

May 7, 1943

Dearest:

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This morning Mr. Escoe and I went down to see Mr. Stark. I presented it as you and I discussed it, and in as friendly but forceful a manner as I am capable of.... "I bought this station and paid for it with ~~the~~ between \$7000 and \$8000 accounts receivable on it--the purchase price was partly determined by the value of these accounts I was purchasing. Here I find one of the largest ones, for \$806, which because it was in the name of the Driskill was quite good, is in a state of confusion and nobody seems to know what is what. It means a lot to us, because we'd counted on collecting but you've always been such a good friend to us and we have no intention of being unreasonable. What we want to find out is the truth and we hope you can help us arrive at that, etc. etc. And we would like to have your advice on what we can and should do next., etc."

Mr. Stark said approximately this: "I did not authorize this account. I did not ever enter any arrangement with Dr. Ulmer to run advertising on the station and if he gave orders to run such advertising he did it without authorization or any right to do so. I did buy some time from him, a little bit, on the Tyler station, thinking it would be good business to get to those oil men down there who are always coming to Austin. But that had nothing to do with the station here. Ulmer still owes me quite a lot, around \$400 I believe, and I guess I'll just have to mark it off the books."

Mr. Stark further said that he had never received monthly statements of this indebtedness and that if he had the right or wrong of it would have been cleared up long ago. Caster, when I went to see him said that he sent him statements after each yearly audit. In answer to the last such statement, sent after July 31, 1942, Stark answered, dated September 1, 1942: "In reference to the attached statement we beg to advise that we have never received a statement nor have we ever authorized any such account as the one attached hereto."

This was notification that the account of \$806 was at least disputed and probably not collectible, and I told Mr. Caster that it seemed to me it should have been pointed out to us in that audit under which we bought the property, so that we would recognize it was a heck of a lot less valuable than it looked. He said that that "audit" was a list of accounts receivable as reflected by the books and the books showed it that way. He also said that when Ray Lee went over the accounts with him in August, 1942, this was pointed out to him as a probable bad account. He seemed to think Ray was looking over the books in our interest,...Howas not, was he?

Mr. Stark said that any accounts for advertising which he made were



in black and white and signed by him--he did not make oral arrangements for purchases of any kind of advertising. He said that when he was presented with that portion of the account which he had actually authorized and signed for by Mr. Escoe last week he had paid him--and he did, a check for \$100.

He said that he was mighty sorry about us being caught in a situation like this and he wished we had looked into this particular account before we purchased it, because he hated for us to be the losers, but that he was not responsible for it's being run.

I asked him point blank what he thought the next step we should take was and he said he didn't know. I asked him, in exactly what manner I don't remember, what responsibility he thought Ulmer had to us in the mix-up and he said he had no idea.

As a matter of fact, we have no substantiating evidence, no signed contracts or agreements, to show that the account--what remains of it after the \$100 was paid--was authorized. We have, so far as I can find, only the records on our books of spots being run every day from about November, 1939, to February, 1942.

It seems to me we have three recourses:

1. Sue the Driskill
2. Mark it off the books
3. Write Dr. Ulmer putting it up to him as a moral responsibility and at least have the satisfaction of letting him know we consider it his responsibility. I have no hope anything will ever come of it.

I definitely do not want to sue the Driskill and I don't think we have enough to stand on if we did. I think that we might as well mark it off the books, come July 31, the end of our fiscal year, but in the meantime I think we ought to send Dr. Ulmer a registered, receipt requested, letter and I'll draft one and send it to you, either today or tomorrow. You can tell me whether to write it and in whose name. I suggest my own.

About Barron, Mr. Escoe went to see him this morning and is writing a memo about the results of it, which I will enclose.

This morning the little boy Wilton found who might qualify for one of the patronage jobs in your office came to see me. I am enclosing his application for your perusal. I was not very well impressed. He is little and freckled face, not much poise, can use the typewriter but by the hunt and peck system, has done 3 months of filing at Scarbrough's. He asked entirely too many questions about "Do you get time and a half for over-time?" and "How many hours are you expected to work and on what shifts?" to suit me. However, he did seem eager to go, said he could be ready on a few days notice, and wants me to let him know as soon as possible. I told him the elevator job paid \$100 and if he could be useful in the office and spent enough time in it, he would receive an additional \$25 from the office. I told him I was not sure he had had enough experience to be worth much to us in the office and he seemed to think he could learn and to be interested. In my opinion,



he is pretty second-rate, but if you need somebody badly he ought to be able to do you some good. And there certainly isn't any choice! He says he has a spot on his lung and thinks he won't be called, but he'll be 18 in three weeks and I bet he is gone by August.

I've had three estimates on the refinishing of the Grand piano and such of the office furniture as will be improved by it. Not all of the office furniture needs it and it is darned expensive--\$12.50 for the oak desk Miss Sneed uses, \$4.00 for the swivel chair, etc. The piano prices range \$60 (J. R. Reed), \$45 (Austin Upholstery Co.), and the Pfeiffer Music Co. will let me know theirs definitely by 6 p.m. I shall get prices from everybody who does it before I decide. I have looked at all the stores carrying office furniture, except one, and shall thoroughly check all as well as second-hand places before I buy any.

Our sales last month were about \$3200, a little better. The statement will be ready by Saturday Mr. Escoe says.

Goodbye and dearest love,

Harfield called me yesterday to say he had found a boy he considered top-notch for a program director, John Hix, making about \$75 a week at present on one of the big wattage stations in Dallas, which one I don't remember. He is married and had one child--same draft situation as Escoe and Harfield. Harfield says he has imagination, training, talent a-plenty, is a darn good announcer and thinks he will be a great addition to the station--will give the salesman something to sell. He thinks he will work for us for \$50 a week, because he wants to come to Austin--his wife wants to finish her University work and he wants to grow with a coming station. I reminded him that that would be upping our expenses \$15 a week, or \$65 a month and that we must restrain ourselves as much as we possibly could from doing until we were making some money, but it was going to be his responsibility to make the station go and he would have to choose his own tools to make it go. If he thought this boy would pay dividends to hire him. I do not think we can get a good program director for \$35. Harfield will let me know if he is coming.