

REVIEW OF MONORAIL AGREEMENT  
AND  
SCHEDULE FOR MONORAIL DEVELOPMENT

The agreement with Alweg was made on December 22, 1960. The total purchase price was \$4,200,000 plus interest which was equivalent to approximately \$300,000, for a total purchase price of \$4,500,000 which was paid on September 17, 1962.

When the purchase price had been paid, Century 21 acquired the right to receive the title to the system free and clear on April 21, 1963. Alweg had the obligation to remove the system after April 21, 1963, or transfer the title to Century 21 on April 21, 1963, if it received notice to that effect by December 21, 1962. A modification of the agreement has been completed extending the notice date to April 1, 1963.

Alweg has applied to the City of Seattle for an extension of its franchise to operate the monorail from April 21, 1963 to October 21, 1963. An additional six months period was reviewed and approved by the City Council on December 19, 1962.

The terms of the extension have not been developed, and Century 21 Exposition, Inc. and/or liquidating trustees are parties to that agreement as owners of the system.

During the Fair, the Seattle Transit System operated the monorail on a cost plus basis. During the post-Fair period, during which Alweg is operating the system, Transit is still providing personnel on a very limited basis. There is no technical requirement for Transit to operate the system, and it appears any other organization could readily be trained to handle the system.

Under the present agreement, the monorail could be operated by Century 21 Center, Inc., City of Seattle or other third parties such as the Highway Commission or Toll Bridge Authority of the State.

1/30/63  
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CENTURY 21 LITIGATION  
AS OF  
January 18, 1963

1. NORTHWEST MEAT PURVEYORS' ASSOCIATION, INC. vs. CENTURY 21, INC., King County Superior Court No. 571 898 - Second suit No. 582 663 - This suit was instituted twice. The first action against Century 21 seeking to have certain records made public was decided favorably for Century 21 interests.

The second action was an additional taxpayer's suit by the same party to seek the awarding of the exclusive meat contract to the plaintiffs. The matter is now appealed and before the Supreme Court for decision. You will note that the opinion was decided in favor of Century 21 by Judge Ringold on the 10th of May 1962. It is from that order that the plaintiffs have now taken their appeal to the Supreme Court of the State of Washington.

2. T. W. TRAVERSO CONSTRUCTION COMPANY, INC. vs. NORTHWEST ELECTRIC, INC. and CENTURY 21 EXPOSITION, INC., King County Superior Court No. 593 269 - This matter involved Century 21 Exposition's election to collect liquidated damages for the failure of Northwest Electric Company and its subcontractor, plaintiffs in this action, to complete the scheduled electrical installations in accordance with its contract. The liquidated damages of \$2,300 represent a withholding by Century 21 for breach by contractor. Century 21 has not paid the liquidated damages claimed in this action.

3. CLIFFORD B. ELLIS d/b/a ELLIS POST CARD COMPANY vs. CENTURY 21 EXPOSITION, INC., King County Superior Court No. 588 641 - This action involved a claim against Century 21 for breach of an exclusive contract to produce a certain size post card by the plaintiff.

The amount of the claim was \$36,000, including attorneys fees. Plaintiff moved before one court for a default judgment based on an alleged defect in Answer properly filed by Century 21. The judgment was entered by a second judge of the Superior Court. Motion to have the default set aside by Century 21 was heard by the second judge and decided favorably. Plaintiff petitioned the Supreme Court for Writ of Prohibition, Supreme Court issued its own motion requiring Judge Wright to show cause why he should not be prohibited from entering the order in favor of Century 21, setting aside the default. The hearing on the Writ of Prohibition is scheduled for January 18, 1963.

4. CONSOLIDATED FRUIT & PRODUCE vs. CENTURY 21 EXPOSITION, INC. and NICK JORGENSEN and JOHN CALDERON, JACK CALDERON and VICTOR CALDERON d/b/a PUBLIX FOOD AND PRODUCE, Western District of Washington, Northern Division, District Court No. 5701 - This matter is a claim for \$300,000 treble damages and \$75,000 attorneys'

fees charging Century 21, through Jorgensen and Publix Food and Produce, of a conspiracy to award the fresh produce contract for Century 21 to Publix.

At the present time Century 21 and counsel for Publix are depositing the plaintiff to determine his interest in continuing the suit. It does not appear that the matter will be extended beyond the initial stages of the suit, and it will be dismissed without additional cost to Century 21.

5. FRANK B. JAMES vs. CENTURY 21 EXPOSITION, INC. et al, King County Superior Court No. 591 421 - This is a matter brought in tort against Century 21 for fraud in relation to the installation of the "Sculptograph" concession under the North Stadium. The claim is for \$48,800. Plaintiff's petition for receivership was denied on November 30, 1962.

6. LITTLE EGYPT vs. CENTURY 21, INC. (Unfiled) - This is a claim for \$3,500 based on an oral contract to hire "Little Egypt" for Century 21. The actual transaction was handled by Mr. James O'Neil, then Assistant Director of Public Relations, during a visit to Chicago. Mr. O'Neil has been unavailable to Century 21 inquiries since his departure from Century 21 shortly before the Fair opened. There may be some validity to this claim, however until Mr. O'Neil is located there is no basis on which Century 21 can definitely assure itself that a liability does not exist.

7. HIGHWAY DORMITORY vs. CENTURY 21, EXPO-LODGING, King County Superior Court No. 587^068 - This suit in the amount of \$100,000 claims fraud on the part of Expo-Lodging employees in failing to refer sufficient people to the Highway Dormitory, a "substandard" establishment for transient housing, designed specifically to handle World's Fair visitors. Depositions have been taken in this matter. The Expo-Lodging/Century 21 liability appears to be non-existent.

8. TRAVELLERS VILLAGE vs. CENTURY 21 EXPOSITION, INC. - Travellers Village, Inc. is now in bankruptcy in the U. S. District Court for the Western District of Washington, and the trustee is now determining what assets are available for payment of various creditors' claims. Century 21 Exposition, Inc. has filed claims totaling approximately \$110,000, and depending upon what assets are available in the bankruptcy may recover some portion of its claim. A suit by Travellers Village, Inc. seeking approximately \$500,000 in damages against Century 21 Exposition, Inc. is now awaiting a trial date in the Superior Court of the State of Washington for King County, and it is anticipated it will be settled or tried sometime during 1963.

9. PETSCHAL et al vs. CENTURY 21 EXPOSITION, INC. and SEATTLE PACKING COMPANY, U. S. District Court Civil Cause No. 5743 - This is a treble damage civil action commenced by the plaintiffs, an unincorporated association of independent meat packers alleging a conspiracy in violation of the anti-trust laws of the United States. The amount of the trebled claim is \$1,170,000 and \$250,000 attorneys' fees. The plaintiffs bid for the exclusive right to supply concessionaires on the Fair grounds domestic meat and meat products under the corporation's exclusive supplier program. The contract was awarded to the Seattle Packing Company after a careful and full evaluation of the bids submitted by the plaintiffs in this action and the Seattle Packing Company. Plaintiffs were allowed to amend their proposal on two separate occasions, but in spite of the amendments the contract was awarded to the Seattle Packing Company as the best over-all bid. This suit factually is identical with two superior court cases previously commenced by these plaintiffs.

Insofar as the corporation is involved in anti-trust litigation, the following comments are pertinent:

a. Whatever restraint may have been imposed upon interstate commerce by the Exposition's exclusive supplier contracts, such restraint was reasonable and accordingly exempted from the application of the Sherman Act as amended.

b. All supplier contracts were awarded strictly on the basis of the best and most responsive proposal submitted as a result of solicitation by the Exposition of all qualified members of the industry.

c. Assuming for the sake of argument that neither of the foregoing was true, the Exposition site cannot be termed a "market" in the sense that the same is used in anti-trust cases; the Exposition, in this phase of its operations, was not engaged in interstate commerce; whatever restraint was involved had no substantial effect on interstate commerce; and, finally, none of the plaintiffs herein involved can make a showing of damage either to themselves or to the public at large.

The foregoing remarks are applicable to all anti-trust litigation now pending.

10. NAICO, INC. vs. CENTURY 21 EXPOSITION, INC., King County No. \_\_\_\_\_ (Unfiled) - Claim by Naico, Inc., the operator of the Japanese Village at the Fair site, in the amount of \$46,650.14 (and for approximately \$7,000 attorneys' fees) claimed owing under the Century 21 Exposition, Inc.-Naico, Inc. License Agreement as excess percentage rental and service costs withheld by the Exposition. This suit invokes an

interpretation of a definition of the term "gross profits" as the same is used in the License Agreement, a legal question, and the Exposition's costs in providing services to the Japanese Village, principally ticket vending costs. In spite of the numerous concessions made by the Exposition to the operators of the Japanese Village to insure its continued operation during the entire period of the Fair, including allowing participation in the bonus book coupon program, the principals of Naico, Inc. now feel that the corporation should pay the balance of Naico's Fair-incurred obligations, and this suit is brought for the purpose of attempting to force the Exposition to assume these obligations in the amount of approximately \$9,000.

11. MARINER FILMS, INC. vs. CENTURY 21 EXPOSITION, INC. and MORLEY 21, INC., King County Superior Court No. 595 206 - The plaintiff in this action was granted a sublicense by the defendant, Morley 21, Inc., to produce motion picture films on the Fair grounds. The defendant, Morley 21, Inc., had at the time been granted a limited exclusive license with respect to certain phases of photography on the Fair site.

Plaintiff claims total damages in the amount of \$112,800 against the Exposition and the other defendant on the basis of certain alleged violations of the sublicense agreement. Century 21 Exposition in its answer denies any liability on the grounds principally that the acts alleged to be violations are specifically excepted from the coverage of the Century 21 Exposition, Inc.-Morley 21, Inc. License Agreement. The corporation also counterclaims for certain advances made to the plaintiff and not repaid and for the failure of the plaintiff to report and pay percentages due under its sublicense agreement.

12. THE SQUARE, INC. vs. CENTURY 21 EXPOSITION, INC., King County No. \_\_\_\_\_ (Unfiled) - This action is brought by the lessor of certain limousine vehicles operated by the Exposition, for minor items of repair and refurbishing alleged to have been made necessary by the Exposition's use. The amount of this claim is \$642.43 plus 6% interest from October 23, 1962. The Exposition counterclaims for breach of warranty and misrepresentation of the condition of the vehicles at the time of leasing.

13. PAUL MACK vs. CENTURY 21 EXPOSITION, INC. et al, King County No. 586 999 - The plaintiff alleges to have been the principal contractor in the construction of the Indian Village, a concession on the Fair site. The Exposition was not a party to any contract relating to this construction, nor did it directly or indirectly order any work done. The plaintiff commenced a lien foreclosure suit and named the Exposition

as a defendant. The Exposition advised the plaintiff that it had no objection to plaintiff's removal of the structure, that it had no personal liability to plaintiff, but that the Exposition was committed to its lessor, the City of Seattle, to remove all improvements and restore the site of the Indian Village by December 31, 1962. The plaintiff advised the Exposition that it had no buyer for the materials in the structure, and declined to enter an agreement to cover the demolition. The Exposition then proceeded to have the structure removed and the site restored. The plaintiff now has amended its cause of action alleging that the Exposition is now directly liable to the plaintiff for removing the improvements while its lien foreclosure action was pending.

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