28-40	1,000.00	Cash brought from Europe belonging to Sigmund Bohm, Los Angeles later delivered to him.
4-17-40	532.21	Transferred from "A" a/c at Albert Graef, Inc.
4-17-40	1,375.00	Transfer from "Special" a/c at Albert Graef, Inc.
4-22-40	200.00	Check from Europe - too small to warrant further examination.
5-9-40	641.00	Source unknown
5-31-40	20.00	Check - source unknown
6-1-40	1,542.80	6 1/2 Swiss francs belonging to and being held for Mrs. Mosler in Zurich
7-5-40	25.00	Check - source unknown
7-5-40	10.00	Exchange - Albert Graef
8-7-40	16.45	Sale 100 marks
8-12-40	500.00	Travelers checks
8-20-40	12.00	Transfer from Palestino Park Bridge

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By JA NARA Date 6/8/00

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EDUARD WALLACH

EXHIBIT "A" (cont'd.)

DEPOSITS

Brokership a/c with Albert Graf, Inc. (continued)

<u>Date</u>	<u>Amount</u>	<u>Source and Explanation</u>
8-28-40	8112.00	Transfer from brokership a/c at Bendix, Furtwangler & Co.
9-2-40	2112.50	ditto
9-15-40	16.50	check - source unknown
9-16-40	2225.00	Transfer from brokership a/c at Bendix Furtwangler & Co.
9-23-40	500.00	Travelers checks
9-26-40	3225.00	Transfer from brokership a/c at Bendix Furtwangler & Co.
10-2-40	100.00	Transfer from brokership a/c at Loeb Rhoades
10-19-40	446.00	Check from Banque Commerciale de Paris - Paris belonging to and held for Mrs. Mosler.
10-20-40	120.00	Check - Source unknown
10-25-40	87.00	Cash
10-28-40	184.96	Exchange with P. Kohner
11-12-40	52.00	Check - source unknown
11-12-40	80.00	Check from Park Bridge Corp.
11-16-40	455.00	Check from Cassel & Co., brokers, to customer Paul Gottlieb
11-20-40	10.00	Check - source unknown
11-20-40	2000.00	Held for alien, name refused to this agent. Will report it on required Treasury form.
11-20-40	620.00	ditto
11-27-40	4400.00	ditto
11-29-40	50.00	Check - source unknown
11-29-40	1500.00	Exchange - Mr. Ertay, 15 Park Row, N. Y.
11-29-40	2500.00	ditto
11-29-40	3000.00	Exchange with Oscar Perlsberger, 15 Park Row, New York, N. Y.
11-29-40	10225.00	Transfer from brokership a/c at Bendix Furtwangler Co.
12-3-40	50.00	Check - source unknown
12-3-40	2572.50	Transfer from brokership a/c at Bendix Furtwangler & Co.
12-6-40	135.00	Stern Bros. brokership a/c
12-6-40	410.00	Exchange - Mr. Ertay, 15 Park Row, New York, N. Y.
12-6-40	225.00	ditto
12-11-40	12.00	Money Order
12-12-40	1000.00	Cash held for alien, name refused to this agent. Will report it on required Treasury form.
12-17-40	535.00	Holding for Mrs. Ingraham, 1021 Park Ave., New York, N. Y.
12-27-40	160.00	Holding for non-resident alien, name refused to this agent. Will report it on required Treasury form.

Special a/c at Albert Graf, Inc.

9-21-39	5975.64	Transfer from brokership a/c at Albert Graf, Inc.
11-30-39	7942.72	Sale # 2000 at Grellin Thalhof, Zurich, transmitted through Guaranty Trust Co.
3-22-40	5594.75	Sale # 1003
4-1-40	6022.68	From Royal Bank of Canada checking account.
4-2-40	4506.50	ditto
4-2-40	64.00	Check - source unknown
4-9-40	220.03	Transfer from Fifth Ave. Bank a/c
4-22-40	375.00	ditto

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By JA NARA Date 6/8/00

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EDWARD WALLACE
MEMORANDUM "A" (continued)
DEPOSITS

Special a/c at Albert Graef, Inc. (continued)

Date	Amount	Source and Description
6-27-40	\$ 1,000.00	Exchange of Oscar Parburg, 16 Park Row, New York, N. Y.

Checking a/c at Fifth Avenue Bank of New York, 500 Madison Ave.

8-10-39	28,000.00	Transfer of funds from Guinness, London.
8-3-39	210.00	Cash
4-10-39	1,000.00	Transfer from a/c at Albert Graef, Inc.
4-22-39	2,500.00	Exchange with Stephanie Wallace - mother
7-20-39	268.00	Repayment of loan - Deuliner, Los Angeles
9-25-39	10,485.00	Transfer from a/c at Herzfeld & Stern
9-26-39	6,088.00	Transfer from a/c at Bendix Furtenloyer & Co.
11-6-39	1,500.00	Transfer of funds from Amsterdamsche Effecten en Bankiershandel an Irving Trust Co.
11-10-39	7,500.00	American Express Co. of Amsterdam - transfer of funds
11-13-39	67.50	Refund from French Line
1-3-40	2,488.85	Transfer from brokerage a/c at Herzfeld & Stern
2-6-40	2,000.00	Canadian dollars
3-23-40	2,500.00	Cash - commission belonging to Park Bridge Corp. and paid to them by check of taxpayer
6-21-40	200.00	Cash
7-6-40	122.50	Transfer from a/c at Albert Graef, Inc.
7-11-40	1,572.00	Transfer of funds from Barolays, Ltd.
8-5-40	155.00	Transfer from a/c at Loeb Rhoades
8-12-40	500.00	Transfer from a/c at Albert Graef, Inc.
8-25-40	500.00	ditto
10-4-40	67.50	Transfer from a/c at Loeb Rhoades
10-19-40	1,000.00	Transfer from a/c at Albert Graef, Inc.
10-22-40	12.50	Transfer from a/c at Herzfeld & Stern
11-19-40	300.00	Transfer from a/c at Albert Graef, Inc.
11-23-40	2,207.83	Transfer of funds from Barolays, Ltd.
12-28-40	28.51	Source unknown

Checking a/c at Bank of America, Los Angeles, California

8-10-39	652.75	Transfer from father, deceased
8-6-40	110.00	Transfer from a/c at Albert Graef, Inc.

Brokerage a/c at Ludwig Bentz, 52 Wall St., New York, N. Y.

1-11-39	50.00	Source unknown
1-11-39	178.00	ditto
3-31-39	517.43	Reichmarks payment on mtge. in Germany
3-22-39	316.00	Transfer from a/c at Bendix Furtenloyer & Co.
1-19-40	70.11	Check from Rex Loeb, attorney
2-10-40	266.88	Exchange - Sigismund Boehm
1-12-40	397.47	Mtge. payment on property in Germany
6-28-40	200.00	Cash

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Authority WJO 918103
 By JA NARA Date 6/18/00

RG 131
 Entry FFC Investigative Rpt
 File NY 9-31
 Box 3 (copied) (6/18/00)

NY 9-31

**EDUARD WALLACH
 EXHIBIT "A" (CONTINUED)
 DEPOSITS**

Exchange a/c on books of Park Bridge Corp., 52 Wall Street, New York, N. Y.

Date	Amount	Source and Explanation
9-30-39	\$10,000.00	Cash (Belongs to Eduard Wallach & mother, Stephanie Wallach)
11-2-39	20,000.00	Cash (Withdrawn Oct. 2 & Nov. 2 and put in safe deposit box)
5-3-40	364.67	Transfer from Hollandische Nij voor Schaepmarkt en Kolonhandel, bank in Amsterdam, used to purchase stock of Park Bridge Corp.

Brokerage a/c at E. Louisa, 39 Broadway, New York, N.Y.

6-24-40	14,000.00	Transfer from brokerage a/c at Albert Graf, Inc.
6-24-40	252.50	Transfer from a/c at Carl M. Loeb-Rhoades & Co.

Brokerage a/c at Carl M. Loeb-Rhoades & Co., 61 Broadway, New York, N.Y.

4-2-40	6,572.00	Transfer from a/c "A" at Albert Graf, Inc.
4-6-40	3,270.80	ditto

Brokerage account "A" with Albert Graf, Inc., 70 Pine Street, New York, N. Y.

6-12-40	1,720.03	Transfer from Special a/c at Albert Graf, Inc.
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131Entry FFC Investigative RepsFile NY 9-31

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SJK:LCO



NY 9-31

TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL

95 Maiden Lane

New York, REctor 2-5700

June 28, 1941.

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

G-610Re ALBERT GRAEF, INC./3-120

Reference is made to my report 9-31 of May 29, 1941, on the PARK BRIDGE CORPORATION, as a result of which the Department issued instructions on June 13 to block the property of that corporation. These instructions were carried out as of the close of business June 14, 1941.

Considerable data was given in my report as to the related firm of ALBERT GRAEF, INC., over-the-counter security dealers of 70 Pine Street, New York City. It was shown that 250 out of 450 shares of the capital stock of this firm was owned by N.V. HOLLANDSCHE MIJ. VOOR SHEEPVAART EN KOLENHANDEL, a Dutch national; that these shares are in the custody of the Park Bridge Corporation, which holds the voting power thereof; and that EDUARD WALLACH, through his control of Park Bridge and his personal holdings in Albert Graef, Inc., controls one-half the shares of the latter firm. It would therefore seem that sufficient grounds exist for blocking the property of Albert Graef, Inc.

This suggestion is not made with the thought that there is any subversive element in this firm. There is every reason to believe that its officers, all of German-Jewish extraction, have definitely severed their connections in Germany and established themselves here. Both Albert Graef and Eduard Wallach still have some financial interests in Holland, but they claim to be personae non grata there. In this connection, consideration has been given to Mr. John C. Wiley's memorandum of June 17, 1941, and it is noted that he comes to the same conclusion.

It might be added that suspicion as to the loyalty of Graef and Wallach was recently aroused by some circumstances arising from their purchase of a seat on the New York Stock Exchange. The seat was bought in the name of FREDERICK M. STERN, assistant secretary and manager of the trading department of

331990

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Authority WFO 968103
By JA NARA Date 6/8/00RG 131
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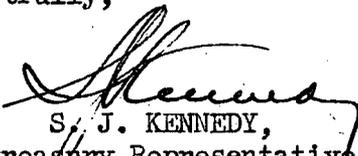
- 2 -

9-31

Albert Graef, Inc., who was undoubtedly selected as holder of the seat because of his American citizenship. Stern was sponsored by the firm of DELAFIELD and DELAFIELD, 14 Wall Street, who also agreed to clear his transactions while the Graef Corporation was being liquidated and reorganized as a partnership. Delafield later withdrew from the clearing agreement because of Graef's and Wallach's "German connections".

I interviewed Mr. E. Z. Delafield on June 27, and he showed me a considerable file of correspondence on the subject, indicating that he had made extensive investigation of Graef and Wallach through mutual banking and other business acquaintances. The information thus obtained contained nothing derogatory, but indicated that Graef and Wallach were financially responsible, honest and well-learned and experienced in financial matters. Mr. Delafield told me that he knew nothing against them, that he had had pleasant business relations with Eduard Wallach's father for some years, and had had Eduard Wallach under his tutelage for some time in the former Bank of America. He said he had been perfectly willing to clear for them until the issuance of Executive Order No. 8785, when it had occurred to him that their funds might be blocked and that Delafield and Delafield would be left with commitments made on the Graef firm's behalf which the latter would be unable to meet. He emphasized that his withdrawal from the clearing agreement was dictated by ordinary business prudence and was not a reflection on the personal characters of Graef or Wallach or their associates.

Respectfully,



S. J. KENNEDY,
Treasury Representative,
Acting in Charge.

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Authority WJD 968103
By JA NARA Date 6/8/00

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TELEPHONE HANOVER 2-7762

CABLE ADDRESS "RENELOB"

RENÉ LOEB
ATTORNEY AT LAW
52 WALL STREET
NEW YORK

June 27, 1941.

File 9-31
Paul Ponsky

Mr. E. J. Kennedy,
Federal Reserve Bank of New York,
95 Maiden Lane,
New York City, New York.

Dear Mr. Kennedy:

Just a note to tell you that Mr. Wallach, Mr. Meyer and myself were down in Washington yesterday and spoke to Mr. Schmitt of the Funds Control Division. Mr. Schmitt rather discouraged the thought of our obtaining complete freedom from restrictions, but gave his every assurance that a broad license would be issued at the earliest moment possible.

We left with Mr. Schmitt a lengthy explanatory letter, in which we state that a copy is being delivered to yourself, in order that you may make any comments which you deem inconsistent with the facts observed upon your examination. I am enclosing this copy herein and shall appreciate your comment thereto.

My general observation, after discussions with officials in the Funds Control Division, is to the effect that the only procedure which is being followed in cases which even present the slightest doubt is to block accounts and issue operating licenses. So far, I have not heard of a procedure, either before a committee or before a board of the Treasury Department, where arguments may be presented by interested parties. I would very much appreciate your ascertaining whether such a board or committee exists to whom one might present the facts in any one particular case and obtain a consideration, other than the immediate reaction, to the effect that one must be blocked and operate under license.

Thanking you for your kind interest in behalf of Park Bridge Corporation, I am,

Sincerely yours,

René Loeb

RL: S

Should we answer this?
RL

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Authority NWD 968103
 By JA NARA Date 6/8/00

RG 131
 Entry FFC Investigative Rpt
 File NY 9-31
 Box 3 (copied 6/8/00)

June 21, 1941.

Mr. John W. Pehle,
 United States Treasury Department,
 Funds Control Division,
 Washington, D.C.

Dear Mr. Pehle:

Under date of June 14, 1941, we were informed by Mr. Irvin G. May, Treasury Attaché, that this corporation is to be considered a national of Belgium, and that its accounts are henceforth subject to the provisions of Executive Order Number 8389 of April 16, 1940, as amended. We immediately applied for a general business license and obtained a temporary license for drawings on our bank account. This temporary license had to be supplemented, due to the fact that our business is so complex that additional individual transactions come up from day to day, which raise doubts as to whether we are properly licensed.

Attached hereto, we have you a schedule prepared by J. Freedman & Co., Certified Public Accountants, indicating the outstanding loans of our corporation, their classification, and previous high, and the fixed commitments for financing, into which we entered prior to June 14, 1941. You will note that a great variety of transactions are being handled by us and the different types of transactions will, if anything, continue to increase.

It is practically unfeasible what types of action on the part of our corporation would have to be covered by a business license in order to be acceptable to all parties, especially banks and authorities who are doing business with our corporation. For example, some of the transactions presently handled by us involve the following details of handling, each of which should be separately licensed:

1) Financing of Receivables:

- a) Assignment to us of invoices by client;
- b) Recourse to us of collateral note by client;
- c) Advance against invoices;
- d) Turning over to us by client of checks received in payment of invoices;
- e) Depositing of aforementioned checks into our bank account;

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-2-

Mr. John W. Pehle.

- f) Eventual adjustments of invoices and returns;
- g) Payment of interest and charges by clients.

2) Import letters of credit:

- a) Application by client, including usual obligations;
- b) Deposit with us by client of cash deposit or other collateral against letter of credit;
- c) Opening of letter of credit through our bank;
- d) Debit to our account of drawings under letter of credit;
- e) Issuance by bank of eventual guarantees in connection with shipments;
- f) Turning over by bank to us of shipping documents;
- g) Payment by client of amount drawn under letter of credit;
- h) Delivery to client of shipping documents or, alternatively, the making by ourselves of customs entry of merchandise and storing in warehouse with ultimate release to client;
- i) Payment of interest and commissions by client.

3) Mortgages on real estate and chattels:

- a) Execution by client of mortgage documents; including title and fire policies, etc.;
- b) Payment to client of funds involved;
- c) Recording of mortgages, including renewals;
- d) Payment of interest by client;
- e) Repayment by client of installments or entire principal;
- f) Satisfaction of mortgage or release of any mortgaged part.

4) Financing of Export Drafts:

- a) Turning over to us by client of export drafts and documents;
- b) Advance of funds thereagainst;
- c) Turning over to bank of drafts and documents for collection;
- d) Change of instructions in reference to shipments which almost always occur in export financing;
- e) Payment to us by bank of proceeds of drafts;
- f) Repayment to client of margin over advance;
- g) Payment by client of interest and charges;

5) Advances against life insurance policies:

- a) Assignment to us of life insurance policies;
- b) Advance of funds to client;
- c) Payment by client of interest;
- d) Payment by client of installments of principal;
- e) Release of assignment or reassignment upon payment in full.

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Mr. John V. Pehle.

6) Financing of defense orders:

- a) Assignment to us of original contract with War Department and proceeds of shipments;
- b) Advances to clients progressively upon manufacture of goods; (for raw materials, pay rolls, over-head, etc.)
- c) Payment to us by client of interest and charges;
- d) Payment to us by U.S. Treasury of proceed of shipments;
- e) Repayment to client of margins over advances.

In addition to the aforementioned specific categories, we have such transactions as the purchase of trade paper, the advancing against assignment of rents, the financing of conditional bills of sale, the financing of orders, the financing of merchandises either on the clients premises or in warehouses, the financing of a manufacturing process under trust receipt arrangements filed with the Secretary of State in Albany, New York, advances against securities and many other different types of transactions as they arise. Furthermore, our corporation, in connection with its investment activities, holds, for itself as well as clients, securities, real estate, mortgages, etc. For this purpose, the corporation is qualified to do business in three states, namely Delaware, New York and California. Another function of the corporation is the promotion and administration of large financing transactions, together with one, two or more participants. We are presently forming a syndicate to take over the Liggett, Spring and Axle Company, Pittsburg, Pa., a corporation engaged in defense work. We have already made a firm offer in this connection to the City Bank Farmers Trust Company, New York City, and have made a deposit with them of \$10,000.— towards the purchase price. The administration of these holdings and syndicates involves many innumerable additional steps which should likewise be licensed.

In connection with the various operations, we also have to protect our interest by having an officer of the corporation become signatory of checks and documents for the client's business or entering upon the Board of Directors, etc. Each individual gesture by the corporation or its officers involved in all of the above transactions would under the Executive Orders have to be licensed and we know of no one who could at any time point out fully all the individual actions to be cited in a license given to our corporation.

Moreover, there is one set of transactions of major importance to the corporation which is practically impossible under the licensing system. We have for some time already conferred with our banks with a view to obtaining from them loans and letter of credit accommodations for our expanding needs. Our banks have given us their assurance that such financing and accommodations would be forthcoming when needed. We cannot visualize any banking institution in the United States which would enter into any loan arrangement with a corporation which is subject to executive order, unless the license held by such corporation is not only absolutely general in character, but also unlimited duration.

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June 20, 1941.

Mr. John E. Fehle.

As a matter of fact, we are almost certain that the expansion of our business which, in view of the expanding cycle of business in the interests of national defense, is very marked at the present moment, must come to an abrupt halt, for lack of banking facilities by our corporation. We can also visualize that clients who are dependent upon us for their financing will shy away from a finance company whose operations are thus hampered.

We have pointed out all of the above to show the physical defects connected with the operation of our business under license. Actually, we see no reason for the determination of the Treasury Department in classifying our corporation as a national of Belgium, because such determination is solely based on the fact that we have at our disposal a large loan (\$250,000.) from such a national. Our entire capital of over \$50,000. is held by two American citizens and one resident, who has been informed by the Department of Justice that his naturalization as an American citizen will be completed in the month of July of this year. The national of Belgium, above mentioned, (he is in reality a citizen of Haiti, but appeared to be in Belgium on May 10, 1940), has no control whatsoever over our corporation either directly or indirectly.

We realize that the rules of the Treasury Department support a determination such as has been reached in the case of our corporation, but since it is an optional matter with the Department, it is respectfully requested that the determination be lifted and that the corporation be permitted to continue unrestricted its operations as heretofore.

A thorough examination of our business in all its details has been made by Mr. E.J. Kennedy of the Treasury Department and we do not doubt that his report confirms in all respects the indications herein made. We are forwarding to Mr. Kennedy a copy of this letter in order that he may make to the Department such comments with respect to the text hereof as he may deem appropriate.

If permitted to operate on an unrestricted basis, we shall be glad to submit to periodical examinations by the representatives of the Treasury Department, or we shall be equally glad to have our accounts and records under the supervision of a firm of certified public accountants appointed by the United States Treasury Department, who in turn could render monthly or periodical statements as desired. Similarly, we would have no objection in admitting to our Board of Directors a representative of the Treasury Department and, in general, we are fully satisfied to submit to such supervision as your Department may determine. In making the foregoing statement, we make no mental reservations of any kind, but we must repeat that the release of the corporation from the restrictions of the executive order is of paramount importance to the continued life and expansion of the business.

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Mr. John W. Pehle.

We trust that you will give favorable consideration to the request herein made; we remain at your full disposal for any further information which you may desire.

Respectfully yours,

PARK BRIDGE CORPORATION

Eduard Ballach, Vice-President

Gene Loeb, Secretary and Counsel

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SJK:LCO

9-31

FILE COPY

June 14, 1941.

Park Bridge Corporation,
52 Wall Street,
New York, N. Y.

Sirs:

It is the conclusion of the Treasury Department, Washington, D. C., that the Park Bridge Corporation is a "national" of Belgium within the purview of Executive Order 8389, as amended, and that therefore all funds and property of such corporation are subject to the provisions of the said executive order.

Respectfully,

ERWIN G. MAY,
Treasury Attache.

Copy to Mr. Davis,
Fed. Res. Bank.

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By JA NARA Date 6/8/00

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SJK:LCO

9-31

FILE COPY

June 14, 1941.

**Bendix Luitweiler & Company,
52 Wall Street,
New York, N. Y.**

Sirs:

It is the conclusion of the Treasury Department, Washington, D. C., that the Park Bridge Corporation, 52 Wall Street, New York, is a "national" of Belgium within the purview of Executive Order 8389, as amended. Accordingly, any funds or property which you may be holding for the account of this corporation is subject to the provisions of the said executive order.

Therefore, it is requested that you submit to the Federal Reserve Bank (Foreign Property Control Section), New York, an appropriate report of such funds or property in your custody or possession as of the close of business on June 14, 1941.

Respectfully,

**ERWIN G. MAY,
Treasury Attache.**

Copy to Mr. Davis,
Fed. Res. Bank.

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By JA NARA Date 6/8/00

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SJK:LCO

9-31

FILE COPY

June 14, 1941.

Fifth Avenue Bank of New York,
530 Fifth Avenue,
New York, N. Y.

Sirs:

It is the conclusion of the Treasury Department, Washington, D. C., that the Park Bridge Corporation, 52 Wall Street, New York, is a "national" of Belgium within the purview of Executive Order 8389, as amended. Accordingly, any funds or property which you may be holding for the account of this corporation is subject to the provisions of the said executive order.

Therefore, it is requested that you submit to the Federal Reserve Bank (Foreign Property Control Section), New York, an appropriate report of such funds or property in your custody or possession as of the close of business on June 14, 1941.

Respectfully,

ERWIN G. MAY,
Treasury Attache.

Copy to Mr. Davis,
Fed. Res. Bank.

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SJK:LCC

9-31

FILE COPY

June 14, 1941.

Albert Graef, Inc.,
70 Pine Street,
New York, N. Y.

Sirs:

It is the conclusion of the Treasury Department, Washington, D. C., that the Park Bridge Corporation, 52 Wall Street, New York, is a "national" of Belgium within the purview of Executive Order 8389, as amended. Accordingly, any funds or property which you may be holding for the account of this corporation is subject to the provisions of the said executive order.

Therefore, it is requested that you submit to the Federal Reserve Bank (Foreign Property Control Section), New York, an appropriate report of such funds or property in your custody or possession as of the close of business on June 14, 1941.

Respectfully,

ERWIN G. MAY,
Treasury Attache.

COPY TO MR. DAVIS,
Fed. Res. Bank.

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SJK:LCO

9-31

FILE COPY

June 14, 1941.

Public National Bank & Trust Co.,
76 William Street,
New York, N. Y.

Sirs:

It is the conclusion of the Treasury Department, Washington, D. C., that the Park Bridge Corporation, 52 Wall Street, New York, is a "national" of Belgium within the purview of Executive Order 6389, as amended. Accordingly, any funds or property which you may be holding for the account of this corporation is subject to the provisions of the said executive order.

Therefore, it is requested that you submit to the Federal Reserve Bank (Foreign Property Control Section), New York, an appropriate report of such funds or property in your custody or possession as of the close of business on June 14, 1941.

Respectfully,

ERWIN G. MAY,
Treasury Attache.

Copy to Mr. Davis,
Fed. Res. Bank.

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By JA NARA Date 6/8/00

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE JUN 13 1941

TO Mr. May
FROM Mr. Pehle

RECEIVED
JUN 14 1941
Foreign Funds Control
New York

Subject: Park Bridge Corporation

It is the opinion of this Department that Park Bridge Corporation is a "national," and its accounts should accordingly be blocked.

You are requested to take whatever action may be required on the basis of this ruling.

J. W. P.

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June 12, 1941

MEMORANDUM FOR THE FILES

Subject: Status of Park Bridge Corporation.

On the basis of the facts outlined by Mr. Pehle to Messrs. DuBois and Luxford concerning the Park Bridge Corporation, both DuBois and Luxford agreed that the Park Bridge Corporation is a "national" within the meaning of the Order.


O.A.S.

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TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL

95 Maiden Lane

New York, REctor 2-5700

June 3, 1941.

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir:

Reference is made to my report of May 29, 1941, regarding the Park Bridge Corporation and its endeavors to unblock the money of Charles Wallach, a Belgian national. Mention was made therein of the explanation given by Mr. Rene Loeb, attorney for Park Bridge, in justification of the latter's applications for the use of that money:

As to Park Bridge and similar cases, his stand is that the U. S. Government is only interested in seeing that blocked funds are not diverted into Axis hands; and that American business organizations to whom the owners have entrusted such funds should be allowed to use them freely in American commerce and industry, once the custodian's powers and bona fides have been established. Granting that acceptance of his thesis would involve danger of pro-Axis use of the funds, and also danger of their loss or diminution through errors of judgment on the part of a custodian, he holds that the government should guard against the former by a system of reports and inspections, but that the latter is not a concern of the government in a case where the owner of the funds has chosen his own custodian and has entrusted the custodian with free use of the funds.

No doubt the Department has given consideration to other proposals of this nature and has formed a policy with regard thereto. I trust I may mention, however, that the situation contemplated in such proposal actually exists in thousands of cases to-day:- a goodly number of the TFR 100's on file here merely report accounts payable by American business organizations to persons or firms in invaded countries; the American debtors simply mark the accounts "blocked" on their books and continue to carry them among their liabilities, while enjoying the free use of the money, which is mixed among their cash on hand and other assets. A typical case is that of Julius Wile Sons and Company, which was the subject of

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my report of May 7, 1941, relating to Despatch 2083. There would in fact appear to be less reason for permitting Wile to use the blocked money owed by it abroad than to permitting Park Bridge to use Charles Wallach's money, for, in the latter case, the present custodian has been granted free use of the money by its owner, while in the former case the owner or creditor has merely been forced to yield to a force majeure.

This statement is not made with the intention of urging the acceptance of Mr. Loeb's proposal but, on the contrary, to suggest the advisability of compelling American creditors such as Wile to pay their blocked debts into blocked accounts in National banks, or in a Federal Reserve Bank, in the names of the foreign creditors.

The question is whether the United States Government is under any legal, or even moral, obligation to safeguard these funds. If so, it should choose its custodians, and it should not choose (for example) firms formerly in the importing or exporting business whose financial position has undoubtedly been impaired, or is likely to be impaired, by wartime conditions.

National banks, being subject to inspection and regulation by the Government, are the logical custodians for such funds, and some of the foreign creditors already have accounts in American National banks into which the debts could be paid. It is known, however, that some of the National banks would strongly object to opening new blocked accounts, and the Federal Reserve Banks would be the best custodians in such cases.

Respectfully,


S. J. KENNEDY,
Treasury Representative.

Respectfully forwarded,

Approved:


ERWIN G. MAY,
Treasury Attache.

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TREASURY DEPARTMENT

WASHINGTON

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, Rector 2-5700

June 2, 1941.

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir: Re PARK BRIDGE CORPORATION, New York City
CHARLES WALLACH (Belgian)
HENRI UNTERMANS, New York City

Reference is made to our report of May 29, 1941, on the above subject.

Since completing that report we have received from the Federal Reserve Bank a copy of Mr. Schmidt's memorandum of May 19, 1941, on the same subject, which mentions three applications not covered by our report:

N.Y. 31209 requesting authority to transfer \$63,500 of Charles Wallach's money and securities from his blocked account with Carl M. Loeb, Rhoades & Company to his blocked account with Park Bridge Corporation. No action.

N.Y. 35540 and 44406 wherein Eduard Wallach proposes to lend 15,000 guilders to a person in Holland, out of Wallach's money on deposit with Bankierskontoor Albert Graef N.V. in Holland, against collateral of \$6500 which the borrower has in a blocked account in the United States. Denied.

These three applications were not found in the Federal Reserve Bank's index here, and nothing arose in the course of the investigation to disclose their existence. If this letter is added to our report, it will probably completely cover the case.

Respectfully forwarded,
Approved:
Erwin G. May
ERWIN G. MAY,
Treasury Attache.

Respectfully,
S. J. Kennedy
S. J. KENNEDY,
Treasury Representative.

RECEIVED
JUN 4 1941
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TREASURY DEPARTMENT 01-9-00031

WASHINGTON

FOREIGN FUNDS CONTROL
95 Maiden Lane
New York, Rector 2-5700

May 29, 1941.

*Wain
Jnt*John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.Sir: P620 PARK BRIDGE CORPORATION, New York City 3-120
W#20 CHARLES WALLACH, 1-462
U536 HENRI UNTERMANS, New York City 1-120

Reference is made to your telephone instructions of April 29, 1941, to investigate the above case.

On May 9, 1941, I called at the offices of the Park Bridge Corporation, 52 Wall Street, New York City, and interviewed Mr. Rene Loeb, the secretary and treasurer. The information contained herein was obtained by examination of the regular books of account and other records of the corporation, which Mr. Loeb placed at my disposal. Supplemental information was furnished by Mr. Loeb and by Mr. Eduard Wallach, the vice-president.

The subject matter of this report divides itself into two parts:

Part I: Blocked property of Charles Wallach in custody of Park Bridge Corporation and of Carl M. Loeb, Rhoades & Company.

Part II: Claims of Charles Wallach and others against blocked property of Bankierskontoor Albert Graef N.V. and of N.V. Hollandsche Mij. voor Sheepvaart en Kolenhandel.

Included in this report is a diagram which will assist in showing the relations existing between the several persons and firms hereinafter mentioned. An index is also appended.

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PART I

SUMMARY: On May 10, 1940, Charles Wallach, a Belgian national now believed to be in a concentration camp in France, had money and securities on deposit in his own name with the Chase National Bank and with Carl M. Loeb, Rhoades & Company. He gave his nephew, Eduard Wallach (vice-president and controlling stockholder in the Park Bridge Corporation) full power of attorney. The applications since made by Park Bridge for licenses with respect to this money have all been designed to unblock the actual cash so that it could be added to the corporation's funds for use in making commercial loans, and to block either stock in Park Bridge or merely a credit balance due Charles Wallach on Park Bridge's books. This purpose has been partly achieved. An effort has also been made to invest some of Charles Wallach's money in Park Bridge preferred stock.

The dealings of Henri Untermans with Park Bridge are described herein, but a further report will be made as to his dealings in other blocked funds.

It should be remarked at this point that the secretary and treasurer of Park Bridge, Mr. Rene Loeb, is a practicing attorney who has a considerable clientele interested in related questions. He is at present associated with Arthur Garfield Hays in an important test case pending against the Chase National Bank. As to Park Bridge and similar cases, his stand is that the U. S. Government is only interested in seeing that blocked funds are not diverted into Axis hands; and that American business organizations to whom the owners have entrusted such funds should be allowed to use them freely in American commerce and industry, once the custodian's powers and bona fides have been established. Granting that acceptance of his thesis would involve danger of pro-Axis use of the funds, and also danger of their loss or diminution through errors of judgment on the part of a custodian, he holds that the government should guard against the former by a system of reports and inspections, but that the latter is not a concern of the government in a case where the owner of the funds has chosen his own custodian and has entrusted the custodian with free use of the funds.

This proposal, in its general application, has given rise to some thoughts in the mind of the writer which are expressed in a separate memorandum being sent to the Department (Mr. Pehle) today. The instant case, however, presents a special factor for consideration in that the owner of the funds is in a concentration camp abroad:— would not the custodian of the funds, the nephew of the owner, be tempted to use the money to "ransom" his uncle, if the opportunity presented itself?

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PARK BRIDGE CORPORATION

This company was incorporated in Delaware on December 10, 1931, with an authorized capital of \$5000 and is licensed to do business in New York and in California.

The present officers of the corporation are:

Theodore Thiesing, president and director
 Eduard A. Wallach, vice-president and director
 Rene Loeb, secretary and treasurer and director
 Adalbert Meyer, assistant treasurer

Thiesing, Wallach and Loeb form the Board of Directors.

Theodore Thiesing:

Mr. Thiesing is 50, single, a native of Hildenschein, Hanover, Germany. He is a naturalized American citizen. He graduated from Gymnasium Josephinum Hildenschein, Germany, in 1910, and studied law at the University of Berlin and Columbia Law School, receiving his degree of L.L.B. From 1915 to 1920 he was in the United States Government service at Washington, D. C., including special research assistant to the Legislative Reference Bureau. He was also special attorney in the office of the Alien Property Custodian and Assistant Counsel of the International High Commission. Mr. Thiesing was admitted to the bar in the District of Columbia in January 1918; to the United States Supreme Court in January 1923; and to the bar of the State of New York in January 1924. For a time he was associated with the law firm of Curtis, Mallet, Prevost, Colt & Mosle, 63 Wall Street, New York, N. Y. He now maintains an office at 20 Exchange Place, this city, where he practices law on his own account. He was also secretary of Millhauser & Sternau, Inc., importers and jobbers of slippers and pocketbooks in this city.

On August 2, 1929, Millhauser & Sternau, Inc., filed a voluntary petition in bankruptcy, and on August 8, 1929, Irving Trust Company was appointed receiver. There is no discharge of record, but the case was marked closed on September 17, 1930. Mr. Thiesing is also secretary of Algra Realty Corporation, real estate brokers and property managers of 70 Pine Street, and secretary of Alfred Graef, Inc., investment securities, also located at 70 Pine Street, New York, N. Y.

Mr. Thiesing has been president of Park Bridge since its incorporation, having formerly been the Wallach family lawyer. However, according to Mr. Loeb, he now takes no part in Park Bridge's activities beyond presiding at directors' meetings and keeping the minutes. He resides at 322 East 57th Street, New York, N. Y.

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Eduard A. Wallach:

Mr. Wallach is 32, married, a native of Germany. Prior to coming to the United States, he was employed by Von Goldschmidt, Rothschild & Company, bankers of Berlin, Germany. Mr. Wallach is also vice-president and director of Alfred Graef, Inc., and vice-president and director of Algra Realty Corporation.

Mr. Wallach first arrived in the United States in 1927 and worked in the Commercial Credit Department of the old Bank of America (since consolidated with the National City Bank). He returned to Germany in 1929 and was employed in the Rothschild Bank in Berlin until 1934, when he went to Amsterdam to attend to family financial affairs. He returned to the United States in 1935 and declared his intention of becoming an American citizen. From then up to March, 1940, he spent about six months of each year in the United States and six months in Europe, where he acted as representative of the Park Bridge Corporation and of Albert Graef, Inc., with headquarters at Amsterdam, Holland. During this time he had a permit from the State Department allowing him to spend six months of each year abroad on business matters without increasing the time of residence required in the United States for the purpose of acquiring citizenship. He has resided at the Savoy Plaza Hotel, New York City, since March, 1940, and has recently applied for final citizenship, which he expects will soon be granted.

Mr. Wallach is the active head of the Park Bridge Corporation.

Rene Loeb:

Rene Loeb is 41, married, a native of France and a naturalized citizen of the United States. He holds the degrees of L.L.B. and L.L.M. from Brooklyn Law School (St. Lawrence University) and is a practicing member of the New York Bar, with law offices adjoining those of Park Bridge. He is head of the commercial credit activities of Park Bridge.

Mr. Loeb worked for some years in the Commercial Credit Department of the old Bank of America, where he met Eduard Wallach. For a number of years he was associated with the National Paper Brokerage Company (not incorporated), New York, N. Y. Loeb is also president of International Financial Advisers, Inc., 52 Wall Street, New York City, a New York corporation, dating from July 9, 1934. This corporation operates as dealers in foreign blocked

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exchange, foreign international securities, currency coupons and script. Rene Loeb is also secretary-treasurer of Laszlo Institute, Inc., 677 Fifth Avenue, New York, N. Y.

Adalbert Meyer

Mr. Meyer is German by birth. He arrived in the United States March 20, 1940, has since resided in New York City and has declared his intention of becoming an American citizen. He is in immediate charge of Park Bridge's commercial loan activities and usually uses the name Albert Meyer in this connection.

The capital stock of the corporation consists of 2600 shares of no par value which are carried on its balance sheet at \$26,000. The records show that 1000 shares are held by the nominees of the National City Bank, 800 shares by Thiesing, and 400 shares each by Eduard Wallach and Loeb. Loeb's shares have been assigned to Eduard Wallach who also holds the voting power of the 1000 shares in the National City Bank which are the property of his mother, Mrs. Ernest Wallach.

The directors have authorized the issuance of 2000 shares \$3.50 preferred stock of no par value, but none of this has yet been issued.

The offices of the corporation consist of a large room and anteroom in a modern office building at 52 Wall Street. However, these rooms are at present entirely occupied by its Commercial Loan Department, consisting of Meyer and three clerical employees. The law offices of Loeb are adjoining and are shared by another lawyer and by International Financial Advisers, Inc.

According to Mr. Loeb, the Park Bridge Corporation was originally organized to handle the affairs of the Wallach family in the United States and for some years its only activity consisted of managing various properties left by Ernest Wallach, father of Eduard Wallach, including a mortgage in Bel-Air, California, some oil property in Kansas and various securities.

Loeb was then in the Commercial Credit Department of the old Bank of America, and he there became acquainted with Eduard Wallach who held a minor position as an "apprentice" in the same department. When the Bank of America was amalgamated with the National City Bank, Loeb entered the practice of law and became attorney for Park Bridge. A few years ago he induced Wallach to use Park Bridge's surplus capital for the purpose of

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making commercial loans and he became an officer of the corporation and active supervisor of this phase of its activities. These activities were considerably expanded when the money of Charles Wallach became available for this purpose.

Enclosed, marked Exhibit 1, is a copy of Park Bridge's balance sheet for December 31, 1940. Its present financial condition is substantially the same.

CHARLES WALLACH

According to Eduard Wallach, Charles is his uncle and is of German birth, but became a citizen of Haiti about 1938 - how, he does not know. Eduard Wallach further stated to me that Charles used to divide his time about equally between Paris and Brussels; that he maintained residences at 31 Avenue Georges V, Paris, and at the Palace Hotel, Brussels, and that both addresses could be equally considered his residence. This statement is contrary that made by Eduard Wallach in a letter filed in connection with N.Y. License 6936, June 12, 1940, wherein he said that Charles' "Brussels address is decidedly a temporary one" and that his permanent domicile was in Paris.

Eduard Wallach said that his uncle is a wealthy man with many European investments, particularly in Belgium and Holland. He last saw his uncle in Brussels in March, 1940, when he suggested that the uncle transfer as much cash as possible to New York and that he give Eduard power of attorney to manage the money. Charles Wallach adopted the suggestion, withdrawing the money from the two Dutch and one Swiss commercial loan companies with whom he had deposits either under management agreements or on call loans. Charles Wallach has not been heard from since the invasion of Belgium, but Eduard has been informed by refugees that he is in a concentration camp in the occupied zone of France.

A copy of the power of attorney given Eduard by Charles Wallach is enclosed marked Exhibit 2. This copy was made from a photostat in Eduard's possession and the original is on file with the Chase National Bank, New York City.

An account in the name of Charles Wallach was opened in the Chase National Bank by the transfer on March 9, 1940, of \$100,000 from the account in the same bank of N.V. Hollandsche Maatschappij voor Sheepvaart en Kolenhandel of Amsterdam, a Dutch corporation. The transfer was made on instructions from the latter, and on the introduction of another depositor, Bankiers-kontoor Albert Graef, N.V., of Amsterdam, who stated by letter

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that Wallach was then in Brussels, Belgium, at 13 Place Rogier. A further \$250,000 was transferred to Wallach's credit from the account of N.V. Hollandsche Maatschappij Voor Sheepvaart en Kolenhandel, Amsterdam, at its order, on May 9, 1940, and the Chase Bank reported the total of \$350,000 on Form TFR-100 (NY 532) as of May 10, 1940, as property of a Belgian national. On May 13, 1940 (after the blocking order became effective as to Belgium), two further credits were made to Wallach's account:-

- Received from Central Hanover Bank, New York City,
 by order of Blankart & Co., Geneva, Switzerland
\$27,612.73
- Transferred from account in Chase Bank of
 Bankierskontoor Albert Graef N.V. at
 latter's order (presumably under G.L.#3) 22,387.27 -

bringing Wallach's balance up to \$400,000. This entire amount has since been withdrawn and the account closed. The following is a summary of the account:

3-9-40 Tfr. from Mij. Sheepvaart account	\$100,000.00
5-8-40 " " " " " "	250,000.00
5-13-40 Rec'd from Central Hanover	27,612.73
5-13-40 Tfr. from Bank Albert Graef account	22,387.27
5-21-40 Air mail postage (charged by Chase)	\$0.30
5-27-40 Wdn. under N.Y. License 6936	300,000.00
10-15-40 Services (charged by Chase)	75.00
10-15-40 Wdn. under N.Y. License 44837	<u>99,924.70</u>
	\$400,000.00 \$400,000.00

N. Y. License 6936 was issued June 12, 1940, to the Chase National Bank and authorized the withdrawal of \$300,000 from the above blocked account of Charles Wallach and payment of that amount "to the account of Park Bridge Corporation at the Fifth Avenue Bank in favor of Charles Wallach, Brussels". Neither of the banks nor Park Bridge construed this language as requiring payment into a blocked account, and the money was deposited in the free checking account of Park Bridge at the Fifth Avenue Bank.

The other withdrawal of \$99,924.70 was the subject of several applications, Form TFE-1. Under N.Y. 30468, July 23, 1940, the Chase National Bank requested authority to transfer a balance of \$99,999.70 to the Park Bridge Corporation for account of Charles Wallach, but no action was taken pending determination of Wallach's whereabouts. The application was renewed under N.Y. 44837, August 27, 1940, with the information that Wallach had last been heard from as leaving Ostend May 16 for France, and license was granted September 16, 1940, to Chase to debit the account of Charles Wallach and

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make payment to Park Bridge for account of Wallach, provided payment was made to a blocked account in a banking institution in the United States. Under N.Y. 55060, September 23, 1940, Chase asked whether Park Bridge could be considered a banking institution, but no action was taken pending information as to "definite whereabouts" of Wallach. Despite these unsettled questions, License N.Y. 44837 was extended October 10 to expire October 24, 1940, and Park Bridge solved the problem by opening an account in the Fifth Avenue Bank entitled "Park Bridge Corporation Special Account". Wallach's balance of \$99,924.70 was transferred thereto from Chase on October 15 under authority of N.Y. 44837, and the Fifth Avenue Bank reported the account as blocked, on Form TFR-100 (N.Y. 721), giving the nationality as Belgian.

CHARLES WALLACH ACCOUNTS WITH PARK BRIDGE

Park Bridge thus acquired \$399,924.70 of Charles Wallach's money, of which \$300,000 was in their free checking account and the balance in their "Special" blocked checking account. Both amounts were credited on their books to an account entitled "Charles Wallach, Blocked under Ex. Order 8389", and the corresponding debits were:

6-17-40	Cash in Fifth Avenue Bank	\$300,000.00
10-15-40	Cash in Fifth Ave. Bank (Blocked under Exec. Order 8389)	99,924.70

The first sum of \$300,000 was received by Park Bridge in pursuance of an agreement between them and Charles Wallach (by Eduard Wallach, attorney) dated March 3, 1940, by which Park Bridge were to invest and manage this money and to receive 10 per cent of any net income and profits derived therefrom, but not less than \$1000 per annum. Exhibit 3, enclosed, is a copy of this agreement.

No actual use was made of Charles Wallach's money under this agreement (although Park Bridge have charged the management fee), but on September 27, 1940, a further agreement was made (Exhibit 4) by which Park Bridge borrowed \$100,000 of the money for the purpose of making commercial loans, at 3/4 of 1 per cent per annum. By another agreement of December 30, 1940, (Exhibit 5) Park Bridge acquired the use of \$250,000 more. Of this \$350,000, however, only \$300,000 was available in their free checking account, while the other \$50,000 was included in the \$99,924.70 balance of their blocked checking account. Park Bridge now proposed to acquire more complete control of this latter sum.

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Under N.Y. S5597, December 13, 1940, they were licensed to lend \$50,000 to Henri Untermans (q.v.) and to draw this sum from their blocked checking account, to pay Untermans \$3,000 a month for three months therefrom, and to debit Untermans' account with interest on the drawings. Under N.Y. S9468, the Fifth Avenue Bank was licensed to permit such withdrawal and to "make payment of this amount to a banking institution within the United States for credit to the account of Henri Untermans, New York, from which account payments, transfers or withdrawals will be made only in accordance with licenses issued pursuant to Executive Order No. 8389, as amended". Park Bridge took exception to this stipulation as in conflict with the authority granted in N.Y. S5597 to make monthly payments to Untermans, and the Federal Reserve Bank advised them that they could hold the money as long as they blocked Untermans' account on their books. Park Bridge also notified the Federal Reserve Bank and the Fifth Avenue Bank that the loan had been reduced to \$45,000 but, according to Mr. Loeb, nothing further was heard from the former bank, while the latter advised them to either apply for a new license or to take the \$50,000. Park Bridge chose the latter course and effected the transaction by withdrawing \$50,000 from their blocked checking account and depositing it in their free checking account, with the following journal entries on their books:

Dr. Cash in Fifth Avenue Bank	\$50,000.00
Cr. Cash in Fifth Avenue Bank	
(Blocked under Ex. Order 8389)	\$50,000.00
Dr. Loan Receivable, Henri Untermans,	\$45,000.00
q/c Chas. Wallach	
Cr. Henri Untermans (Blocked under	
Ex. Order 8389)	\$45,000.00

The next step was an application, N.Y. 110603, February 11, 1941, for authority to lend \$50,000 from the blocked checking account (although the balance of that account was then \$49,924.70) to Albert Graef, Inc. (q.v.), dealers in securities, in which firm Eduard Wallach controls one-half the shares; no action was taken on the application, and it was renewed under N.Y. 113122 and denied. It is patent that the purpose of this application was to close out the blocked checking account, for Park Bridge had plenty other money on hand from which to make this loan. In fact, on August 31, 1940, Park Bridge lent \$50,000 to Graef from its own funds, at 1 per cent per annum, against "securities to be segregated by Graef".

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The blocked checking account was finally closed out by the purchases of \$25,000 U.S. Treasury 1 per cent notes for the account of Charles Wallach under N.Y. Licenses 119804 and 123113, and of \$25,000 more under N.Y. 132193 and 135065. The journal entries (simplified) were:

Dr. Charles Wallach (Blocked under Ex. Order 8389)	\$25,432.47
Cr. Cash in Fifth Ave. Bank (Blocked under Ex. Order 8389)	\$25,432.47
Dr. Charles Wallach (Blocked under Ex. Order 8389)	\$25,501.56
Cr. Cash in Fifth Ave. Bank (Blocked under Ex. Order 8389)	\$24,492.23
Cr. Cash in Fifth Ave. Bank	1,009.33

(The notes were actually purchased by Park Bridge with its free funds, and it then repaid itself by transferring cash from its blocked checking account to its free checking account; the above entries show the final result.)

These U. S. Treasury notes are being held by Bendix Luitweiler & Company, 52 Wall Street, in the name of Park Bridge Corporation. They are more specifically described:

No. 11386/7	2 @ \$10,000	U.S.Treas. 1% notes, due 3-15-44
No. 3696	1 @ \$ 5,000	Purchased at 101.21
No. 4030,4033	2 @ \$10,000	U.S.Treas. 1% notes, due 9-15-44
No. 5132/5, 6430	5 @ \$ 1,000	Purchased at 101.25

The foregoing transactions closed out the blocked checking account in the Fifth Avenue Bank, as follows:

10-15-40: Deposit, N.Y.44837	\$99,924.70	1-6-41: Withdrawn, N.Y.6936	\$50,000.00
		4-25-41: Withdrawn, N.Y. 123113	\$25,432.47
		5-9-41: Withdrawn, N.Y. 135065	\$24,492.23
	<u>\$99,924.70</u>		<u>\$99,924.70</u>

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The account "Charles Wallach, Blocked under Ex. Order 8389" stood on Park Bridge's books as of May 9, 1941, as follows:

10-1-40:		6-17-40:	
Tfr. to C.W. Sp. Acct.	\$100,000.00	Recd under NY 6936	\$300,000.00
12-18-40:		10-15-40:	
Rene Loeb, legal fees	250.00	Recd under NY 44837	99,924.70
12-31-40:		12-31-40:	
Minim. mgt. fee 6/17-12/31/40	538.25	Interest on 100 M, 10/1 - 12/31/40	187.50
1-6-41:			
Tfr. to C.W. Sp. Acct.	150,000.00		
1-31-41:			
Minim. mgt. fee, 1941	1,000.00		
3-3-41:			
Pchse Treas. notes, N.Y. 119804	25,432.47		
4-21-41:			
Pchse Treas. notes, N.Y. 132193	25,501.56		
5-9-41: Balance	<u>97,389.92</u>		
	\$400,112.20		\$400,112.20
		5-9-41 Balance	\$97,389.92

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(The foregoing is not an exact copy of the account, but shows correct dates of entry and amounts.)

The special account mentioned in the above transcript is carried on Park Bridge's books under the title "Charles Wallach Special, Blocked under Executive Order 8389", and was opened in accordance with Park Bridge's regular practice of segregating funds allotted to their Commercial Department from the other funds of the corporation; this practice is carried to the point of segregating even cash balances, the cash balance of the Commercial Department being deposited in the Public National Bank and Trust Company, New York City, while the remaining cash balance of the corporation is deposited in the Fifth Avenue Bank. The only entries in the Charles Wallach special account are the two credits of \$100,000 and \$150,000; these should be added to the above balance. Park Bridge's total liability to Charles Wallach is now represented by the following assets:

Blocked accounts subject to license:	
Loan receivable from Henri Untermans	\$45,000.00
U. S. Treasury notes (cost)	50,934.03
Blocked funds not subject to license:	
Cash in bank, loans receivable and other assets	<u>302,389.92</u>
	\$398,323.95

In saying that the last item is "not subject to license", it is meant the Park Bridge is now free to use this money in the conduct of its business, without further license, but that the Charles Wallach creditor account is blocked on their books. It should be added that Park Bridge have reported all debits to this account on Form TFER-1.

The foregoing statements cover all use or attempted use of Charles Wallach's money to date. Mention should be made here, however, that on April 23, 1941, Carl M. Loeb, Rhoades & Company (q.v.) applied for authority (N.Y. 130311) to buy 200 shares Park Bridge preferred stock with blocked funds held by Loeb-Rhoades for Charles Wallach. License was granted, then revoked.

As a matter of possible interest, Park Bridge is now negotiating for the purchase of the Liggett Spring and Axle Co., Inc., Monongahela, Pa.

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LOAN TO HENRI UNTERMANS

As stated above, a separate report will be made as to Untermans. The present report will treat only with his transactions with Park Bridge, which began with N.Y. License 85597, authorizing Park Bridge to lend him \$50,000, to credit such amount to a blocked account, to pay Untermans therefrom \$3000 a month for three months, and to debit the account with interest on the withdrawals. N.Y. 89468 authorized the Fifth Avenue Bank to debit Park Bridge's special (blocked) account for that amount for credit to a blocked account of Untermans; as explained hereinbefore, the \$50,000 was transferred to the free checking account of Park Bridge, and the latter lent Untermans only \$45,000 therefrom.

Under N.Y. 107709, Park Bridge requested extension of the license to pay Untermans \$3000 a month, and the application was "not approved on the basis of the information given". Under N.Y. 100330, Park Bridge requested authority to lend Untermans' wife \$15,000 from the blocked funds of Charles Wallach, and the application was denied. By N.Y. 112691 (see also N.Y. 110111), Park Bridge was authorized to pay Albert Graef, Inc., the sum of \$7,978.68 due from Untermans for security purchases, commission and interest. Finally, by N.Y. 125199, Park Bridge transferred \$25,000 to Untermans' account in the Guaranty Trust Company, New York City, which account was blocked and excluded from the provisions of G.L. #11.

Untermans' account on Park Bridge's books is entitled "Henry Untermans, Blocked under Executive Order 8389" and may be summarized as follows:

12-31-40 Mo. paym't, NY-85597	\$3,000.00	12-24-40 Loan	\$45,000.00
1- 3-41 " " "	3,000.00		
2- 4-41 " " "	3,000.00		
2-25-41 Pd. to Graef, NY-112691	7,978.68		
3-27-41 Pd. under G.L. #11	500.00		
4- 9-41 " " " "	500.00		
4-31-41 Fee for securing li- censes	100.00		
5-10-41 Pd. to Guaranty Trust, NY-125199	25,000.00		
5-10-41 Balance	<u>1,921.32</u>		
	\$45,000.00		<u>\$45,000.00</u>
		5-10-41 Balance	\$1,921.32

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In addition to the fact that Park Bridge obtained \$50,000 from their blocked checking account and lent Untermans only \$45,000, it will also be noted that (1) they debited the above account for \$100 fee, without license, and (2) they treated themselves as a "banking institution" in making two debits of \$500 each under General License No. 11. It should be added, however, that they have reported all debits to this account on Form TFER-1.

Although the loan of \$45,000 was made at 1-3/4 per cent per annum, payable quarterly, no debits for interest had been made at the time of my inspection. The loan is secured by assignment of four policies on Untermans' life, Nos. 3222250, 3222251, 3222252 and 3216407, issued by the Mutual Life Insurance Company. These are carried on Park Bridge's books as a debit of \$45,000 to the account "Loan Receivable - Henry Unterman, for a/c Charles Wallach".

PARK BRIDGE'S COMMERCIAL LOANS

According to Mr. Eduard Wallach and Mr. Loeb, Park Bridge is in a position to make commercial loans at 12 per cent or more per annum on security that, while perhaps not acceptable to banks, is considered good because of Park Bridge's knowledge and supervision of the borrowers. As of April 30, 1941, the credit balance of the Commercial (loan) Department on Park Bridge's books was \$225,620.86, of which \$50,910.31 was cash on deposit in the Public National Bank & Trust Company.

I examined Park Bridge's records of loans receivable, and copied the following data as to certain loans which seemed to be exemplary of this phase of their business:

A. B. Carbone, Inc., 912 Broadway, New York City: contractor for men's wear; loans made on borrowers' and his debtors' notes at 90 per cent of face value; now owes \$3198.25.

J. Feiniger, 425 Fifth Avenue, New York City: fur trader; loans made on personal notes and merchandise stock; now owes \$587.60.

Kabex Trading Company, 599 Broadway, New York City: exporters of textiles; loans made against sight drafts drawn by Kabex on consignees abroad, also against assigned domestic accounts; now owes \$2710.93.

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Lanz & Son, 599 Broadway, New York City: manufacturers of women's wear; loans made against assigned accounts receivable; now owes \$35,814.63.

Lanz Fifth Avenue Corp., 668 Fifth Avenue, New York City: retail outlet for Lanz & Son; loans made against merchandise and assigned accounts receivable; now owes \$21,000.00.

(Park Bridge have placed one of their own employees as accountant for these two firms, and he must countersign all their checks.)

Max Voss, Inc., 140 Fifth Avenue, New York City: manufacturers of men's wear; loans made to finance contracts for manufacture of U. S. Army jackets, secured by assignment of contracts with War Department, which pays Park Bridge direct on such contracts; in compliance with loan contract, Adalbert Meyer was made vice-president of this corporation and provision was made that all checks must be signed by him; Voss has borrowed as much as \$80,000; now owes \$34,962.17.

New York Pharmacists Service & Discount Co., 551 Fifth Avenue, New York City: This firm finances pharmacists by discounting their notes or taking chattel mortgages on their furniture and fixtures, and Park Bridge lends on assignment of such notes and mortgages, up to 66-2/3 per cent of face value; owe at present \$23,755.00.

Southern Optical Co., Greensboro, N. C.: exporters of optical goods; loans made against sight drafts drawn on consignees abroad; now owe \$2,116.15.

E. Laszlo Beauty Institute, Inc., 677 Fifth Avenue, New York City: loans made on borrowers' notes, but, as condition of loan, Rene Loeb was made secretary of the corporation and must countersign all checks. Eduard Wallach owns stock in the corporation.

There are two persons who participate in certain of Park Bridge's loans and who are carried on the books as creditors to the amount of their participation. They are Kurt Mayer, Hotel Standish Hall, New York City, present credit balance \$3,722.77, and Ernest Cohn, 60 Beaver Street, New York City, present credit balance \$2,480.00.

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CARL M. LOEB, RHOADES & CO.

This firm, who are well-known stock brokers and members of the New York Stock Exchange, with offices at 61 Broadway, New York City, reported on Form TFR-100 that they held the following property of Charles Wallach as of May 10, 1940:

Credit balance	- \$27,491.20
Domestic common stocks, under 10%	- \$36,037.00

The credit balance has been reduced by the following withdrawals, all made on licenses issued to Eduard Wallach as attorney-in-fact of Charles Wallach:

N.Y. 96003	- Sfcs.	2,237.50
N.Y. 98284	-	\$ 500.00
N.Y. 110673	-	\$ 200.00
N.Y. 110674	-	\$ 300.00
N.Y. 117282	-	\$ 900.00
N.Y. 123381	-	\$ 500.00
N.Y. 123576	-	\$ 100.00

Under N.Y. 130311, Loeb-Rhoades made application for license to purchase 200 shares Park Bridge preferred stock with the blocked funds of Charles Wallach in their custody. License was granted to purchase the stock at "fair market price" and to block it, but Loeb-Rhoades then reported that they were unable to determine a fair price for the stock because it was unlisted and had no real market, as a result of which the license was revoked.

(As stated hereinbefore, the directors of Park Bridge have authorized the issuance of 2000 shares \$3.50 preferred stock, but none has yet been issued. Rene Loeb (no relation to Carl Loeb) said that they have a real intention of increasing their capitalization, so as to be in position to increase their commercial loans, but the proposal to sell some of this stock to Charles Wallach had the secondary purpose of utilizing the latter's blocked credit balance with Loeb-Rhoades.)

Loeb-Rhoades are also holding certain property of Bankiers-kantoor Albert Graef N.V. (q.v.). There is no reason to believe that they have any interest in these accounts except as brokers and custodians.

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PART II

SUMMARY: On May 10, 1940, two Dutch nationals, N.V. Hollandsche Mij. voor Sheepvaart en Kolenhandel, and Bankierskontoor Albert Graef N.V., had considerable money and securities on deposit with banks and brokers in New York City, which were blocked. Claims have been made by Charles Wallach, Eduard Wallach and others against these blocked assets, either for (1) the recovery of specific securities at present included among the blocked assets, or for (2) conversion of other securities said to have been deposited by claimants with the Dutch corporations in Holland prior to the German invasion. Most of the applications for licenses in connection with these assets have been for their transfer from the present custodians into the hands of a single custodian (Albert Graef, Inc.) in order to facilitate their distribution to the claimants or to avoid a multiplicity of suits. Later, the claims of Charles Wallach were assigned to Grunwald Administrations, Inc., and applications made for transfer of certain assets directly from the present custodians to Grunwald.

In the absence of specific instructions from the Department, this investigation has been restricted to presenting the facts as alleged by the claimants, without inquiry as to whether the claims are bona fide.

N.V. HOLLANDSCHE MAATSCHAPPIJ VOOR
SHEEPVAART EN KOLENHANDEL

According to Eduard Wallach, this Dutch corporation operated as a holding company for Bankierskontoor Albert Graef N.V. Prior to the German invasion, it had capital stock of Fl. 10,000, of which Fl. 5,000 were owned by Eduard van Orelli of Zurich, Fl. 2,000 by A. Vos of Amsterdam, and Fl. 3,000 by an undisclosed Hollander of Amsterdam. It also had reserves of Fl. 60,000 to Fl. 70,000.

As of May 10, 1940, it had assets in the United States, reported on Form TFR-100, as follows:

Held by Chase National Bank - \$58,300 on deposit
Held by Albert Graef, Inc. - \$1,100 credit balance
Held by Park Bridge Corp. - 250 shares Albert Graef, Inc.

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Charles Wallach is said to have had on deposit with the Dutch corporation \$214,310 (U.S.) and £20,914 (Sterling). The Dutch corporation ordered the Chase National Bank on June 20, 1940, to pay over its cash balance, then \$55,316.70 to Albert Graef, Inc. (q.v.) and the bank applied for license to do so under N.Y. 25595, which was not approved. Under N.Y. 96873, Chase stated that the Dutch corporation had instructed it on December 18, 1940, to pay \$58,300 to Grunwald Administrations, Inc. (q.v.); application also was not approved.

Mr. Loeb said that the Charles Wallach deposits with the Dutch corporation had been confiscated by the German-Dutch authorities and that Grunwald, which now holds title to such deposits, has a cause of action against the Dutch corporation for conversion of the dollar deposits. If license were issued to transfer the Dutch corporation's balance in the Chase National Bank to Grunwald, suit would be avoided.

Grunwald also has a claim, for the same cause, against the balance held by Albert Graef, Inc., in the name of the Dutch corporation, but license to transfer this balance has not been requested to date. The only application filed by Graef with respect to this account was N.Y. 90995, requesting authority to pay Sfcs.27 for rental of a safe deposit box in Zurich, which was denied.

No action has been taken, either, to levy on the stock held by Park Bridge Corporation.

The only other known claim against the Dutch corporation is that of the Park Bridge Corporation for a debit balance of Guilders 25,611.83; no action has been taken with respect to this claim.

BANKIERSKONTOOR ALBERT GRAEF N.V.

According to Rene Loeb, Bankierskontoor Albert Graef N.V. is a Dutch corporation with offices at Amsterdam, Holland. It has a paid-in capital of Guilders 150,000, of which G. 20,000 are held by Eduard Wallach (since confiscated by the German-Dutch authorities), G. 10,000 by Albert Graef, and the balance by Dutch interests. Both Mr. Wallach and Mr. Graef were actively engaged in the affairs of this corporation until they emigrated to the United States in 1935 and 1937, respectively, and formed the New York corporation Albert Graef, Inc., in the latter year.

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The Dutch corporation had considerable assets with banks and brokers in the United States on May 10, 1940, as will be seen from the following tabulation of the reports, Form TFR-100, made by the several custodians:

<u>Reported by</u>	<u>Domestic Bonds</u>	<u>Domestic Pfd.Stocks</u>	<u>Domestic Com.Stocks</u>	<u>Foreign Com.Stocks</u>	<u>Credit Balances</u>
Carl M. Loeb, Rhoades & Co.	\$11,237.00	\$50,818.00	\$49,738.00		\$ 3,492.08
Bendix Luitweiler & Co.	2,399.00	2,500.00	6,575.00		404.00
Abraham & Co.			2,400.00		2,321.26
Smith, Barney & Co.	4,275.00	84,556.25	33,375.00	\$41,300.00	8,842.23
J. & W. Seligman & Co.	38,196.25	2,490.00	44,477.50	27,382.50	6,842.67
White, Weld & Co.	19,875.00		1,750.00		1,299.00
Irving Trust Co.			4,637.00	13,425.00	7,410.00
Wertheim & Co.		2,665.00	13,240.00		1,255.00
Chase Nat'l Bank					84,425.00
Albert Graef, Inc.			34,400.00		10,620.00
	\$75,982.25	\$143,029.25	\$190,592.50	\$82,107.50	\$126,911.24

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The various applications for licenses relating to the above assets may be divided into two groups:

- (1) Those tending to the recovery by two claimants, out of the above assets, of claims for the conversion of securities deposited by claimants with Bankierskontoor Albert Graef in Holland, and since confiscated by the German-Dutch authorities.
- (2) Those tending to the recovery by six claimants of specified securities included among the above assets, claimed to have been held in trust for the claimants by N.V. Hollandsche Mij. voor Sheepvaart en Kolenhandel and deposited by the latter with Bankierskontoor Albert Graef N.V.

The claimants in the first group are the same Eduard Wallach to whom repeated reference has already been made, and Conrad Veidt, well-known motion picture actor, said to be a British national now resident in Hollywood, California; Rene Loeb is attorney for both. It appears that suit has been commenced in the New York Supreme Court by each claimant against Bankierskontoor Albert Graef, and warrants of attachment issued against specified assets of the defendant. The pending applications, N.Y. 39690 and N.Y. 43287 (see also N.Y. 44848), merely ask that the present custodians of the specified assets be licensed to deliver them to the Sheriff of New York County. Of course, should judgment in the suits be for the defendants, they will need further licenses to obtain delivery from the Sheriff, and it would appear that the two claimants are prepared to prove, in this connection, that they are not nationals of the countries mentioned in Executive Order 8389, as amended.

In the second group are six identified claimants:

Grunwald Administrations, Inc. (q.v.), formerly Charles Wallach.

Kurt Schmid, Hungarian, consul at Berlin.

Erich von Goldschmidt-Rothschild, German, said to have been domiciled in Switzerland for some years prior to June, 1939, temporarily resident in France from that date to June 12, 1940, and since then domiciled in the Dominican Republic.

Conrad Veidt, the same person mentioned above in the first group.

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Karin Wallach, German, domiciled in the United States since 1937, wife of Eduard Wallach.
Park Bridge Corporation, for Elizabeth van Endert, British, resident in the United States.

Bankierskontoor Albert Graef issued instructions to the several custodians to deliver certain securities and balances to Albert Graef, Inc., and the custodians accordingly requested licenses to make such transfers, between May 21 and July 10, 1940. The application of the Chase National Bank resulted in the issuance of N.Y. license 6937, but with a stipulation which prevented accomplishing the purpose: Chase asked for amendment under N.Y. 41194, which was not approved. The applications of the other custodians were covered by N.Y. 22362, 22802, 22876, 22892, 23114, 23463, 23524 and 26817, all disapproved. These requests were then renewed by Albert Graef, Inc., under N.Y. 33593, not approved, and again made under N.Y. 48446 on which no action has yet been taken. In this latter application, which contains a resume of the case, it is said that the several claimants will bring suits for recovery of their securities and that concentration of such securities in the hands of Albert Graef, Inc., will avoid a multiplicity of suits. It is also stated that Schmid and von Goldschmidt-Rothschild will not have to bring suits, as Albert Graef, Inc., has received instructions from Bankierskontoor Albert Graef as to the property of their claimants.

It will be noted that N.Y. 48446 also requests transfer to the custody of Albert Graef, Inc., of a number of securities which are supposedly held in trust by Bankierskontoor Albert Graef, the actual ownership of which is at present unknown.

In this group, as in the first group, the pending application is merely for change of custody. Should the claimants prove their claims, further licenses would be required for the transfer of their securities to them and, as a condition precedent, the claims would have to be proven. The securities of Charles Wallach and Schmid would undoubtedly remain blocked, while the status of von Goldschmidt-Rothschild is open to question; the other three claimants could probably show that they are not nationals of the countries mentioned in Executive Order 8389, as amended.

Schmid is represented by Campbell, Harding, Goodwin and Danforth, attorneys of 44 Wall Street, New York City. Rene Loeb is attorney for the other claimants.

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There is one other known claim against Bankierskontoor Albert Graef N.V., that of Mrs. Ernest (Stephanie) Wallach, for \$3700. Mrs. Wallach is the mother of Eduard Wallach and a naturalized American citizen. Albert Graef, Inc., requested authority under N.Y. 118115 to pay her this amount from the blocked account of Bankierskontoor Albert Graef, and renewed the application under N.Y. 121010, which was denied.

To complete the record of the blocked accounts of Bankierskontoor Albert Graef N.V., it should be noted that licenses have been granted certain custodians, on applications rejected, as follows:

- Loeb-Rhoades: Licenses N.Y. 55016 (see also 99529) and 105148.
- Wertheim: Licenses N.Y. 56340 (see also 30670); application rejected N.Y. 68464.
- Seligman: License N.Y. 105148.
- Albert Graef, Inc.: Licenses N.Y. 15527, 16210, 56312, 56839, 61366, 63695, 70598, 113995 (see 16210, 78625), and 120666.

GRUNWALD ADMINISTRATIONS, INC.

Rene Loeb said that in July, 1940, after the German invasion of Holland, but while he was still at liberty, Charles Wallach instructed the two Dutch corporations to transfer all his property in their custody to Mathias Grunwald, 173 Crary Avenue, Mt. Vernon, N. Y. This person was entirely fictitious and the address was that of one of Loeb's clerks. The purpose was to disguise the ownership from the German-Dutch authorities, as Wallach realized they would confiscate any of his property that they could find.

Later, when it became apparent that suit might have to be brought to recover or levy on the blocked assets of the Dutch corporations in the United States, Loeb advised Eduard Wallach that suit could not be brought in the name of a fictitious person. Eduard Wallach thereupon formed Grunwald Administrations, Inc., and he caused the Wallach-Grunwald property to be transferred to this corporation, on the books of the two Dutch corporations, by simply sending them cablegrams directing such transfers and signed "Mathias Grunwald". The claims of Grunwald Administrations, Inc., against the two Dutch corporations are based on these two transfers: Charles Wallach to Mathias Grunwald, and Mathias Grunwald to Grunwald Administrations, Inc.

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Grunwald Administrations, Inc., was incorporated under the laws of the State of New York on October 16, 1940, capitalized with 200 shares of no par value, none of which have yet been issued. The incorporators, directors, and officers are:

Milton Lewine, president
 Harold Anderson, treasurer
 Elsie Schreiber, secretary

These persons are citizens and residents of the United States, but are admittedly "dummies"; Lewine is an attorney associated with Rene Loeb, and the other two are clerks in Loeb's office.

Loeb caused an account to be opened in the name of the corporation with the Bank of the Manhattan Company, 40 Wall Street, New York City, on November 20, 1940. He advised the bank to block the account as property of a Belgian national, which was done. Deposits in the account to date total \$7,027.69, all received from Albert Graef, Inc. Withdrawals have been made for office expenses, salaries and directors' fees under N.Y. licenses 78606, 93199, 123040 and 139689, and the present balance is \$6,054.76. The only other assets in hand are \$15,000 bearer bonds of the City of Montreal 4 per cent due March 1, 1959, which were imported by Albert Graef, Inc., from N.V. Hollandsche Mij voor Sheepvaart en Kolenhandel in November, 1940, and deposited with the Bank of the Manhattan Company under N.Y. 77026 to the blocked account of Grunwald Administrations, Inc.

Loeb, as attorney for Grunwald Administrations, Inc., has been negotiating for some time with the Netherlands Legation to obtain its assent to the transfer to the custody of Albert Graef, Inc., of certain of the assets of the two Dutch corporations, claimed by Grunwald. Enclosed, Exhibit 6, is a copy of the last letter written to the Legation on this subject, dated March 31, 1941. The matter is still pending and is understood to be in the hands of Mr. B. Kleijn Molekamp, Commercial Counselor of the Legation.

Grunwald Administrations, Inc., filed an affidavit as to its organization, purposes and assets with the Federal Reserve Bank of New York on May 9, 1941, and copies thereof were sent to the Department (Mr. Penny) on May 19, 1941.

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ALBERT GRAEF, INC.

Albert Graef, Inc., was incorporated in New York on May 25, 1937, with an authorized capital of \$100,000 of which \$55,000 is paid in. They have large and well-furnished offices in a modern skyscraper at 70 Pine Street, New York City. Up to the present, they have operated as over-the-counter security dealers, but Graef and Wallach recently bought a seat on the New York Stock Exchange for \$27,000, and they will now liquidate the corporation and reorganize as Graef & Company, a copartnership.

The officers of the corporation are:

- Albert Graef, president
- Eduard A. Wallach, vice-president
- Curt Loewenberg, treasurer
- Theodore Thiesing, secretary
- Mina Joachim, assistant treasurer
- Frederick M. Stern, assistant secretary

The directors are Albert Graef, Theodore Thiesing, Eduard A. Wallach and George W. Van Slyck.

Albert Graef is 47, married, a native of Germany, but has obtained his first citizenship papers. He has been identified with the investment security line throughout his business career, having previously been employed as managing director of the Stock Exchange Department of the Reich Credit Gesellschaft, A.G., in Berlin, Germany. However, in 1937 he came to America and shortly after formed the present corporation. Graef is also a director of the Algra Realty Corporation, at the same address, and president and director of the Madison Tower Corporation of the same address, which was formed under New York laws August 30, 1940, with an authorized capital of \$20,000, which owns a twenty-three story office building at 152 Madison Avenue, New York City.

Eduard A. Wallach is vice-president of the Park Bridge Corporation (q.v.).

Curt Loewenberg is 39, married, a native of Germany and has obtained his first papers. He was employed by Mendelsohn & Company, private bankers, Berlin, Germany, but came to the United States in 1937, and was elected assistant secretary of the corporation, but in April, 1940, was elected treasurer, succeeding Hans Sonnenthal.

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Miss Mina Joachim and Frederick W. Stern are aged 36 and 37, respectively, the former single and the latter married. They both are natives of Germany, but Stern is a citizen. They are only nominally interested and Stern is manager of the trading department of the corporation.

Theodore Thiesing is president of the Park Bridge Corporation (q.v.)

George W. Van Slyck is an attorney who has offices with Thiesing at 20 Exchange Place, New York City.

The capital stock consists of 450 shares of no par value, of which 275 shares are owned by Albert Graef, 25 shares by Eduard Wallach, and 250 shares by N.V. Hollandsche Mij. voor Sheepvaart en Kolenhandel (q.v.) of Amsterdam, Holland. These 250 shares are on deposit with the Park Bridge Corporation, which holds the voting power; through his own holdings and his control of Park Bridge, Eduard Wallach thus controls one-half the shares in Albert Graef, Inc. (The books of Park Bridge show 100 shares deposited January 3, 1938, and 150 shares deposited October 8, 1939, in the name of N.V. Mij. voor Sheepvaart en Kolenhandel; these had not been reported on Form TFR-100, but such report was made May 10, 1941, after I had called Mr. Wallach's attention to the necessity therefor).

The corporation was said to have a net worth of between \$45,000 and \$50,000, and to have operated at a loss until 1940. It wholly owned the Algra Realty Corporation, of the same address, until April 1940 when it disposed of its stock therein to others, including Hans Sonnenthal (German, first papers), one of the original incorporators and formerly treasurer and director of Albert Graef, Inc. The two firms are now claimed to be separate and distinct, although Theodore Thiesing remains secretary of Algra, and Graef and Wallach remain on its board of directors.

So far as the Park Bridge Corporation is concerned, Albert Graef, Inc., entered the picture through applications by Park Bridge (N.Y. 110603 and 113122) to lend them \$50,000 of Wallach's money, as explained on page 9 hereof. However, Albert Graef, Inc., are also concerned in the present subject matter as custodians of blocked funds and securities of certain Dutch nationals, including the following:

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Bankierskantoor Albert Graef, N.V.

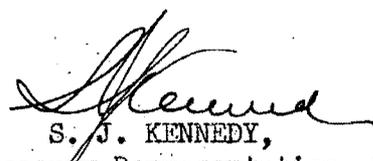
Credit balance \$10,620.00
Domestic common stock \$34,400.00

N.V. Hollandsche Mij. voor Sheepvaart
en Kolenhandel:

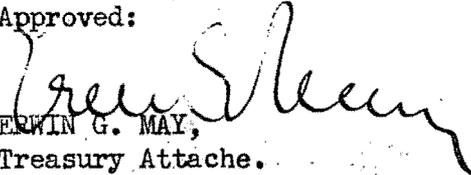
Credit balance \$ 1,100.00

Details of these two blocked accounts have been given
hereinbefore.

Respectfully,


S. J. KENNEDY,
Treasury Representative.

Respectfully forwarded,
Approved:


ERWIN G. MAY,
Treasury Attache.

Enclosures:
Exhibits 1 to 5.

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D I G E S T

9-31
May 19, 1941

Re: Park Bridge Corporation

Basis for investigation: Telephone instructions of April 29, 1941, from the office of Mr. Pehle to Mr. S. J. Kennedy, to investigate Park Bridge Corporation, New York City, and Charles Wallach and Henri Untermans, New York City.

Background information: Charles Wallach is a Belgian national. Eduard Wallach, his nephew, is a generally licensed national under General License No. 42. Rene Loeb is an American citizen, and Charles Wallach's attorney.

Charles Wallach's property in the United States consists of cash and securities of about the sum of \$463,000. The net result of Park Bridge Corporation applications and transfers was to transfer \$300,000, blocked only on its own books, and to block \$100,000 in the bank account. The corporation tried to obtain licenses to make loans under circumstances casting doubt on the investment nature of the loans.

Results of the investigation: Approximately \$463,000 in cash and property in the United States is owned by Charles Wallach, a resident of Belgium, now said to be in a concentration camp in France. His nephew, Eduard Wallach, a generally licensed national, has his full power of attorney, and controls and is the active head of Park Bridge Corporation. Charles Wallach's attorney, Rene Loeb, is secretary-treasurer and a director of the corporation. This corporation entered into property management agreements with Charles Wallach.

By application and license Park Bridge transferred \$300,000 with stipulation, although this money was blocked on its own books. It was granted a license to lend \$50,000 to Henri Untermans, Romanian Consul-General, and finally closed out the blocked account by purchase of U.S. Government securities.

There seems to be no indication of subversive or dangerous activities, and the officials have been frank in stating their position. They have attempted to use the blocked funds, and have been more or less successful through licenses in doing so. It is believed that Park Bridge account should be blocked for the reason that it is controlled by Eduard Wallach and funds can be controlled by him conceivably for the purpose of ransoming his uncle from German imprisonment. Furthermore, while legal title may be vested in the corporation, the funds actually belong to Charles Wallach, a blocked national, and should not be used in the course of ordinary business. Charles Wallach and others have claims against the blocked property of Bankierskontoor Albert Graef, N.V. and N.V. Hollandische Mij. voor Sheepvaart en Kolenhandel, two Dutch companies, for the recovery of specific assets and for conversion of other securities alleged to have been deposited by claimants with the companies in Holland prior to German invasion. Grunwald Administrations, Inc. is an American corporation organized to control Charles Wallach's property. Rene Loeb, his attorney, states that if license were granted to transfer the balance of N.V. Hollandische Mij. voor Sheepvaart en Kolenhandel to Grunwald Administrations, suit could be avoided. Application for such transfer was denied, and it is believed that Grunwald

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Administrations, Inc. should be blocked as its existence is solely for the purpose of controlling the property of a blocked national.

Suits have already commenced against Bankierskontoor Albert Graef N.V. and attachments issued against specified assets, by a British national and Eduard Wallach. Applications ask that present custodians be licensed to deliver them to the Sheriff of New York County. Since the applications are merely for change of custody and further licenses would be required for the transfer of securities to claimants, there would seem to be no serious objection to granting the application.

Conclusion:

1. Park Bridge Corporation should be blocked as it is controlled by Eduard Wallach and a real danger exists that its funds might find their way to Axis hands for the ransom of their true owner, Charles Wallach.
2. Grunwald Administrations, Inc. should be blocked since it is a corporation whose sole reason for existence is to manage the property of a blocked national.
3. Application for license to transfer securities of Bankierskontoor Albert Graef N.V. to custody of Sheriff of New York County should be granted, as it is merely for change of custody of securities which would still be blocked.

JSB:c1 11/19/41

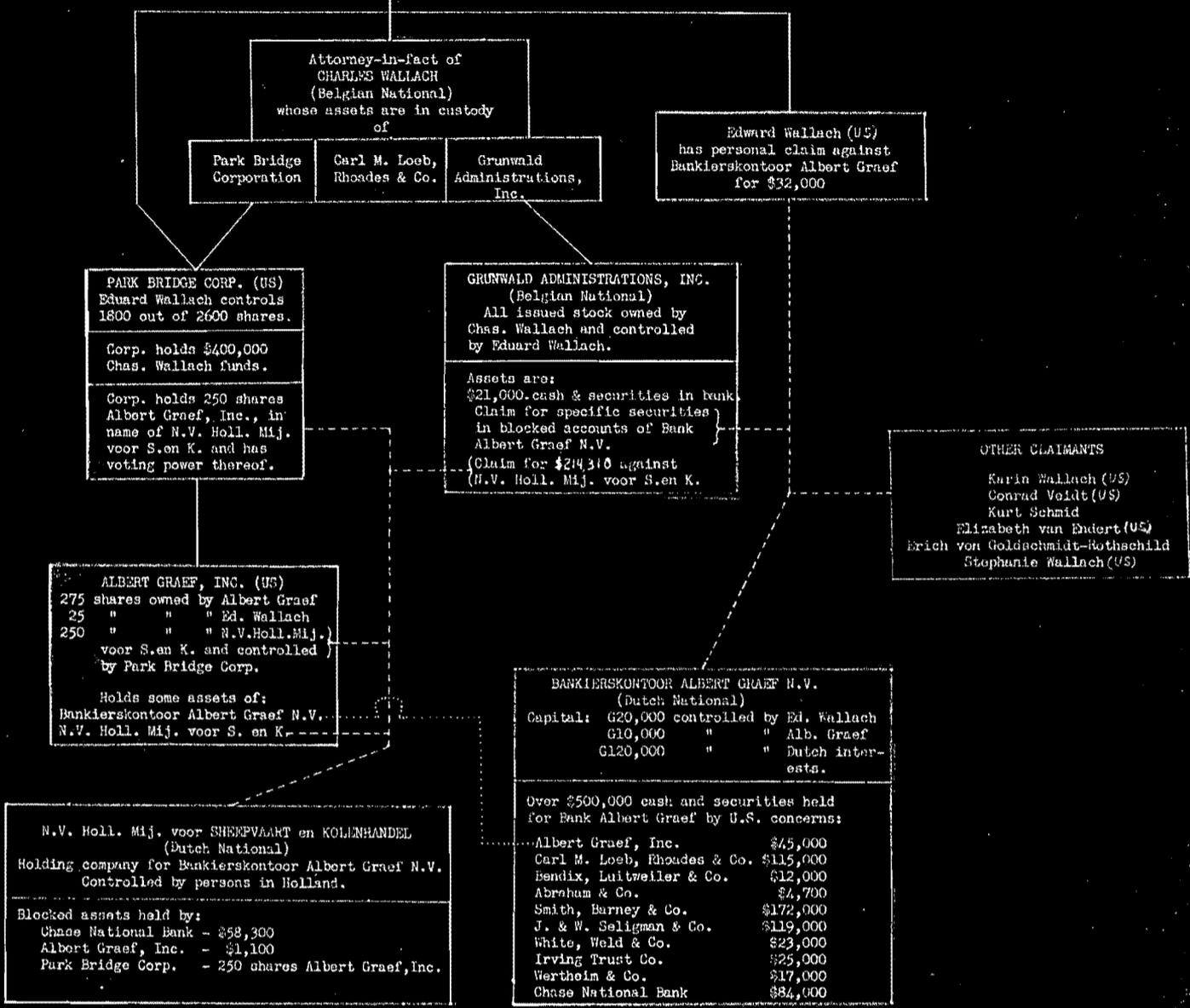
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EDUARD WALLACH



(US) indicates persons and firms claimed domiciled in United States.

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Exhibit 1

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(COPY)

PARK BRIDGE CORPORATION

BALANCE SHEET - DECEMBER 31, 1940

ASSETS

Cash Items

Cash in Banks	\$193,380.43		
Cash in Bank - Special	99,924.70		
Cash in Bank - Foreign Currency Converted	<u>28,275.79</u>	\$321,580.92	
Due from Broker		216.54	
Petty Cash		<u>29.06</u>	
Total Cash Items			\$321,826.52

Loans Receivable

Secured Loans		192,485.71	
Unsecured Loans	2,156.75		
Less: Reserve for Doubtful Accounts	<u>863.50</u>	<u>1,293.25</u>	193,778.96

Investments (at cost)

Securities		25,000.00	
Mortgage		6,450.00	
Real Estate		<u>6,750.00</u>	38,200.00

Furniture and Fixtures (Less Depreciation Reserve) 235.52

Customers Liability Under Letters of Credit 5,000.00

Total Assets \$559,041.00

LIABILITIES AND CAPITAL

Due to Clients - Upon Demand	\$31,005.05		
- Restricted Balances	441,323.95		
- Foreign Currency Balances	<u>28,695.77</u>	501,024.77	

Taxes Payable 501.71

Contingent Liability under Letters of Credit 5,000.00

Total Liabilities 506,526.48

Net Worth 52,514.52

Represented by:

Capital Stock (2600 shares - no par)	26,000.00		
Paid in Surplus	25,000.00		
Earned Surplus	<u>1,514.52</u>		

Total Liabilities & Net Worth \$559,041.00

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Exhibit 2

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(This Power of Attorney will be interpreted by The Chase National Bank of the City of New York to require delivery of cash, securities or other property to the attorney personally or for his account or for his joint account; and if such deliveries are not contemplated this form should not be used.)

KNOW ALL MEN BY THESE PRESENTS, That I, CHARLES WALLACH (handwriting)

(A) of Brussels, Belgium, Palace Hotel (handwriting) have made, constituted and appointed and by these presents do make, constitute and appoint

(B) EDUARD WALLACH (handwriting) of Amsterdam, Holland, Singel 170/172 (handwriting) my true and lawful attorney for me and in my name, place and stead from time to time and at all times until this authority shall be revoked and written notice of such revocation shall have been received by The Chase National Bank of the City of New York at the office or offices of the said Bank where my account or accounts are carried:

1. To sell, exchange, assign, transfer, endorse, pledge, deliver, deposit under any voting trust agreement or proposed plan of reorganization with any bondholders' or stockholders' committee or otherwise dispose of any and all securities, funds or other property which The Chase National Bank of the City of New York as custodian, pledgee, or otherwise now holds or hereafter may hold for my account;

2. To buy common or preferred stock, bonds, notes or other property, real or personal, of any kind whatsoever with any cash which The Chase National Bank of the City of New York as custodian, depository, or otherwise now holds or hereafter may hold for my account; to accept any and all drafts, bills of exchange or other orders for the payment of money at any time drawn upon me, making the same payable at the said The Chase National Bank of the City of New York or other directing the payment thereof by said The Chase National Bank of the City of New York; to endorse and deliver for deposit with or collection by the said The Chase National Bank of the City of New York or otherwise any and all checks, drafts, promissory notes, certificates of deposit or other orders or instructions for the payment of money; and to procure to be discounted by the said The Chase National Bank of the City of New York for my account any and all promissory notes, drafts or other orders for the payment of money at any time drawn and endorsed payable to my order and to endorse the same for the purpose of such discount;

3. To borrow money and to effect loans, advances or other forms of credit from said Bank at any time or times, and, as security for the repayment of any and all of my obligations and liabilities to said Bank at any time existing, to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, or other securities and property, and for all loans, advances or other forms of credit at any time granted or extended to me to make, execute and deliver one or more notes, acceptances, collateral loan agreements or other written obligations and agreements on such terms, and with such provisions as to the collateral security and the sale or disposition thereof, as my said attorney may deem proper; also to pay all or any of my obligations and liabilities to said Bank and to receive and receipt for the collateral; and also to execute and deliver to said Bank any documents or declarations that may be required under the Securities Exchange Act or any other law or regulations in connection with any credit at any time extended to me;

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4. To make, sign and deliver checks and drafts and other orders or instructions for the payment of money drawn upon or made payable by or at The Chase National Bank of the City of New York or drawn against my account with said The Chase National Bank of the City of New York and whether or not my said account shall at the actual time of making or presentment of any such check or draft be in credit to the full amount thereof payable to the order of said attorney or otherwise; and to settle and adjust my accounts with said The Chase National Bank of the City of New York;

5. To collect and to receive individually or as my attorney in fact and to receipt therefor on demand any and all securities or other property or cash and any and all papers which The Chase National Bank of the City of New York as custodian, pledge, or otherwise now holds or hereafter may hold for my account;

6. To transfer with or without consideration to any person, firm or corporation or to himself individually or as attorney in fact or to himself jointly with any other person, firm or corporation any cash, securities or other property which The Chase National Bank of the City of New York as custodian, pledge, or otherwise now holds or hereafter may hold for my account;

7. To register all property which The Chase National Bank of the City of New York as custodian, pledgee, or otherwise now holds or hereafter may hold for my account in his own name individually or in his name as attorney in fact or in the name of a nominee or otherwise as he may determine and to hold any securities or other property in bearer form;

8. To have and exercise any and all other powers incidental to, reasonably to be implied from or necessary to the proper exercise of the special powers herein enumerated; to have and to exercise as to all persons and corporations the same rights and control over the securities, funds, cash or other property which The Chase National Bank of the City of New York as custodian, pledgee, or otherwise now holds or hereafter may hold for my account as he would or could have or exercise were he the absolute owner thereof and acting in his own interest; and to make; execute and deliver any and all instruments in writing necessary or convenient to carry into effect the powers conferred upon him by this instrument.

The Chase National Bank of the City of New York shall not be liable for any disposition of any securities, funds or other property which it as custodian, pledgee, or otherwise now holds or may hereafter hold for my account which said attorney and/or The Chase National Bank of the City of New York at his direction shall make, whether for the account of the said attorney or otherwise.

I hereby give unto my said attorney full power to do and perform every act whatever requisite and convenient to be done in the premises as fully as I could personally do, hereby ratifying all that my said attorney shall do or cause to be done by virtue hereof.

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This instrument shall be construed and regulated by the laws of the State of New York and the construction and effect of this instrument shall be determined by the laws of that State.

The following is a specimen of the handwriting of and form of signature to be used by the said attorney.

(C) for CHARLES WALLACH (signed)

p.p. EDUARD WALLACH (signed)

In WITNESS WHEREOF, I have hereunto set my hand and seal this (D) fifteenth (15) day of February in the year One thousand nine hundred and forty.

(E) CHARLES WALLACH (signed)

In the presence of:
H. M. Wormser (signed)
Banking Cashier
(F) Amsterdam.

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CERTIFICATE OF ACKNOWLEDGMENT OF EXECUTION OF DOCUMENT

KINGDOM OF THE NETHERLANDS)
CITY OF AMSTERDAM) ss
AMERICAN CONSULATE GENERAL)

I, DONAL F. MCGONIGAL, Vice Consul of the United States of America,
at Amsterdam, Netherlands, duly commissioned and qualified, do hereby
certify that on this

day of Feb. 15, 1940, before me personally appeared

CHARLES WALLACH

to me personally known, and known to me to be the individual...described
in, whose name is subscribed to, and who executed the annexed instrument,
and being informed by me of the contents of said instrument he duly
acknowledged to me that he executed the same freely and voluntarily for
the uses and purposes herein mentioned.

In witness whereof I have hereunto set my hand
and official seal the day and year last above
written.

Donal F. McGonigal

Vice Consul of the United States of America

FEE NO. TWO DOLLARS Service No. 566

Note - Whenever practicable all signatures to a document should be included
in one certificate.

DECLASSIFIED
Authority NND 968103
By JA NARA Date 6/8/00

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Entry FFC Investigative Rpt.
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Box 3 (Copied) 6/7/00

35

Exhibit 3

(COPY)

PARK BRIDGE CORPORATION
52 Wall Street
New York

May 3, 1940.

Mr. Eduard Wallach,
Hotel Savoy Plaza,
59th Street & 5th Ave.,
New York City, N. Y.

Dear Mr. Wallach:

We wish to confirm the various conferences had between yourself and our Messrs. Graef and Loeb, and are pleased to outline below the arrangements entered into by this corporation and Mr. Charles Wallach of Paris, France.

1) Mr. Charles Wallach will cause an initial amount of \$300,000.-- to be turned over to us at the earliest possible moment, which amount may subsequently be increased by him, whereupon such increased amount shall likewise be subject to the terms of this arrangement.

2) The aforementioned sum or sums shall be credited to an account on our books in the name of Mr. Charles Wallach and statements of such account are to be rendered by us quarterly, i.e. as of March 31st, June 30th, September 30th and December 31st, of each year.

3) It shall be our task to find suitable investments for the funds this provided by Mr. Charles Wallach, such investments to take any form selected by us in our full discretion with the only proviso that no "Commodity futures" shall be either purchased or sold for Mr. Charles Wallach without his prior specific consent. Otherwise, we shall be permitted to purchase or sell at any time within our discretion stocks, bonds, and any other form of securities, real estate, or participations therein, and in like manner, we shall be permitted to make advances and loans which, in our opinion, appear adequately secured and we shall also be allowed to participate with others in one or more business enterprises within the United States of American on such basis as we shall consider advisable. By way of limitation, we shall be bound

a) in the purchase of securities not to purchase the same on margin;

b) in the purchase of real estate, to purchase improved property only and in such manner that the amount of any mortgage resting upon such property should not be in an amount exceeding the cash investment by more than 400% (Four hundred percent)

In every other respect, we are to have full discretion, and in connection with any investment we shall be permitted, if required or deemed advisable, to take title or effect transactions in our own name, i.e. without being obliged to disclose any name as the principal in the transaction.

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May 3, 1940.

-2-

Mr. Eduard Wallach.

4) Any and all net income derived from investments shall be credited to the account of Mr. Charles Wallach. We have noted that Mr. Charles Wallach is a citizen of the Republic of Haiti and a resident of Paris, France. Under the present provisions of the Revenue Acts, we shall have to withhold ten percent (10%) of all net income as taxes and in the event the income shall exceed \$21,600, we shall have to request that a tax return be submitted to the authorities by Mr. Charles Wallach. All notifications shall be sent to Mr. Charles Wallach at his present address, 31 Avenue Georges V. Paris, France, and a copy of all notifications shall be sent to yourself. Until further notice, however, and at any rate until the cessation of hostilities abroad, both the original and duplicate of notifications will be sent to yourself.

5) Mr. Charles Wallach shall be permitted at any time to investigate personally or through his attorney, accountant or representative, the standing of his account with us or any investments which have been made for his account.

6) We shall not be required to invest the sum or sums entrusted to us in full but in the event we deem it preferable to invest only a portion or none of said sum or sums, we shall be permitted to retain any amount of cash in Mr. Charles Wallach's account.

7) Mr. Charles Wallach shall be permitted at any time, upon request, to withdraw any cash balance in his account together with any investments upon ten days notice to us. In such event, we shall be given a reasonable time within which to arrange the transfer of real estate, mortgages, loans, advances or participations generally.

8) Mr. Charles Wallach shall have the right to direct us in writing to effect such transactions over his account as he may deem advisable in which event we are to execute such instructions regardless of whether we consider the same advisable under the circumstances.

9) We understand that you (Mr. Eduard Wallach) have general power of attorney over the account of Mr. Charles Wallach and that you shall be authorized to dispose over or instruct us with respect to the same without any limitations whatsoever, until such time when we have been notified of a revocation of your power of attorney.

10) It shall be understood that in assuming the agency herein expressed, we shall at all times act for the account and risk of Mr. Charles Wallach, and that we shall not be responsible for any results which may be obtained in the exercise of our judgment. We shall be entitled to appoint sub-agents and shall be responsible only for the judicious selection of such agents but not for any of their individual acts.

11) For our services in behalf of Mr. Charles Wallach, we shall be entitled to a compensation equivalent to ten percent (10% of any net income and profits derived in the account of Mr. Charles Wallach, such

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By JA NARA Date 6/8/00

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May 3, 1940

-3-

Mr. Eduard Wallach

compensation to be calculated on December 31, 1940, and on the same date in every subsequent year. In all events, however, we are to receive a minimum of \$1,000.- per annum (or a pro rata sum for any portion of a year, if we should not be in control for a full year).

If you find that the above arrangement comprises in all respects the terms agreed upon between us, kindly return to us the enclosed copy of this letter duly countersigned as attorney for Mr. Charles Wallach below the word, "Accepted".

We trust that the above arrangement will prove to be a mutually profitable one and thank you for the confidence reposed in us.

Very truly yours,

PARK BRIDGE CORPORATION

(stamped) RENE LOEB
Treasurer.

RL:s

ACCEPTED

for Mr. Charles Wallach, Paris (signed)
Eduard Wallach
May 4th 1940

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By JA NARA Date 6/8/00

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Exhibit 4

(COPY) (PARK BRIDGE CORPORATION)

September 27, 1940.

Mr. Charles Wallach,
C/o Mr. Eduard Wallach,
Hotel Savoy-Plaza,
5th Avenue and 59th Street,
New York City, New York.

Dear Mr. Wallach:

We confirm our various conversations with Mr. Eduard Wallach with whom we have discussed all details arising out of our agreement of May 3rd, covering the administration of your capital entrusted to our care.

We are in agreement with Mr. Eduard Wallach that, in these times of stress, it is unwise to enter into any investments whether securities or real estate, at least not before it becomes clear in which way the international situation will develop. Much to our regret, therefore, it will be impossible, under these circumstances, to obtain a worthwhile return from your funds. We have advised Mr. Eduard Wallach, however, that it would be possible that an amount of \$100,000.- could be used by our Commercial Department in their business activities, including the purchase of receivables, etc.

In view of the above, Mr. Eduard Wallach has agreed that it would be well, for the time being, to at least obtain a return in this manner and we have, accordingly, agreed to take over the said sum of \$100,000.- for the aforementioned purposes at the rate of interest of 3/4 of 1% per annum. Repayment of this advance may be demanded by either side without prior notice and it is understood that this corporation is personally bound for the due repayment of the sum involved.

If the above is agreeable, we shall appreciate your returning to us, duly signed, the enclosed copy of this letter, in which event the above arrangement will be carried in force as of October 1, 1940.

Very truly yours,

PARK BRIDGE CORPORATION

(signed) R. Lobe,
Treasurer

"Accepted"

CHARLES WALLACH
per (sgd) Eduard Wallach.

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By JA NARA Date 6/8/00

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(COPY)

Exhibit 5

PARK BRIDGE CORPORATION
52 Wall Street
New York

December 30, 1940

Mr. Charles Wallach,
c/o Mr. Eduard Wallach,
Hotel Savoy Plaza,
New York City, N. Y.

Dear Mr. Wallach:

We hereby confirm our conversation with respect to the investment of the funds handled by us for your account under Management Agreement dated May 3, 1940. We regret exceedingly having been unable throughout this year to find employment for your funds, with the exception of an attractive insurance loan recently concluded and the interest arrangement on funds employed in our Commercial Department.

Your representative, Mr. Eduard Wallach, is in agreement with us that it is unwise to invest funds either in highgrade government or corporate obligations because of the risk of their drop in quotation as a result of higher money rates, or in equities such as seasoned stocks because of the uncertainties of present war conditions. On the other hand, it is practically impossible to find short term investments of any appreciable yield, unless one were to seek mortgages which again represent a risk due to the uncertainties of real estate in war times.

For these reasons, your representative suggested that we employ more of your funds in our Commercial Department, which has been reasonably successful in finding sound short term commercial prospects. We explained, in this connection, that the expansion in our commercial loans would be unwarranted if we were not assured in advance of having at our disposal sufficient funds for a longer term. These funds, we would be willing to take from you, at a slight increase in interest, provided they be placed with us for a sufficiently extensive period. Finally, we arrived at an arrangement on that account which we hereby confirm as follows:

Beginning January 1, 1941, we shall take over from you, for the use in our Commercial Department, an amount of \$250,000.--, for a fixed period of three years from date, with an option on our part to retain the funds for an additional two years thereafter, to be exercised not later than December 1st, 1943. Keeping in mind that this sum will be used to expand the business of our Commercial Department, interest rates will be progressively higher from year to year. During the year 1941, interest will be paid at the rate of 1% per annum; during the year 1942 at the rate of 1 1/2% per annum, and thereafter at the rate of 1 3/4% per annum. Interest is to be credited to you semi-annually.

Throughout the period specified we shall be permitted to pay interest only on such amounts as are actually needed by us in the Commercial Department.

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Authority NND 968103By JA NARA Date 6/8/00

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December 30, 1940

Mr. Charles Wallach.

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The amount subject to interest shall be calculated by our accountants on the basis of an average for any six months' period. In this connection, it shall be taken as a basis that one-half of our corporate capital and surplus is employed in the Commercial Department as well as the funds left at our free disposal by clients, but that any excess over such corporate and clients' funds shall be considered as being in employment of your funds.

We trust that the above arrangement is agreeable to you and shall thank you to return to us, duly countersigned, the copy of this letter in token of your acceptance.

Very truly yours,

PARK BRIDGE CORPORATION

(signed) R. LOEB,
 Secretary.

RL:s

ACCEPTED

(signed)
 for Charles Wallach
 Eduard Wallach

332047

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Authority WFO 968103
By JA NARA Date 6/8/00

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(C O P Y)

(Exhibit 6)

March 31, 1941

Royal Netherlands Legation,
Washington, D. C.

Gentlemen:

With reference to certain cash and securities to be paid or delivered for our account to Albert Graef, Inc., New York, by order of Bankierskantoor Albert Graef, N.V., Amsterdam, we hereby confirm our agreement as follows:

1) The cash and securities involved shall be turned over, through the intermediary of Albert Graef, Inc., New York, to the Bank of the Manhattan Company, New York, for our account.

2) The Bank of the Manhattan Company shall place the said cash and securities in a special account in our name which shall operate under the following conditions:

- a) We shall be authorized to sell any part of the securities, also to invest any cash available at any time in securities listed on the New York Stock and Curb Exchanges, excepting obligations of governments of, or entities situated in, countries which are at war with Holland or which form part of the Axis.
- b) We shall be entitled to dispose of the income derived from the securities and to have such income credited to our regular account with the Bank of the Manhattan Company.
- c) With respect to any other operation concerning the account, the Legation of the Royal Netherlands Government, presently known as the Queen Wilhelmina Government, shall have joint control with us over the account, i.e., the said Legation shall give its consent to any transactions other than those covered under Paragraph a) and b) hereof. The joint control of the said Legation shall extend until such time when property presently held under the Royal Netherlands Decree of May 24, 1940, will be freed from the operation thereof.

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Royal Netherlands Decree

March 31, 1941.

3) With respect to income on securities, placed at our free disposal, in accordance with Paragraph b) above, we hereby guarantee that no claim or offsets of any kind exist against such income and we hereby agree to hold you harmless, out of assets of this corporation free from the above mentioned restrictions, from any consequences which might arise to you in this connection. We have arranged that the Park Bridge Corporation, New York, give its guarantee for the purpose of indemnifying you for any sums which we should be unable to cover with our own assets.

Please be kind enough to issue licenses to the following banks and brokers in order that they may pay or deliver to Albert Graef, Inc. for our account the following cash and securities:

Out of the account of N.V.Hollandsche Maatschappij voor Scheepvaart en Kolenhandel, Amsterdam:
Chase National Bank an amount of \$58,300.— in cash.

Out of the account of Bankierskantoor Albert Graef, N.V., Amsterdam:

Irving Trust Company. . . .	\$10,000	Dominion of Canada	4/1960
Carl M. Loeb-Rhoades & Co.	400 shares	Brooklyn Manhattan Transit, pfd.	
	200 "	Climax Molybdenum	
	100 "	General Motors	
	300 "	Kennecott Copper	
J. & W. Seligman & Co. . . .	\$20,000	Commonwealth of Australia	4 1/2/1956
	\$ 5,000	Pennsylvania Railroad	4 1/2/1970
		plus coupons	April 1, 1940
	\$20,000	Remington Rand	4 1/2/1956 with warrants
	300 shares	Commonwealth Edison	
	300 "	General Motors	
	200 "	Kennecott Copper	
	100 "	Washington Gas & Light common	
Smith, Barney & Co.	\$20,000	Province of Buenos Aires	4 1/8-4 3/8% due 1977
	300 shares	B.F. Goodrich preferred	
	200 "	N.Y. Electric & Gas	5 1/2% pfd.
	200 "	N.Y. Chic. & St. Louis "A" pfd.	
Wertheim & Co.	100 shares	General Motors.	

We hereby undertake to be bound in every respect by the conditions stated above, and in token thereof, have executed these presents by the signature of our authorized officers and under the corporate seal by order of our Board of Directors.

Very truly yours,
GRUNWALD ADMINISTRATIONS INC.

President Secretary

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Authority NND 968103
By JA NARA Date 6/8/00

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Royal Netherlands Legation

March 31, 1941.

We hereby agree that, upon receipt by us for account of Grunwald Administrations Inc., of the aforementioned cash and securities, we shall immediately turn the same over to the Bank of the Manhattan Company, 40 Wall Street, New York, under the arrangement outlined in the above letter.

ALBERT GRAEF, INC.

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Authority UNO 918103
By JA NARA Date 6/18/00

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*File
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5/22/41*

The following report is furnished, at your request, in strict confidence, by DUN & BRADSTREET, Inc. as your aid in determining the advisability of granting



under your Subscription Contract, in STRICT CONFIDENCE, for your exclusive use as agents and employees, and for no other purpose.

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

GRAEF, Albert, Inc. Investment Securities NEW YORK CITY, N.Y.
70 Pine St.
Room 3000

Albert Graef, Pres.
Eduard A. Wallach, V-Pres.
Curt Loewenberg, Treas.
Theodore Thiesing, Sec.
Miss Mina Joachim, Asst. Treas.
Frederick M. Probst, Asst. Sec.

copy for this

DIRECTORS: Albert Graef, Theodore Thiesing, Eduard A. Wallach and George W. Van Slyck.
CD 721 1 January 23, 1941

HISTORY

Incorporated in New York, May 25, 1937, with an authorized capital of \$100,000. of which \$55,000. is paid in.

Hans Sonmenthal, formerly treasurer and director, resigned April 1, 1940.

The subject company formerly had one wholly owned subsidiary, namely; Algra Realty Corporation, which was organized under New York laws, October 13, 1938, with an authorized capital of \$1,000. and was engaged in the real estate brokerage and property management business at this address. However, on April 1, 1940, Albert Graef, Inc., disposed of its stock interest in Algra Realty Corporation to others.

Albert Graef is 47, married, a native of Germany, but has obtained his first citizenship papers. He has been identified with the investment security line throughout his business career, having previously been employed as managing director of the Stock Exchange Department of the Reich Credit Gesellschaft, A.G. in Berlin, Germany. However, in 1937, came to America and shortly after, formed the present corporation. Graef is also a director of the Algra Realty Corporation, at this address, president and director of the Madison Tower Corp. of this address, which was formed under New York laws August 30, 1940, with an authorized capital of \$20,000, which owns a twenty-three story office building at 152 Madison Ave., this city.

Eduard A. Wallach is 52, married, a native of Germany, but has obtained his first papers. He came to America, in 1927, and took employment with the Bank of America, however, resigned in 1929 and returned to Germany, where he was employed by Von Goldschmidt, Rothschild & Co. bankers of Berlin, Germany. He returned to America in 1937 and has been an officer of the subject company since inception.

Curt Loewenberg, is 39, married, a native of Germany and has obtained his first papers. He was employed by Mendelsohn & Co. private bankers, Berlin, Germany, but came to the United States in 1937, and was elected assistant secretary of the subject company.

(CONTINUED)

1/23/41 (18)

DUN & BRADSTREET, INC. CONTINUOUS SERVICE

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under your Subscription Contract, in STRICT CONFIDENTIAL, for the use of agents and employees, for your exclusive use as credit or insurance, and for no other purpose.

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

GRAEF, Albert, Inc. Investment Securities NEW YORK CITY, N.Y.
 (Page #2)

CD721 1 January 23, 1941

HISTORY (Cont'd)

but in April, 1940, was elected treasurer, succeeding Hans Sonenthal.

Miss Mina Joachim and Frederick M. Stern, are aged 36 and 37, respectively, the former single and the latter married. They both are natives of Germany, but Stern is a citizen. They are only nominally interested and Stern is manager of the trading department of the subject company.

Theodore Thiesing and George W. Van Slyck, are attorneys with offices at 20 Exchange Place, this city.

METHOD OF OPERATION FIRE HAZARD

Engaged as dealers in over-the-counter securities, selling to other dealers and individuals for cash. The concern clears the greater part of its transactions and partly to the Empire Trust Co., this city. It has membership with the National Association of Securities Dealers, Inc. Five are employed.

RENT approximately 1,500 square feet on the thirtieth floor of a sixty story office building in excellent repair, situated in the downtown financial district.
 FIRE RECORD: None.

FINANCIAL INFORMATION

On January 21, 1941, Curt Loewenberg, stated that the company has a net worth of between \$45,000. and \$50,000, and that the company operated at a loss until 1940, but during the latter year, operations were conducted profitably. He declined a financial statement.

Those consulted locally, expressed inability to furnish any information of a financial nature, but the impression prevails that the concern has sufficient resources necessary for the proper conduct of its affairs. The management is experienced and a fairly active enterprise is conducted.

PAYMENTS

Incidental purchases for office supplies are made for cash.

SUMMARY

THE MANAGEMENT IS EXPERIENCED AND CAPITAL IS DEEMED ADEQUATE.
 1/23/41 (18) N.Y.

Chase Natl 18 Pine St
Empire Trust 120 Broadway

DUN & BRADSTREET, INC. CONTINUOUS SERVICE

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By JA NARA Date 6/8/00

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under your Subscription Contract, in STRICT CONFIDENCE, for your exclusive use as agents and employees, for your credit or insurance, and for no other purpose.

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

ALGRA REALTY Corp. Real Estate Brokers & Property Managers **NEW YORK CITY, N.Y.**
70 Pine St.
(Room 3000)

Hans Sonnenthal, Pres.
Edward Turnheim, Vice Pres. & Treas.
Theodore Thiesing, Sec.

DIRECTORS:— The officers with Robert Eisner, Alfred Graef, and Eduard A. Wallach.
GD 721 1 June 6, 1940

HISTORY

Incorporated October 13, 1938, under New York laws, with an authorized capital of \$1,000.

Alfred Graef, Eduard A. Wallach and Walter E. Minke, resigned as President, Vice President and Secretary respectively during April, 1940. This company was formerly a wholly owned subsidiary of Alfred Graef, Inc., at this address, which was organized under New York laws, May 25, 1937, with an authorized capital of \$100,000, engaged as dealers in investment securities. However, on April 1, 1940, Alfred Graef, Inc., disposed of its stock ownership in the subject company to others.

Hans Sonnenthal is 31, married, a native of Germany, and has obtained his first papers. While in Germany was employed in the banking business, but came to America in 1930 and was employed by Fenner, Beane & Co., stock brokers, this City, until becoming Treasurer of Alfred Graef & Co., at its inception. However, resigned from that concern April 1, 1940.

Edward Turnheim is 39, married, a native of Germany, coming to this country about two years ago, and has received his first papers. He was employed by this concern for about one year, and in September 1939, was elected a Secretary, but in April, 1940, was elected Vice President and Treasurer.

Theodore Thiesing is an attorney, with an office at 20 Exchange Place, this City. He is also Secretary and Director of Alfred Graef, Inc.

Alfred Graef, is 47, married, a native of Germany, but naturalized. He has been identified with the investment security line throughout his business career, having previously been employed as managing director of the stock exchange department of Reich Credit Gesellschaft, A. G., in Berlin, Germany. However, in 1937, came to America, and shortly after organized Alfred Graef, Inc., of which he is President and Director.

Eduard A. Wallach is 32, married, a native of Germany, prior to coming to America, was employed by Bond, Goldschmidt, Rothschild & Co., Bankers, Berlin, Germany. Wallach is also Vice President and Director of Alfred Graef, Inc.

METHOD OF OPERATION

Real estate brokers and property managers, and in the latter capacity, specializing in apartment houses in New York City and Brooklyn, and in the latter capacity operates on a fee basis receiving such fees for management services rendered. It is not responsible for obligations incurred in the operation of such

(CONTINUED)

6-3-40 (59)

DUN & BRADSTREET, INC. CONTINUOUS SERVICE

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The following report is furnished, at your request, in CONFIDENCE, by DUN & BRADSTREET, Inc. as your aid in determining the advisability of granting



under your Subscription Contract, in STRICT CONFIDENCE, for your exclusive use as credit or insurance, and for no other purpose.

PLEASE NOTE WHETHER NAME, BUSINESS AND STREET ADDRESS CORRESPOND WITH YOUR INQUIRY

ALORA REALTY Corp. Real Estate Brokers NEW YORK CITY, N.Y.
& Property Managers (Page #2)

CD 721 1 June 6, 1940

METHOD OF OPERATION (Cont'd)

properties, operating as agent for the owners. At present the company holds management contracts for approximately twelve apartment houses. Services rendered include renting of space, complete maintenance, purchases, supervision of service personnel, handling of bonds and complete bookkeeping accounting. A complete list of the properties managed is not available.

Office quarters are maintained in a building situated in the downtown financial district.

FIRE HAZARD

Occupy office quarters jointly with Alfred Graef, Inc., on the thirtieth floor of a sixty-five story office-building in excellent condition.

FIRE RECORD: No fires reported.

FINANCIAL INFORMATION

On June 6, 1940, Hans Sonnenthal declined a financial statement.

Those consulted locally professed inability to furnish information of a financial nature, consequently in the absence of this data, the extent of the capital employed could not be determined. However, in view of the fact that it functions as a service organization, little capital is required, and operations are generally looked upon as being profitable.

PAYMENTS

This concern makes purchases as legal agent for the owners of the property managed, and has little occasion to seek commercial credit on its own account.

SUMMARY

FINANCIAL DETAILS ARE WITHHELD, BUT THIS COMPANY FUNCTIONS AS A SERVICE ORGANIZATION, AND ITS AFFAIRS ARE UNDER EXPERIENCED MANAGEMENT.
6-8-40 (59)

N. Q.

Chase Natl Bk 18 Pinner

DUN & BRADSTREET, INC. CONTINUOUS SERVICE

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RG 151
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ADDENDUM TO PARK BRIDGE MEMORANDUM OF MAY 19, 1941 FROM MR. SEIBEL TO MR. SCHMIDT:

Subsequent information discloses that Eduard Wallach is also a
 Director of the Park Bridge Corporation.

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Authority WJD 968103
By JA NARA Date 6/8/00

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RECEIVED

JUN 2 1941

N. P. D.

Date May 19, 1941

TREASURY DEPARTMENT
Inter-Office Communication

To Mr. Schmidt
From Mr. Seibel

Re: Park Bridge Corporation

*Cases marked *
were not mentioned
in my report - not
found in index*
SR

I. Main Characters

- (a) Charles (or Carl) Wallach is a citizen of Haiti, domiciled in France but who resided in Belgium on May 10, 1940. His present whereabouts is not definitely known but is believed to be France. It is his property that is involved in practically all of the applications to be considered.
- (b) Eduard Wallach is a German subject who has resided in New York for the past five years and who shortly expects to become an American citizen. He is the nephew of Charles Wallach over whose American assets he holds a general power of attorney dated 12/10/39. He was found to be Vice President of Albert Graf, Inc. (see below). It is in Eduard that responsibility seems centered for most of the operations referred to herein.
- (c) Rene Loeb is Charles Wallach's attorney who is reported to be generally informed of the latter's business dealings.
- (d) Park Bridge Corporation is stated to be an American investment company founded in 1931. Through a management agreement dated 5/3/40, it exercises supervision over a major portion of Charles' American property. Rene Loeb and Park Bridge have the same business address and telephone number.
- (e) Incorporated in New York since 1937 as dealers in securities, Albert Graf, Inc. has a Dutch affiliate with practically the same name except for Dutch trimmings. It is one of the prospective borrowers from the funds of Charles Wallach through the Park Bridge Corporation. On its staff is Eduard Wallach as Vice President.
- (f) Grunwald Administrations, Inc. is a New York concern apparently of recent origin (probably 1940). It was formed "to manage the property of Charles Wallach".

II. Property belonging to Charles Wallach described on TFR-100 reports

- (a) The Chase National Bank of New York reported \$350,000 (6/26/40)
- (b) Carl M. Loeb, Rhodes & Co. reported \$63,538 of which \$26,037 was in the form of securities (6/26/40)

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 By JA NARA Date 6/8/00

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- (c) Although no TFR-100 was necessary, the Fifth Avenue Bank of New York reported the receipt of \$99,924 (10/15/40) from Chase National under License NY 44837. The account is entitled "Park Bridge Corporation, Special Account". This amount was included in Chase National's TFR-100 (supra).
- (d) A TFA-1 report shows that Albert Graf is to deliver \$15,000 City of Montreal bonds to the Bank of Manhattan Company for the account of Grunwald Administrations, Inc. (owned by Charles Wallach). Said bank also holds \$1,078 for the same account.

III. Applications

NY 7911 5/16/40

In an agreement dated May 3, 1940, the Park Bridge Corporation was empowered to supervise the property of Charles Wallach. The latter had a \$300,000 credit with N. V. Nederlandsche Maatschappij voor Scheepvaart en Kolonhandel. This sum, held in Scheepvaart's account at the Chase National in New York, was transferred to the name of Charles Wallach on May 7.

The application, filed by the Chase National, is based on a request by Edward Wallach, possessed with a power of attorney, to debit Charles Wallach's account with \$300,000 and transfer this amount to The Fifth Avenue Bank in favor of The Park Bridge Corporation for the account of Charles Wallach.

After an exchange of letters, the original "stipulated" approval was amended to permit an unrestricted transfer, presumably because of Edward Wallach's assertion that Charles was no longer in Belgium but in France which at the time (June 13) was not subject to the Executive Order.

NY 30468 7/23/40
 NY 31209 7/25/40

Both make requests identical with the one contained in the above application. No. 30468 refers to an approximately \$100,000 balance at Chase (apparently an additional \$50,000 had been deposited at Chase between May 10 and July 23 since Chase reported a \$380,000 balance on its TFR-100 for Charles Wallach. The decision (5/15/40) was to take "no action pending determination of Charles Wallach's whereabouts".

* (No. 31209 involved \$83,500 in an account with Carl H. Loeb, Rhodes & Co. Requested transfer to The Park Bridge Corporation was denied (9/20/40). In a letter to Loeb, Rhodes & Co., Park Bridge implied that the account, if transferred, would be blocked on its (Park Bridge's) books.

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-3-

NY 44857 8/27/40
NY 55060 9/23/40

The former permits transfer of the \$100,000 referred to above, provided it is blocked in a banking institution. The latter unsuccessfully attempts to remove the restrictive clause. In the application is contained the query, based on a letter from Park Bridge to Chase National, whether Park Bridge may be considered a "banking institution".

NY 35540 8/5/40
NY 44406 8/24/40

Eduard Wallach has 15,000 Guilders frozen in Holland. Through the Bankierskantoor Albert Graef, N.V., Amsterdam, Fritz Fuerstenberg, a German subject residing in Holland since 1933 and an applicant for an American visa, would like to borrow from Eduard Wallach 15,000 Guilders for living expenses and immigration purposes.

Both applications request permission to set aside \$6,500 of Fuerstenberg's dollar account with the Irving Trust Company as collateral for the loan. Wallach's avowed purpose is to transfer his frozen Dutch account to this country. Both applications were denied.

NY 85597 12/9/40
NY 89468 12/18/40

The first permits the Park Bridge Corporation to lend \$50,000 to Henri Untermans, Consul General for the Kingdom of Romania, against the security of four life insurance policies (\$75,000 face value). The \$50,000 is to be placed in a blocked account from which \$3,000 monthly withdrawals for living expenses are authorized.

The second permits the loan to be made out of Charles Wallach's account with the Park Bridge Corporation.

NY 100330 1/16/41

This application is identical with the one immediately preceding except that Bertha Untermans, wife of Henri, is the prospective borrower and the amount is \$15,000 @ 1 3/4 % against the security of her life insurance policy. Here, too, Charles Wallach's account is to be the source of funds. "Denied."

NY 110808 2/11/41
NY 113123 2/17/41

Both applications request permission to lend Albert Graef, Inc.

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\$50,000 secured by marketable collateral at an interest rate of 1 1/2% per annum. This amount is to be advanced out of Charles Wallach's account with the Fifth Avenue Bank, entitled "Park Bridge Corporation, Special". Both were denied.

Two applications, NY 96003 and NY 98294, are not spelled out because the sums involved are relatively negligible (aggregating about \$1,000) and the transactions seem harmless. Both permitted debiting Charles Wallach's account with Loeb, Rhoades & Co.

IV. Observations

As will readily be seen, the first few applications attempt to effect the unrestricted transfer of all of Charles Wallach's assets reported on FFR-100 to the Park Bridge Corporation. About 75%, or \$300,000, of this property was transferred without "stipulation". When Park Bridge encountered difficulty in obtaining an unblocked transfer of the remaining portion, it asserted its intention of keeping all the property in a blocked account. Observe that this does not mean the account would be blocked by Park Bridge's bank but rather on Park Bridge's books since the exchange of letters in the first application involved exactly this question. In any case, the result was to block \$100,000 in the bank account and \$500,000 on the books of the Corporation.

After this initial maneuvering, Park Bridge requested permission to make loans allegedly for investment purposes. Now, superficially, the loans appear unobjectionable. When we consider, however, that Park Bridge has the same address and telephone number as Rene Loeb, attorney for Charles Wallach, and that Edward Wallach, possessed with power of attorney over Charles' property, is Vice President of Albert Graef, Inc., one of the would-be borrowers, the loans take on a different complexion. Furthermore, at least one and perhaps both of the \$50,000 loans were to be drawn from the account entitled "Park Bridge Corporation, Special". This appears to refer to the \$100,000 transferred with "stipulation". Besides, a \$50,000 loan to a securities dealer at 1 1/2% hardly seems an investment especially if the dealer happens to be Albert Graef, Inc.

Of course, the factors pointing to attempted circumvention of the Executive Order are purely circumstantial. These transactions may have been legitimate. Still, it would be advisable to unscramble Park Bridge and learn whether it has any other clients or investments, in fact, whether it keeps any books in this connection.

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4-150-100M-12-39

FEDERAL RESERVE BANK
OF NEW YORK

9-31

OFFICE CORRESPONDENCE

DATE April 29, 1941.

TO Mr. Erwin G. May

SUBJECT Park Bridge Corporation

FROM N. P. Davis

RECEIVED
APR 29 1941
Foreign Funds Control
New York

Mr. Reid of Foreign Funds Control Division of the Treasury Department telephoned to me today to advise that Mr. Pehle wished me to request you to conduct an investigation of the Park Bridge Corporation, 52 Wall Street, New York City. Our files indicate that this corporation maintains a number of accounts on its books for nationals of countries named in the Executive Order No. 8389.

NPD

NPD:am

F.F.C. (Group)	<i>R.K.</i> (Agent)	<i>4-30-41</i> (Date Assigned)	<i>9-31</i> (File Number)
Nature of Case: <u>Investigation as to activities.</u>			
From: <u>Mr. Davis, Federal Reserve Bank.</u>			
Date: <u>April 29, 1941.</u>			
Person/Firm: <u>PARK BRIDGE CORPORATION.</u>			
Address: <u>52 Wall Street, New York, N.Y.</u>			
Enclosures:			
Final Report:			

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Authority NWD 918103
By JA NARA Date 6/8/00

NO 151
Entry FFC Investigative Rpt's
File NY 9-31
Box 3 (copied 6/7/00)

April 25, 1941.

Mr. Reid:

Mr. Pehle requests that you kindly summarize all information available in our files with regard to Park Bridge Corporation, 52 Wall Street, New York City and prepare a memorandum to Mr. May requesting that he look into their affairs.

NET

April 29, 1941.

Mr. Towson:

Mr. Norman Davis told me over the telephone this morning that he has already requested Mr. May to investigate the Park Bridge Corporation and that his file had been made available to Mr. May. I told Mr. Davis that our files had reported nothing to be added to his file on the subject.

/s/ Thomas G. Reid

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Authority WJO 918103By JA NARA Date 6/8/00

RG	<u>131</u>
Entry	<u>FFC Investigative Rpt</u>
File	<u>NY 2-66</u>
Box	<u>5</u> (copied 6/7/00)

D I G E S T

2-66

Oct. 6, 1941

Re: Serge Jacobson, et al

Despatch 2781 involved a foreign exchange transaction that appeared to be in violation of the Executive Order.

Mr. Jacobson is a Latvian who lived in France for twelve years. He left France on December 15, 1940 and arrived in the U.S. on January 8, 1941 under a quota visa.

Rev. Urban, a Russian, is a French missionary for the Russian Christian Relief Society, Inc. N.Y., which is affiliated with the Peoples Church, Toronto, and the Russian Gospel Association, Inc., Chicago.

Mr. A. Alperovitch, brother-in-law of Mr. Jacobson, is a Russian citizen living in France and well acquainted with Rev. Urban for whom Alperovitch prints literature.

Rev. Urban needed funds while Mr. Alperovitch was anxious to get his holdings of U.S. currency out of France. It was arranged therefore for Mr. Alperovitch to advance funds to Rev. Urban and for Rev. Urban's church affiliations in the U.S. to repay dollars to Mr. Jacobson for the account of Mr. Alperovitch. Mr. Jacobson in this fashion, received \$1,000 and is supposed to get about \$200 more. In any case, Mr. Jacobson says he deposited the money in his own blocked account in safekeeping for his brother-in-law (Alperovitch) who expects to come to the U.S. within the next six months. The investigator believes, however, that Mr. Jacobson is using the funds in his own business.

Mr. Jacobson was advised to report his holdings on form TFR-300.

Mr. Jacobson's own funds are blocked with the Chase National Bank, 18 Pine St., N.Y.C., and with the Trade Bank and TrustCo., N.Y.C.

F. Garelick

PG:hn 10/8/41

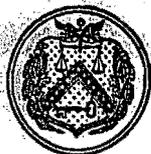
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By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 2-66
Box 5 (sup. ed) 6/7/00

CS:MM



TREASURY DEPARTMENT
WASHINGTON

2-66
01-2-00066
file 11/9/43

FOREIGN FUNDS CONTROL

FOREIGN FUNDS CONTROL
70 Pine Street, New York

OCT 6 1941

John W. Pehle, Esquire,
Assistant to the Secretary,
Treasury Department,
Washington, D. C.

Sir: J212 RE: SERGE JACOBSON 17120
P420 PETER PLESHKO 17120
U615 G./URBAN/1-480

Reference is made to your memorandum dated May 23, 1941, transmitting a copy of Despatch No. 2781 relative to the activities of the above named individuals in foreign exchange.

An investigation conducted by the writer on September 26, 29 and 30, 1941, in the course of which the information hereinafter set forth was obtained, covered the following:

- Serge Jacobson, 551 Fifth Avenue, New York
- Russian Christian Relief Society, Inc., 690 Eighth Avenue, New York
(Rev. Peter Pleshko, Director)
- Corn Exchange Bank & Trust Company 303 West 42nd Street, New York
- American Express Company, 649 Fifth Avenue, New York
- Chase National Bank, 45th Street and Madison Avenue, New York
- Trade Bank & Trust Company, 7th Avenue and 36th Street, New York

----- * * * * -----

Serge Jacobson

Serge Jacobson, a Latvian, has resided in France for the past 12 years, where he was sales representative for

OCT 7 - 1941
CAH

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By JA NARA Date 6/8/00

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Entry FFC Investigative Rep
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2-66

Hugh Smith & Company, manufacturers of ship building machinery, Glasgow.

He left France on December 15, 1940, and arrived in the United States on January 8, 1941, under a quota visa.

In New York he has been centering his activities in the machinery business and has apparently been very successful.

Previous to his arrival in the United States he had an account in the Chase National Bank, 18 Pine Street, New York City, which account had been blocked as of June 14, 1940. On May 14, 1941, this account was transferred to the 45th Street branch of this bank. On February 28, 1941, he opened another account with the Trade Bank & Trust Company, 7th Avenue and 36th Street, New York City, which account was not blocked, through oversight, until July 2, 1941.

Since his arrival, Jacobson has been drawing from \$300 to \$400 per month for living expenses from both of these banks under General License #11. The banks in question were informed of this in the course of the investigation, with the result that Jacobson's future withdrawals under General License #11 will be confined to one bank, namely the Chase National Bank. He is also currently withdrawing about \$500 per month from the Chase National Bank for so-called business operations expenses under a specific license, NY 237664. Other specific licenses have been issued to him from time to time to cover various business transactions. At the present time his balance in the Trade Bank & Trust Company is \$3000., and in the Chase National Bank, \$27,500.

Jacobson explains the transfer of funds from a certain "Alexander" in France to G. Urban, as mentioned in Despatch No. 2781, as follows:

Rev. G. Urban, residing at Mommetier Mornex, Savoie, France, is a missionary of the Russian Christian Relief Society which is affiliated with the Peoples Church, 100 Bloor East, Toronto, Canada, and the Russian Gospel Association, Inc., 64 W. Randolph Street, Chicago. Rev. Urban is of Russian nationality.

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CS:MM

2-66

- 3 -

Alexander Alperovitch, a Russian citizen, brother-in-law of Jacobson, is at the present time, and has been for the past 15 years, engaged in the printing business in Paris, France. He (Alexander) has been closely connected with Rev. G. Urban for many years through the printing of pamphlets and magazines for use in Rev. Urban's missionary activities.

Jacobson became acquainted with the Rev. Urban through his brother-in-law, Alexander Alperovitch. Urban being badly in need of funds and Alperovitch being anxious to get his holdings of United States currency out of France, it was arranged that Alperovitch should advance funds to Urban which would be paid by remittances to Jacobson in New York by Urban's church affiliations in the United States. In this manner \$1000 was advanced to the Rev. Urban by Alexander Alperovitch in the early part of February as mentioned in the subject Despatch and a further advance of \$200 was made at a later date. Jacobson has received payment on behalf of his brother-in-law of \$1000 in two checks of \$500 each, dated April 23 and July 17, 1941, from the Russian Gospel Association, 64 W. Randolph Street, Chicago. The remaining \$200 has not yet been paid to Jacobson. There are submitted herewith under Exhibit A photostat copies of letters which appear to be fully explanatory as to this transaction. Jacobson claims to have deposited these checks in his own blocked account in safe keeping for his brother-in-law (Alperovitch), who expects to come to the United States within the next 6 months.

Jacobson has been informed that he must give a detailed accounting of these funds in his report under TFR-300. Incidentally, a check up at the two banks where Jacobson has accounts has failed to reveal deposits of these checks in question. It is believed that Jacobson has been utilizing these funds in his business operations.

Russian Christian Relief Society, Inc.

I visited the offices of this Society at 690 Eighth

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2-66

- 4 -

Avenue, New York, where I interviewed Miss Levison, secretary to the Rev. Peter Pleshko. The Rev. Pleshko, Director of this Society, is at present in Chicago and is not expected to return until the latter part of the month.

Miss Levison has no knowledge of the aforementioned transaction, but did inform me that the Society sent from \$50 to \$100 per month through the American Express Company to the Rev. Urban, their missionary in France, to defray his living expenses.

A check up with the American Express Company, 649 Fifth Avenue, New York, has confirmed these monthly remittances which, according to Mr. Holmberg, the Manager, were made under General License No. 32. Mr. Holmberg has been informed that General License No. 32 does not provide for remittances of this nature, since these remittances are made by an incorporated society and not by an individual. He has been advised to request a specific Treasury License from the Rev. Pleshko, on all future remittances.

The Russian Christian Relief Society has its account in the Corn Exchange Bank & Trust Company, 303 West 42nd Street, New York, since November, 1937. This Society and its officers are well esteemed by the Bank. An examination of the incorporate papers of the Society showed that all the officers are American citizens. No funds have been transmitted through this bank to Europe for the account of this Society through Treasury License or otherwise.

A pamphlet of this Society is submitted herewith for your information under Exhibit B.

Respectfully,

Charles Schlager

CHARLES SCHLAGER,
Treasury Representative.

Respectfully forwarded:

APPROVED:

S. J. Kennedy
S. J. KENNEDY,
Treasury Representative,
Acting-in-Charge.

Distribution 1.
Enclosures: Exhibits A and B.

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By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rpt
File NY 2-66
Box 5 (copied 6/7/00)

2-66

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

RECEIVED

DATE MAY 23 1941

TO Mr. May
FROM Mr. Pehle
Re E. Jacobson

MAY 24 1941

Foreign Funds Control
New York

Attached is a copy of Despatch No. 2781.

It will be appreciated if you will have an appropriate investigation made with respect to the matter referred to therein.

For your information, on March 7, 1941, Mr. Peter Pleshko of 690 Eighth Avenue, New York City, remitted \$50 to George Urban under General License No. 32.



Attachment

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Authority WJO 918103
By JA NARA Date 6/8/00RG 131
Entry FFC Investigative Rpts
File NY 2-66
Box 5 (copy 6/8/00)

2-66

Confidential information has been received to the effect that G. Urban, Villa Emanuel, Monnetier Mornex, Savoie, France, wrote on Feb. 22, 1941 to Mr. E. Jacobson, C/o Hermann Draeger Shipping Co. 17 State St. New York.

The writer acknowledges a receipt for \$1000 paid by a certain "Alexander". A balance of \$200 is still to be settled. A rubber stamp address in Switzerland - G. Urban, Brechet, 26 Rue Merle D'Aubigne, Geneva, presumably indicates an intermediary for transmitting moneys to France.

"H"

CONFIDENTIAL

2781

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Authority NWD 918103
By JA NARA Date 6/8/00RG 131
Entry FFC Investigative Rep
File NY 2-66
Box 5 (copied 6/8/00)

September 20, 1941

Rev. Oswald J. Smith
The Peoples Church
100 Elcor East
Toronto, Canada

Dear Dr. Smith:

In reply to your letter of September 18th, I perfectly understand your point of view, but as far as I can see no additional obligation, besides the \$1180, has been incurred by Mr. Urban. Of course, you will receive directly from him the answers to your questions.

The purpose of this present letter is to stress that no advantage exists for both Mr. Urban and my brother-in-law with regard to any disclosures of their mutual obligations, which might create difficulties for them with the German authorities. I hope that you have worded your letter to Mr. Urban in such a way as to avoid any such eventuality, as all your letters will be censored by the Germans in Europe. I should appreciate your confirmation that all the necessary precautions have been taken.

Awaiting your prompt reply, I am,

Very truly yours,

Serge G. Jacobson

SGJ/lmb

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By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 2-66
Box 5 (copied 6/8/00)

September 16, 1941

Rev. Oswald J. Smith
100 Bloor East
Toronto, Canada

Dear Dr. Smith:

I just received your letter of September 11th this morning, it having been delayed in delivery, as it was sent to my old address.

I do not understand for what you reproach me: from here I have no influence whatsoever on the transactions between my brother-in-law and Doctor Urban, and if for some reasons they have seen fit to reduce the amount of \$1250 to \$1180, this is a fact which has to be faced. In Dr. Urban's letter of May 30th, he definitely stated that he has received this amount and it is probably only fair and just that my brother-in-law be reimbursed for this amount of \$1180 and not for \$1000. I do not know when definite adjustments have been made, as the mail from Europe is very irregular and I have had no direct news from my people. The only information received was from Dr. Urban.

I have never urged you or Reverend Deynoka to pay me back this money for the account of my brother-in-law at a definite date and a payment in November, for instance, would be perfectly alright with me. You could, in the meantime, check up with Dr. Urban if this sum is due to us, but, of course, you understand that no names should be mentioned in the correspondence; however, I am certain that on the reading of Dr. Urban's letter, you will find same so clear that it will require no further elucidation.

I hope that you will see it this way and not reproach me if adjustments have been made between my brother-in-law and Dr. Urban during these last months. He probably needed the money badly, if he decided to borrow same.

Trusting that this will serve to straighten this matter out and that I ~~may~~ ^{may} hear from you shortly, I beg to remain,

Very truly yours,

Serge G. Jacobson

SGJ/lmb

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Authority NWD 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Rep
File NY 2-66
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A

September 11, 1941

Dr. Oswald Smith
100 Bloor St.
Toronto, Canada

Dear Dr. Smith:

I wish to thank you for the service you have rendered me by addressing me to Dr. Deyneka, with whom I have been able to settle money matters between Dr. Urban and my brother-in-law.

I have received, in the meantime, another letter from Dr. Urban, which I have duly mailed to Dr. Deyneka, and to which I have today received the following reply:

I received the letter written to you by Mr. Urban, and read it, but was under the impression I had returned it to you. Since you have not received it, the letter must be lost somewhere. I am very sorry about this. However, I remember in that letter that Mr. Urban said he got an additional \$100 from your brother-in-law. Is this Canadian or U. S. money?

You may write direct to Dr. Smith. He will be glad to do anything he decides, because these are Dr. Smith's workers. I also remember in Urban's letter he said he was writing direct to us about this \$100, but we have never had a word from him concerning this additional money.

I have replied to Dr. Deyneka as per copy enclosed.

Will you kindly let me know how you intend to deal with this question?

Hoping to hear from you shortly, I beg to remain,

Very truly yours,

Serge G. Jacobson

SGJ/lmb
enclosures

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Authority JWO 918103
 By JA NARA Date 6/8/00

RG 131
 Entry FFC Investigative Reps
 File NY 2-66
 Box 5 (sup. ed) 6/8/00

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The Peoples Church

INCORPORATED

REV. OSWALD J. SMITH, D.D., Litt. D., F.R.G.S.
 PASTOR

100 BLOOR EAST, TORONTO, CANADA

Cable PEOPLES, TORONTO

Telephone—Midway 9000

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 Rev. FRANK DICKIE
 Evangelist BEN SPICER
- Field Director
 Rev. I. L. BURRIS
- Director of Music
- Organist
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- Treasurer
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 Mr. D. G. BILLINGS
- Office Secretary
 Miss ALICE PORTER
- Auditors
 GUNN, ROBERTS & CO.

THE PEOPLES CHURCH

IS AN independent work, standing prominently for the conversion of souls, the edification of believers, and world wide evangelism, emphasizing especially the four great essentials—Satanism, The Deeper Life, The Great Mission, and our Lord's Return; endeavoring by every means to get the Message to the Christless masses, both at home and abroad, in the shortest possible time.

THE PEOPLES MISSIONARY SOCIETY

The Peoples Missionary Society supports more than 150 missionaries, national and foreign, on some 20 fields. See for particulars. Remittances are forwarded on the first day of each month.

Send your gift for the support of this great work, and you will receive "The Peoples Magazine" which contains spiritual articles and up-to-date reports direct from the fields.

Make remittances payable and address all communications to The Peoples Missionary Society, 100 Bloor East, Toronto, Canada.

THE PEOPLES MAGAZINE

Is the official organ of The Peoples Church and The Peoples Missionary Society.

The Peoples Magazine is sent free of charge to all who send in a dollar or more for the work.

MISSIONARY MEDICAL INSTITUTE

The Peoples Church conducts a Missionary Medical Institute at 14 Park Road, in tropical diseases, and some 20 other kindred subjects, for prospective missionaries. The entire course covers one year. The instruction is given by well known doctors. The Institute has been in operation since 1946, and already 126 students have been enrolled, of whom 75 have graduated and received diplomas. For information apply to Miss A. Louise Kirby, Reg. N., Missionary Medical Institute, No. 14 Park Road, Toronto, Canada.

THE PEOPLES MISSION

A Soul Saving Work in the Slums of Toronto, located at 128 Samach Street, owned and operated by The Peoples Church. Rev. John Addison, Superintendent.

I have seen the Vision
 And for Self I cannot live;
 Life is less than worthless
 Till my All I give.
 —Oswald J. Smith

Sept. II, 1941.

Serge G. Jacobson
 225 Central Pk. W.
 New York City
 N.Y.

Dear Mr. Jacobson,—

The Russian Gospel Association has notified me of your request for an additional payment of \$180.00.

In your letter to them dated April 26th you wrote as follows: "I have requested my people to reduce the total amount to \$1,000 instead of \$1,250. This has been done, so that I expect from you another cheque for \$500.00 to settle this matter."

You have now received \$1,000 and I take it that you are ready to stand by your letter.

May I state that if it had not been for the great kindness of the Russian Gospel Association it would have been absolutely impossible for us to have paid this at all until away in November at the earliest since no funds can be sent out of Canada, and I would have had to go to the States and make an effort to raise the money which might or might not have succeeded. But Mr. Deyneka came to the rescue, and through nothing short of a miracle we managed to get the money to you.

Believing you will stand by your letter of April 26th to the Russian Gospel Association,

I remain,

Very cordially yours,

Oswald J. Smith

The Sunday Evening Services are broadcast from 7 to 8.30 over CKCL (580 K) from October to May

DECLASSIFIED
Authority NJO 968103
By JA NARA Date 6/8/00

RG 131
Entry FFC Investigative Report
File NY 2-66
Box 5 (sup. 6/8/00)

B

REV. PETER DEYNEKA
GENERAL DIRECTOR

"COME OVER INTO MACEDONIA AND HELP US." Acts 16:9.

OUR FIELD: To Evangelize Russian People, in Europe, in the Far East, South America, Alaska, and in the United States and Canada.
Also to Minister Financial Aid to Christians in War Torn Countries.

RUSSIAN GOSPEL ASSOCIATION, Inc.

Cable Address: "Rusgospel, Chicago"

Telephone:
CENTRAL 4631

INTERDENOMINATIONAL • EVANGELISTIC • EVANGELICAL
International Headquarters — 64 W. RANDOLPH STREET, ROOM 605, CHICAGO, ILL., U.S.A.

Sept. 8, 1941.

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- Mr. A. WIENBERG, Chicago, Ill.
- Rev. E. G. ZORN, Chicago, Ill.

Mr. Serge B. Jacobson,
551 Fifth Ave.,
New York City.

Dear Mr. Jacobson:

After a very busy summer, I have just returned to the office, and have just read your letter of the 5th.

I received the letter written to you by Mr. Urban, and read it, but was under the impression I had returned it to you. Since you have not received it, the letter must be lost somewhere. I am very sorry about this. However, I remember in that letter that Mr. Urban said he got an additional \$180 from your brother-in-law. Is this Canadian or U.S. money?

You may write direct to Dr. Smith. We will be glad to do anything he decides, because these are Dr. Smith's workers. I also remember in Urban's letter he said he was writing direct to us about this \$180, but we have never had a word from him concerning this additional money.

I am indeed happy that we could pay you the \$1000 sooner than we expected, since Dr. Smith could not send any money from Canada.

I hope this matter will be adjusted to everyone's satisfaction.

Sincerely yours,

DECLASSIFIED

Authority WJO 968103By JA NARA Date 6/8/00RG 131Entry FFC Investigative RepFile NY 2-66Box 5 (copied 6/8/00)

August 9, 1941

Russian Gospel Association, Inc.
64 W. Randolph Street
Room 605
Chicago, Ill.

Att: Ferne S. Larson, Sect'y.

Gentlemen:

I beg to acknowledge receipt of your letter of August 5th and am very surprised at the last sentence of same.

You know well enough how difficult communications are with France, so that the belated information cannot be reproached to any party, and from the previous correspondence with the Reverend Doctor Urban you have been informed that the amounts received by him were \$1000 initially and \$150 lately. This appears clearly in the last letter from, the original of which I transmitted to you and which you have not yet returned to me. I cannot, therefore, conceive why a "settlement" of Dr. Urban's indebtedness should take place and why same should not be sooner or later in full against the amount of \$1150, which he received from my brother-in-law. Should you see any reason for that, kindly explain. Your remittance for the initial part of these monies was received and settled the amount of \$1000, so that only the balance of \$150 still remains unpaid.

Will you please let me know after the return of Reverend Deyneka what you intend to do in this matter and tell me if I have to contact Doctor Smith directly or if you will take care of this? I am in no hurry to receive this balance, but should like to have a clear understanding on how things stand. In the meantime, it is up to you to give instructions eventually to Dr. Urban on how to handle financial matters, and I cannot interfere in this question. Please, however, do not mention any names in your correspondence with him, as this can lead to great trouble for all the persons involved.

Very truly,

Serge G. Jacobson

SGJ/lmb

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"COME OVER INTO MACEDONIA AND HELP US." Acts 16:9.
OUR FIELD: To Evangelize Russian People, in Europe, in the Far East, South America, Alaska, and in the United States and Canada.
Also to Minister Financial Aid to Christians in War Torn Countries.

RUSSIAN GOSPEL ASSOCIATION, Inc.

INTERDENOMINATIONAL • EVANGELISTIC • EVANGELICAL
International Headquarters — 64 W. RANDOLPH STREET, ROOM 605, CHICAGO, ILL., U.S.A.

Cable Address: "Rusgospel, Chicago"
Telephone: CENtral 4 6 3 1

August 5, 1941.

Dr. Serge G. Jacobson,
261 Fifth Ave.,
New York City.

Dear Mr. Jacobson:

I am in receipt of your letter of July 12th, which arrived during my absence from the city.

Mr. Deyneka is at present out of the city, and will not return until the end of the month, and it is not possible for me to contact him with regard to the letter from Mr. Urban to which you refer. However, as I stated in my last letter, you very plainly informed us that if \$1000 were sent you, you would accept this as full settlement of Mr. Urban's indebtedness.

Very truly yours,
Ferris S. Larson
Secretary.

332075

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July 18, 1941

Russian Gospel Association, Inc.
64 W. Randolph Street
Rm. 605
Chicago, Ill.

Att: Ferno C. Larson, Secretary

Gentlemen:

I thank you for your letter of July 17th, but you will have seen from the letter of Reverend Urban that the amount arranged for with my brother-in-law was \$1150, out of which I have already received \$1000. There still remains outstanding the balance of \$150.

Will you kindly let me know if I can expect to have this money directly from you or if I should write to Doctor Oswald Smith about it. In the latter case, please let me have the original of Reverend Urban's letter or please mail same to Doctor Smith.

Thanking you, I beg to remain,

Very truly yours,

Serge G. Jacobson

JGJ/lmb

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By JA NARA Date 6/18/00

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REV. PETER DEYNEKA
GENERAL DIRECTOR

"COME OVER INTO MACEDONIA AND HELP US." Acts 16:9.

OUR FIELD: To Evangelize Russian People, in Europe, in the Far East, South America, Alaska, and in the United States and Canada.
Also to Minister Financial Aid to Christians in War Torn Countries.

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- Dr. A. Weisner, Chicago, Ill.
- Rev. E. G. Zorn, Chicago, Ill.

Mr. Serge G. Jacobson,
551 Fifth Avenue,
New York City.

Dear Mr. Jacobson:

Enclosed you will find a check for \$500, the balance due you on your loan to Judge Urban, in line with your letter of April 20, 1941.

Thanking you for your cooperation in this matter, we are

Very truly yours,

RUSSIAN GOSPEL ASSOCIATION

Ernest S. Larson
Secretary

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By JA NARA Date 6/8/00

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13

June 24, 1941

Russian Gospel Association, Inc.
64 W. Randolph Street
Room 605
Chicago, Ill.

Att: Ferne S. Larson, Secretary

Gentlemen:

Further to my letter of June 13th, please find enclosed the original letter which I received from the Reverend Urban, dated May 30th, in which he gives me news of my family and states that the whole amount he has received from Mr. Alperovitch is \$1180.00, out of which amount you have already paid to me \$500.00.

Please suit yourself in repaying the balance, but I should like to have this amount ~~paid~~ ^{returned} you, in order to be able to reply to Reverend Urban and to tell him that everything is settled and that there is no longer anything to worry about.

Thanking you in advance for your prompt reply, I am,

Very truly yours,

Serge G. Jacobson

SGJ/lmb
enclosure

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June 13, 1941

Russian Gospel Association, Inc.
64 W. Randolph Street
Room 605
Chicago, Ill.

Att: Ferne S. Larson, Secretary

Gentlemen:

In your letter of April 25rd, I received a check for \$500.00, which acknowledged with thanks at that time.

I should be pleased to know when I may expect the next check *of lde amount*

Very truly yours,

Serge G. Jacobson

SGJ/lmb