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AMERICAN JEWISH ARCHIVES

MS-763: Rabbi Herbert A. Friedman Collection, 1930-2004.
Series B: Correspondence, 1942-1995.

Box	Folder
2	8

Curtiss Industries. 1964.

For more information on this collection, please see the finding aid on the
American Jewish Archives website.

Howard called Gil yesterday

1. Jan 64 - Howard Ahani & Howard Jones met
Dorval, Dikstein & Zagay

2. Apr 64 - Max Ratner talked to Dikstein, Sifon in Fla.

3. June 64 - Ezra Shapiro went to Israel with cash.
first 11k money - Ezra Shapiro reported
that Zagay had agreed with Dikstein

no written contract

two checks - 12/2 - Max & Howard

checks made
out to

Schen - Turmicho, Ltd.

IRVING BERNSTEIN

October 2, 1964

To: HAF

I spoke to Gil at the Economic Ministry. He said that he had cabled Sapir to try and get an answer for you on Abrams. I told him that you were leaving on October 9th and he said he would do everything he could to get an answer for you before you left the country.

ib/m

~~Gil~~
This is important. I
Mr. Gil calls - get the message.
also keep this note for me to take
overseas.

11-6-64

November 6, 1964

Dear Rabbi This copy
is for your files.
Thanks for your
Efforts
Howard Abaum

Mr. Yehuda Gill, Director
North American Office
Government of Israel Investment Authority
Suite 604
850 Third Avenue
New York 22, New York

Re: Sherr-Tunico Israel Ltd.

Dear Mr. Gill:

Under date of October 29, I heard from Rabbi Herbert A. Fricman in connection with the above matter. He enclosed a "free translation" copy of the letter addressed by Drs. Zvi Dinstein and M. Zagagi to you, under date of October 7, as well as your letter to him of October 26.

A. While indeed Mr. Max Ratner and I feel strongly that our last advance of \$25,000.00 should be recognized as a first charge and first lien on all of the assets of the company and ahead of the Industrial Development Bank loan, in the interest of concluding this matter on some reasonable basis, on behalf of Mr. Ratner and myself, I herewith notify you that we are willing to have this claim of ours for the \$25,000.00 advance treated on equal basis (in pari passu) with the secured claim of the IDB; and we do hereby authorize you to advise the Finance Ministry and any other appropriate department of the Israel government of our agreement in this respect so that appropriate representation and negotiation can be had with the IDB as well as the receiver and any court in which this matter is being handled, to final conclusion.

B. I come now to a matter of extreme importance to some 50 Cleveland investors including Mr. Ratner and myself, whose total investment in the capital stock of Sherr-Tunico Israel Ltd. aggregated \$225,000.00. From all of the information we have gathered up to this point, this total investment is lost. Needless to say, this has not produced a very happy spirit and attitude on the part of these investors, who incidentally, number among them some of the most outstanding U.J.A. contributors and other Israel Bonds and Israel Industries investors. As the one who with a handful of other persons was most responsible for initiating the project and living with it for some three years, I feel the least that I and the appropriate Israel government authorities can do is afford these investors clear and precise information relative

November 6, 1964

to what finally took place in Israel with regard to the Court proceedings and the consequent obvious rendition of their investment as valueless. This information must be had by the investors at the earliest possible moment and as far ahead of December 31, 1964 as possible so as to enable them to at least avail themselves of the tax loss for whatever tax benefits may accrue to them. I should like to advise the Cleveland investors of the precise appropriate facts and information at the very earliest possible date, in the interest of best public relations.

Could you possibly secure for me the following specific information:

- (1) The nature of the proceedings;
- (2) The court in which the proceedings took place;
- (3) The name of the receiver;
- (4) The date of the sale of the assets, the amount realized and the name of the purchaser;
- (5) Present status of the court proceedings;
- (6) A statement of the amounts of the claims, by class (secured and unsecured), the amounts realized and what, if anything, may be available for the holders of the capital stock of the company (in connection with this item, if indeed it appears that nothing will be available for stockholders, we would prefer such information rather than any speculation as to some possible realization based upon conjecture).

I will very much appreciate hearing from you in connection with both of the above matters at your very earliest convenience. May I thank you for your courtesy in the matter.

Sincerely,

Houngel Abrams
18701 South Park Blvd.
Staker Heights 22, Ohio

P.S.

In the interest of speed, I enclose herewith an extra copy of this letter for your possible transmission to the appropriate authorities in Israel. When next in New York, I look forward to meeting you.

H. A.

29 October 1964

Mr. Howard Abrams
18701 South Park Boulevard
Shaker Heights 22, Ohio

Dear Howard:

I have just returned from Israel, where I took up the matter you discussed with me with the Director General of the Ministry, Dr. Yaacov Arnon. He looked into it and wrote to Mr. Gill here in New York.

As you can see, this represents some improvement in the situation, wherein your sum of \$25,000 would be considered equal to the other debts.

I think the most important thing is that Mr. Gill would like to discuss this with you when you next come to New York. I am sure he would like very much to be helpful.

May I suggest that you communicate with him directly and make your own appointment with him. Of course, when you return to New York, I would be happy to see you again.

Sincerely,

HAF:gb

Herbert A. Friedman



GOVERNMENT OF ISRAEL INVESTMENT AUTHORITY

850 THIRD AVENUE . NEW YORK 22, N. Y. . PLAZA 2-5600

SUITE 604

NATIONAL OFFICE

October 26, 1964

CABLE ADDRESS:

MEMINVEST, NEW YORK

Rabbi Herbert Friedman
Executive Vice Chairman
United Jewish Appeal
1290 Avenue of the Americas
New York, N.Y.

Dear Rabbi Friedman:

Enclosed herewith please find a copy of a free translation of the answer I have received from Messrs. Dinstein and Zagagi to my letter concerning Mr. Abrams' investment in Scherr-Tumico.

As indicated at the end of the above letter Mr. Abrams has to express his consent prior to commencing negotiations with the Industrial Development Bank. It would be best, therefore, if I could meet Mr. Abrams during his forthcoming trip to New York.

I am also sending copy of the letter to Mr. Abrams.

Sincerely,


Yehuda Gill

TRANSLATION

Ministry of Finance

Jerusalem, October 7, 1964

Mr. Yehuda Gill
Director
North American Office
Government of Israel Investment Authority
New York, N.Y.

Dear Mr. Gill:

Re: Scher-Tumico Israel Ltd., your letter
to Dr. Dinstein of August 21, 1964

Before the assignment of the Government Official Receiver, a committee was appointed by the Minister of Finance on which served Dr. Zvi Dinstein and Messrs. M. Zagagi and A. Dovrat. This committee had made a last minute effort to save the Company from bankruptcy. To this end, the Committee recommended that Government monies which in the past were given in common shares be transferred, on condition that the investors add an additional \$200,000.

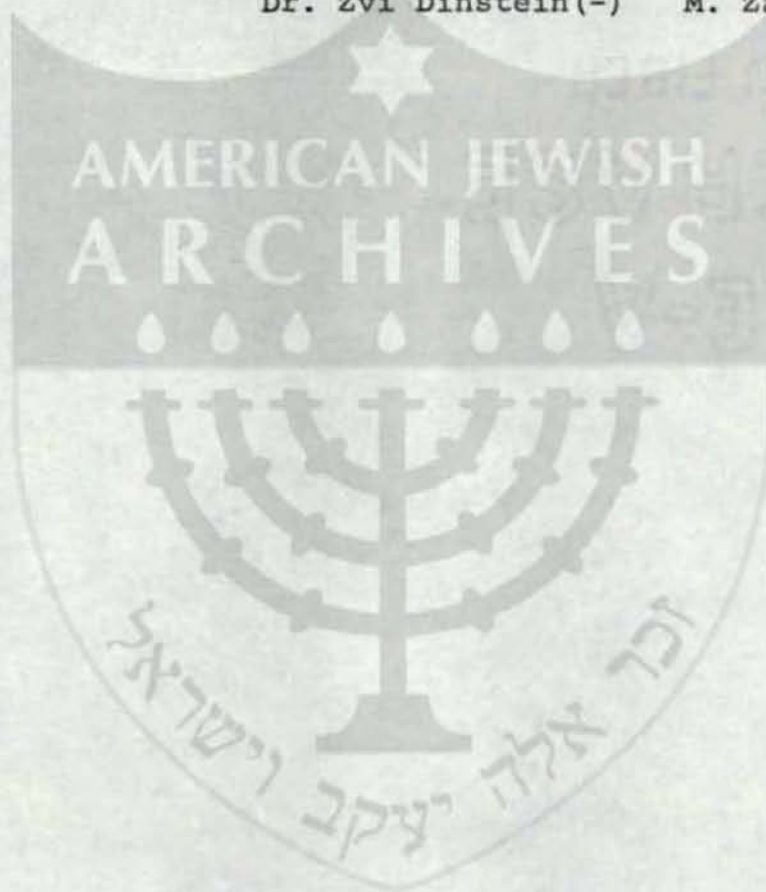
Moreover, the Committee had reached an agreement with the Company's representative, and a draft of agreement was prepared for signature of the concerned. But, for reasons unknown to us, the investors reversed their decision to invest additional capital, the draft of agreement was never signed and, as you know, the company went bankrupt.

As per summarized agreement, the additional investors' loan would be subject to a first lien, but since the agreement was never signed, it seems that Mr. Harold Abraham's claim does not hold legal grounds with the Official Receiver who has, according to the Law, to adhere to regulations governing insured and non-insured debts. The sum of \$25,000 that the investors transferred lately is considered by the Official Receiver as a non-insured debt.

We suggest that an attempt be made to convince the Industrial Development Bank to consider the sum of \$25,000 equal to the insured debt of the Bank - if Mr. Abraham will agree to such an arrangement.

Very truly yours,

Dr. Zvi Dinstein(-) M. Zagagi(-)



3/10/64

26/3/64

This is to acknowledge receipt by the undersigned from Ezra Z. Shagrir of the following two checks to be used by the undersigned in connection with the agreement embodied in the letters of @ from Harold Abrams for the Cleveland Institute and Harold James, President for Scheer Tunnies due to Dr. Puhos Sajin, Minister of Finance & Commerce & Industry, dated 3/1/64 and (+) from A. Dvorat, Director, Department of Science, Ministry of Trade & Industry, Government of Israel, dated 25/1/64, from Dr. Z. Dinstein, Director Investment Authority, GPOI, dated 25/3/64 to Scheer Tunnies Israel Ltd.

① Bank Leumi Leumi Bank, ^{Payable to order} Check # 2237, dated 6/3/64 for \$12,500.00 made payable to Scheer Tunnies Ltd. Israel (for Harold Abrams) &

② The National City Bank of Cleveland, Ohio, Check # 146193, dated 2/3/64 for \$12,500.00 made payable to Scheer Tunnies Ltd. Israel (for Ezra Shagrir)

Scheer Tunnies Israel Ltd.

by

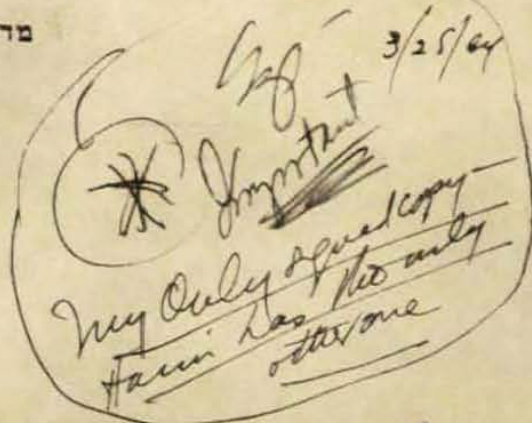
[Signature]
Manager

①

מדינת ישראל
האוצר

ירושלים י"ב שבט תשכ"ד
23.3.64

מס'



לכבוד
שר-סומיקו ישראל בע"מ
ת.ד. 78
ל 11
..2.2

הנדון: תכנית המצב הכלכלי-פיננסי של המדינה

בהסכך למכתבו של מר א. דבורה, מנהל מסיבת המעשים, משרד המסחר והתעשייה מס' 3086/47 מיום 25 לחולף - (להלן "המכתב"), הנני להביא לידיעתכם שבתאם לבקשת קבוצת קליבלנד, כפי שהובאה לידיעתנו ע"י מר עזרא שפירא מקליבלנד, מוכנה הממשלה לסכם את עמדתה כדלקמן:-

1. כל המונחים במכתב זה כמשמעותם במכתב.
2. סעיפים 1, 2, 3 ו-6 של המכתב בטלים ומבוטלים בזה.
3. הפרק האחרון של סעיף 4 במכתב יוחלף בפרק בנוסח כדלקמן:
"100,000 \$ שבטעיף קטן (1) שבטעיף זה יהיו להלוואה בתנאים שווים להלוואה הבנק."
4. הפרק הראשון של סעיף 5 במכתב יוחלף בפרק בנוסח כדלקמן:-
"200,000 \$ האמורים וכל חלק מהם יובטחו ע"י שעבוד ראשון על נכסי המדינה שיבוא למני השעבודים הקיימים לטובת הבנק."
5. סעיף קטן (א) של סעיף 7 במכתב יוחלף בסעיף קטן בנוסח כדלקמן:-
"א) תשלומי הרבית שהצטברו עד 31.12.63 על המבון ההלוואה שקבלה המדינה מהבנק (2,000,000 ל"י בקירוב) ותשלומי הרבית שיצטברו על ההלוואה, במשך שנתיים עד 1.1.66 יצורמו לקרן."

מכתב זה בא לתקן את המכתב, אך אינו בא לגרוע מתוכנו לגבי כל יתר הסעיפים שלא טוגו בו, הוא מהווה חלק בלתי נפרד הימנו ושניהם יחד כייצגה אתה כפופים להסכמת בכתב של קבוצת קליבלנד ושל שר-סומיקו איגק.

בכבוד רב,

ד"ר א. דינשטיין
מנהל רשות ההשקעות

T R A N S L A T I O N

GOVERNMENT OF ISRAEL
MINISTRY OF FINANCE

Jerusalem 23rd March 1964.

Messrs.
Scharr Tuxice Israel Ltd.
P.O.B. 78,
Lod

Dear Sirs,

Re: The Economic and Financial
consolidation of your Company.

Further to Mr. Dovrat, the Director of the Industrial Division, Ministry of Trade and Industry's letter # 3086/47 of 25th February, 1964 (hereinafter "the letter"), we hereby inform you, that, in compliance with the Cleveland Group's request, as presented to us by Mr. Sara Shapiro of Cleveland, the Government agrees to the following:-

1. All ^{TERMS} ~~definitions~~ in this letter have the same meaning as in the letter.
2. Clauses 1, 2, 3 and 6 of the letter are hereby cancelled.
3. The last paragraph of clause 4 of the letter is to be replaced by the following paragraph:-
" The \$ 100,000.- under section (c) of this clause will be in form of a loan under the same terms and conditions as the IDBI loan".
4. The first paragraph of clause 5 of the letter is to be replaced by the following paragraph:-
"The said amount of \$. 200,000.- or any part thereof will be secured by a first charge on all the assets of the Israeli Company which will be ahead of the existing charges in favour of IDBI. "
5. Section (a) of clause 7 of the letter is to be replaced by the following section:-
" (a) All and any amounts already due by the Israeli Company on account of interest as at 31.12.63 (Il. 34,000.- approximately) as well as interest to accrue on the loan received by the Israeli Company from IDBI, for a period of two years up to 1.1.66 will be converted into principal".

This letter is an amendment to the letter to the extent of the modifications specifically mentioned hereabove, it forms part thereof and both together as one entity are subject to written confirmation of the Cleveland Group and of the Corporation.

Yours faithfully,

(signed)
Dr. J. DINSTEN,
Director, Investment Authority.



*Yuda
Gell*

August 18, 1964

Rabbi Herbert Friedman
Apt. 16-M
200 Central Park, South
New York, New York

Dear Herb:

Let me tell you how much I appreciated and enjoyed my visit with you at your lovely apartment.

Upon my return, I checked my documents relating to the matter I discussed with you and found support for my position as set forth below.

I enclose herewith the following documents with explanations relative thereto:

1. A photostat of the receipt dated March 26, 1964 from Chaim Salomon, manager of Sherr-Tumico Israel, Ltd. which my lawyer, Ezra Z. Shapiro, received from him in Jerusalem on that date when he gave him the two checks therein described, one for \$12,500.00 from Max Ratner and another for \$12,500.00 from Howard Abrams, aggregating the sum of \$25,000.00. You will note from this receipt that it clearly recites that the two checks are "to be used by the undersigned (Sherr-Tumico) in connection with the agreement embodied in the letters from Howard Abrams for the Cleveland investors and Howard James, President, Sherr-Tumico Israel, Ltd. to Mr. Pinhas Sapir, Minister of Finance and Commerce and Industry, Government of Israel, dated 31/1/64; from A. Dovrat, Director, Industrial Division, Ministry of Trade and Industry, Government of Israel, dated 25/2/64 to Sherr-Tumico Israel, Ltd.; from Dr. Z. Dinstein, Director, Investment Authority, Government of Israel, dated 23/3/64 to Sherr-Tumico Israel, Ltd.
2. A photostat of the original Hebrew letter, dated 23/3/64 which is the last item referred to in the above document 1.

August 18, 1964

3. A photostat of an English translation of the above document no. 2. I draw to your attention item no. 4 on page 1 of this document which reads as follows: "the said amount of \$200,000.00.-- or any part thereof will be secured by a first charge on all of the assets of the Israeli Company which will be ahead of the existing charges in favour of IDBI" (the underlining is ours).

From the foregoing, it appears perfectly clear that the \$25,000.00 which we advanced, which was a part of a possible \$200,000.00 advance, was clearly advanced as a first charge and first lien on all of the assets of the Israeli Company and ahead of the Industrial Development Bank loan. As I understand it, the Industrial Development Bank took over the plant and in all events, the Government of Israel and/or the Bank, which is controlled by the Government, should legally and without doubt morally return to me and Max Ratner our respective advances of \$12,500, each. We authorized Ezra Shapiro to leave these checks because of the approaching Passover holidays and the urgent appeal not to leave the employees unpaid at that given season.

While indeed Max, I and other investors have lost our entire investment in the Israeli Company, this \$25,000.00 advance under the above circumstances should be repaid to us.

I enclose herewith an extra copy of this letter together with all of the Exhibits attached thereto for your possible transmission to the proper authorities.

I trust you will agree with the validity of our contention and do all you can to have this money restored to us. Again with many thanks for your courtesies and consideration in the matter, I am,

Cordially,



Howard Abrams
18701 South Park Boulevard
Shaker Heights 22, Ohio

HA/cm
Encls.