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Romance.

NAZIMOVA,

In

"Out of the Fog."

From the stage success by
Austin Adams' "Ception
Shoals."



NAZIMOVA In "OUT OF THE FOG"

Scenario by June Mathis. Distributed by METRO PICTURES CORPORATION.

See It At

GEM THEATRE, Tillamook,
Friday-Saturday, June 20-21.

Adults 25c.

Children 15c.

BAYOCEAN PROPERTY OWNERS ARE "BLED WHITE".

Crooked Methods Call for Grand Jury Investigation.

There is no disputing the fact that the promoters of the Bayocean enterprise have not only "bled white" those who bought property there at exorbitant prices but have dragged it down that today it is a bankrupt affair. There are some 600 persons who bought property there in good faith, with the understanding that considerable improvements were to be made, who are left stranded, defrauded and buncoed. It is time that those real estate dead beats were investigated by a grand jury and sent to the penitentiary. There are a large number of Bayocean property owners who would build there if they had a road, but as the T. B. Potter Realty Co is owing the county about \$10,000 for delinquent taxes the county court is holding up the building of the road, notwithstanding a large amount of money have been expended upon it, and which is doing nobody any good. When the present receivers took over the management of the property they had a white elephant on their hands, and have it still, for the property is tied up in litigation and this is where another big wad of money is wasted. Whether the present receivers can pull the concern out of the hole is doubtful, with no money to pay taxes and with the county court determined to foreclose on a large amount of the property for delinquent taxes. From present indications the county is liable to become owners of most of the property that is delinquent, while private parties will bid on considerable of the best lots.

We have received a letter from the receivers, which will throw a little light on the subject and we hope in the near future to publish some parts of the contracts under which property was sold, the conditions of which have not been carried out to prove our contention that the Bayocean property owners have been "bled white" by a lot of real estate sharks.

Fred C. Baker, Editor,
Tillamook, Headlight, Tillamook

Dear Sir—Yours of the 7th inst, inquiring about Bayocean, is at hand. We are certainly glad to know that an organization is being formed to boost the Bayocean road. The writer was in Tillamook some time ago in company with Mr. Jay Smith and tried to see you, but you were absent from the city. We called upon Judge Hare and urged that some work be done on the Bayocean road this year so that it could be completed in time for use next summer. He did not think any money could be used for

the purpose unless we managed to pay in some tax money, and we have since been figuring on ways and means to pay up the taxes.

The situation at Bayocean is this: the arrangement of the T. B. Potter Realty Company before the appointment of a receiver, exhausted the resources of the company with expenditures of one kind and another, many of which were foolish and produced no practical results, particularly the building of the Yacht Bayocean, which cost \$50,000.00 and had to be abandoned after it made a few trips. The yacht was ultimately sold for \$17,600.00. Many thousands of dollars were also invested in machinery, such as the dredger, rockcrusher, donkey engines etc. the practical use of which has not been at all commensurate with the investment. Many thousands of dollars were also expended on salaries, maintaining expensive offices in Portland, and other things.

When Mr. Vincent was appointed receiver, it was hoped that the expenses would be greatly cut down and a considerable sum saved from the money which was still coming in from investors; but the result of Mr. Vincent's administration was that over \$54,000.00 was received by him from investors, but he failed to keep up the taxes. In the end he was unable to collect enough to pay his own salary of \$300.00 per month, and when he quit claimed arrears of salary to approximately \$2,500.00, and left only about \$18.00 in cash on hand.

One year ago we were appointed receivers in his place without salary until such time as the affairs of Bayocean could be put in better shape. We operated the hotel, natatorium, etc., last season and expect to have the same open and in operation this season, although repairs of considerable extent have to be made.

You understand that Mrs. Potter had the company make a mortgage for over \$173,000.00 to her shortly before the company went into the hands of a receiver. This alleged mortgage is based upon money which was sent from Kansas City pursuant to the promise of Mr. Potter to make the improvements at Bayocean. The money was generally understood to be money which the Potters were investing in the project and was so entered upon the books of the company. This was in 1910. T. B. Potter became insane July 3, 1910, and remained insane up to the time of his death in 1916. Mrs. Potter assumed entire control of the Bayocean business and other affairs of Mr. Potter without having any guardian appointed and sent him to Japan. People were generally in ignorance relative to his condition. In the latter part of 1914, she, seeing the insolvency of the company and the inevitable appointment of a receiver,

caused the mortgage above referred to be made to her self. She soon afterwards caused foreclosure proceedings to be started. The mortgage covers all the personal property at Bayocean and elsewhere and practically all of the unsold lots—also some of the streets and the dock at Bayocean. Mr. Vincent, our predecessor, failed to get the evidence and facts in proper shape to put the case to trial, and the case has dragged. We were appointed in his place the latter part of May, last year, and, until fall were kept busy operating the Hotel, etc., at Bayocean. We then went to work on the Potter mortgage. We found the bookkeeping and records so complicated (and some of the records missing) that it was difficult to ascertain the facts, and when we got the facts well worked out we found that the answer as previously drafted was insufficient. We then drafted an amended answer which is 53 pages in length, and filed the same today.

With the answer we also filed an application for leave to sell the dredger and other machinery which is not needed and have the money applied in payment of taxes. This application is set for hearing in the Federal Court on Monday the 23rd inst. If the Court acts favorably on this application we will immediately advertise the dredger, etc, and apply the money, as soon as sale can be made, to payment of taxes. This should help out very materially upon the Bayocean road, for Judge Hare gave us to understand that at least the road portion of any taxes paid this year would be applied at once on the Bayocean road. In that case sufficient work may be accomplished this year so that it could be completed in time for next year. Mr. Coates, however, seemed to be of the view that it would be doubtful whether much or any work could be done to advantage until money was available so that a contractor could take in proper equipment to carry out the whole job. That of course is an engineering problem which will have to be solved in a practical manner. Perhaps you can go over this matter more in detail with the engineer than I was able to, and, since the Roosevelt Highway has carried, possibly the county court would be able to apply all of the money that we pay in and add some other money so that a contract could be let this year for the whole job.

Mr. Coates kindly hunted up the old estimates for the road and found that it was \$21,420.00 to build from the shipyard to station No. 255 which is the south end of the grade that was built several years ago near Mr. Biggs' place. He estimated that, under present prices, this estimate would have to be increased at least 100 per cent.

The present receivers will be pleas-

ed to work hand in hand with the organization of which you speak. We understand that the Tillamook people have been good boosters for the Bayocean road and Bayocean in general, and we believe they are still willing to go the limit on it. Mr. Smith and the writer talked with Mr. Botts and several of the merchants at the time we visited Judge Hare, and we found all of them very enthusiastic about this road.

We have frankly stated the situation as we see it with a view of getting any suggestions that you may be able to give and at the same time let you know our conditions financially so that you will see our limitations.

We feel as you do about the purchasers in Bayocean having gotten a rotten deal, and we are doing all in our power to correct the wrong. If we succeed in beating the mortgage, there will be sufficient assets left so that those who have obtained undesirable lots, can be transferred to better lots, and those who have paid or agreed to pay more than what is right can have the price reduced or obtain additional property or perhaps a refund. The balance of the assets, as near as we can judge, will be consumed in making the promised improvements; and in this connection our first endeavor will be to build the Bayocean end of the road, i. e. connect up the present pavement in Bayocean with the county road when the county builds up to the Bayocean line near Mr. Biggs' place.

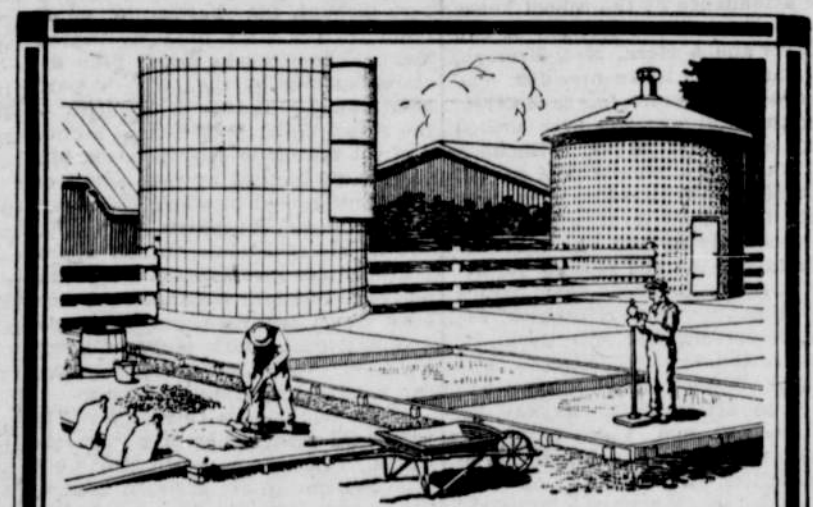
As to the trial of the case relative to Mrs. Potter's alleged mortgage, we are now practically ready for trial as soon as the court will hear the case, but we doubt if a trial can be obtained until after the summer vacation—sometime in September or October. If however, we get the order for selling the dredger, etc., we believe enough money will be obtained to square up the taxes and thus help solve the road problem.

Last year the Natatorium company under the influence of Mr. Vincent gave us a great deal of trouble, but we recently obtained an election of new directors who are now working in harmony with us. Last night they adopted a resolution providing for the sale of a generator and boiler which are not needed in the natatorium, and application of the proceeds so far as necessary to the payment of taxes which amount to something near \$2,000.00 against the natatorium company property.

Very truly yours,
L. E. Latourette,
Of receivers.

Purse Lost.

Lost, a purse, containing about \$75 in bills and silver. Purse had admission card signed P. Thomas, in it. Finder leave same at the Headlight office and receive reward.



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