

return of \$205.00, but to date have been unsuccessful. We will continue our efforts to recover this money and in the event of final refusal on the part of the company to return the sum of \$205.00, a common law action will be instituted with a view to its recovery.

However, we do not feel we can delay further in complying with the court order and it is therefore requested that a check in the amount of \$253.00 be drawn payable to Johnny Abrams and/or his legal counsel, Mr. Burton L. Borden, by the City Treasurer's Office.

Respectfully submitted,
NATHANIEL H. GOLDSTICK,
 Corporation Counsel.

By Councilman Lincoln:

Resolved, That the City Controller and City Treasurer be and they are hereby authorized and directed to issue a check to Johnny Abrams and/or Burton L. Borden, legal counsel, in the amount of \$253.00 in accordance with the foregoing communication.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Lincoln, Rogell, Smith, Van Antwerp, Wise and President Beck—8.

Nays—None.

Corporation Counsel
 December 19, 1958,

Honorable Common Council:

Gentlemen—On April 4, 1954, the City of Detroit started a suit against Alfred B. Scott, Individually and doing business as Scott's Recreation, being Wayne County Law Action 276-295, for non-payment of personal property taxes assessed to said defendant for the year 1952. We were unable to get personal service of process on the defendant as he was no longer in business and had moved from the address furnished by the Board of Assessors and the Office of the City Treasurer.

After an extensive investigation was conducted by our Sergeant Schuett, it was ascertained that the defendant was employed in Detroit by an insurance company as a salesman. On December 10, 1958, service of process was made on the defendant. The same day defendant was served, he called at our office and stated he was out of business since the early part of 1952. He further stated that he did not realize that he owed any personal property taxes and that he would have paid such years ago had he known of his liability for the taxes.

In the interest of disposing of the subject action, the defendant has submitted an offer of \$55.70, which sum represents the full payment of the 1952 taxes and all court costs expanded, but does not include the interest accruing of approximately \$19.38.

After giving due consideration to the offer submitted, we believe that it will be to the best interest of the City to accept the same, and we accordingly recommend its acceptance with the concurrence of the City Treasurer.

A cashier's check to cover the above offer has been received by this office and is being held pending action hereon by your Honorable Body.

Respectfully submitted,
RAYMOND F. STACHURA,
 Asst. Corp. Counsel.

Approved:

VANCE G. INGALLS,
 Acting Corp. Counsel.
CHARLES N. WILLIAMS,
 City Treasurer.

By Councilman Lincoln:

In accordance with the foregoing communication,

IT IS HEREBY RESOLVED, that the offer of \$55.70 submitted in full settlement of the claim of the City of Detroit for personal property taxes assessed to Alfred B. Scott doing business as Scott's Recreation for the year 1952, being the subject matter of Wayne County Circuit Court Action No. 276-295, be and the same is hereby accepted.

IT IS HEREBY FURTHER RESOLVED that the City Treasurer be and he is hereby authorized and directed to apply the sum of \$55.70 on account of the above mentioned taxes and that any unpaid balance remaining due thereon be and the same is hereby cancelled.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Lincoln, Rogell, Smith, Van Antwerp, Wise and President Beck—8.

Nays—None.

Corporation Counsel
 December 17, 1958,

Honorable Common Council:

Gentlemen—This is to inform your Honorable Body that on December 9, 1958, orders were entered vacating the alleys in the following cases:

Wayne Circuit Court Number 300-157—Location: Auburn, Minock, Westfield and West Chicago Avenues, Comon Council Petition 770.

Wayne Circuit Court Number 300-272—Location: Pierson Bralle, Belton and Constance Avenues, Common Council Petition 838.

Wayne Circuit Court Number 300-273—Location: Troester, Cedar Grove, Hayes and Queen Avenues, Common Council Petition 836.

Wayne Circuit Court Number 300-274—Location: Lakepointe, Roxbury, Farmbrook and Moross Avenues, Common Council Petition 13977.

The Orders, among other matters, provide that public easements for public utility purposes shall be retained in the land comprising the alleys and, further, that the Clerk

of the Court forward a certified copy to the Auditor General of the State of Michigan.

We submit a resolution directing the City Clerk to record the attached certified copies of the Orders with the Wayne County Register of Deeds.

Respectfully submitted,
RAYMOND F. STACHURA,
Asst. Corp. Counsel.

Approved:
VANCE G. INGALLS,
Acting Corp. Counsel.

By Councilman Lincoln:
RESOLVED, That the City Clerk be and he is hereby directed to record the Orders vacating the public alleys in the Office of the Wayne County Register of Deeds, within thirty (30) days from the date hereof, in accordance with the foregoing communication from the Corporation Counsel.

Adopted as follows:
Yeas—Councilmen Carey, Connor, Lincoln, Rogell, Smith, Van Antwerp, Wise and President Beck—8.
Nays—None.

Corporation Counsel

December 15, 1958.

Honorable Common Council:
Gentlemen — The City of Detroit assessed personal property taxes for the year 1951 to St. Clair Furs, Inc., a Delaware Corporation, in the amount of \$5,615.78, exclusive of accrued interest. This company discontinued business after selling all of its stock and fixtures. No formal corporate dissolution was ever filed either in the State of Michigan or in the State of Delaware, notwithstanding the fact that the company was reported to have lost approximately \$125,000.00 in 1951. The taxes in question were never paid.

On October 6, 1952, the City instituted suit for collection of the subject taxes in the Wayne County Circuit, being Law No. 270-434, against St. Clair Furs, Inc., a Delaware Corporation, Laurence O'Larry, Frank Bagdade and James J. Shepard, Jr., jointly and severally. The individuals named as party defendants in the foregoing action constituted the officers and directors of the taxpayer-corporation. Immediate service of process was made on Frank Bagdade, who was at the time and still is a resident of Detroit. Service on James J. Shepard, Jr. was not made until January 22, 1958, following his visit to Detroit from Washington, D.C., in which latter city he is presently residing. We have never been able to secure service on Mr. O'Larry since he had moved to Beverley Hills, California, prior to the institution of the subject suit. According to a recent credit report received, Mr. O'Larry still resides in Beverley Hills.
In 1953, after referring our tax

claim to an attorney in Los Angeles, California for collection, we were advised that he could not handle our claim. His refusal was based (1) on the fact that there was no applicable Michigan statute which imposed a liability upon the officers and directors of a corporation for non-payment of personal property taxes assessed to the corporation; and (2) it would be difficult to establish the transfer of assets in defraud of creditors.

In settlement of the subject suit, an offer of \$750.00 has been submitted. We understood the money comprising the offer came from Mr. O'Larry.

In view of the defunct status of the corporation, the only basis upon which the City could prevail in its action, assuming that proper service could be made upon Laurence O'Larry, would be to prove the transfer of assets from the corporation to its officers and/or directors, which transfer rendered the company insolvent; or that any such transfer was made in defraud of creditors. The data or information necessary to establish the foregoing would be difficult to secure, particularly since the City has never had access to the company's books.

Based upon the foregoing, we, therefore, believe that it would be to the best interest of the City to accept the offer submitted and we accordingly recommend its acceptance with the concurrence of the City Treasurer.

A check to cover the above settlement offer has been received by this office and is being held pending action thereon by your Honorable Body.

Respectfully submitted,
JOSEPH MAISANO,
Assistant Corporation Counsel.

Approved:
WALTER E. VASHAK,
Acting Corporation Counsel.
CHAS. N. WILLIAMS,
City Treasurer.

By Councilman Van Antwerp:
In accordance with the foregoing communication,

IT IS HEREBY RESOLVED that the offer of \$750.00 submitted in full settlement of the 1951 personal property taxes assessed to St. Clair Furs, Inc. be and the same is hereby accepted.

IT IS HEREBY FURTHER RESOLVED that the City Treasurer be and he is hereby authorized and directed to apply the sum of \$750.00 on account of the subject taxes and that any unpaid balance remaining after said application be and the same is hereby cancelled.

Adopted as follows:
Yeas—Councilmen Carey, Connor, Lincoln, Rogell, Smith, Van Antwerp, Wise and President Beck—8.
Nays—None.