

NYTimes AUG 28 1973
**REBOZO IDENTIFIED
AS HELPING NIXON
TO BUY COAST LAND**

**Detailed Analysis Is Issued
of Purchases in Florida
and at San Clemente**

ACTION BY WHITE HOUSE

**Abplanalp Named Earlier
as Other Financial Backer
in Property Acquisition**

By WALLACE TURNER
Special to The New York Times

LAGUNA BEACH, Calif., Aug. 27—The White House today identified C. G. Rebozo, a close friend of President Nixon, as one of two financial backers in the President's real estate purchases in San Clemente, Calif.

The disclosure came in a detailed analysis of the San Clemente purchase, which the White House press office said was aimed at ending speculation about where Mr. Nixon got

Text of audit of acquisition of Nixon properties, Page 22.

the money to buy the San Clemente property and his home in Key Biscayne, Fla.

The White House announced on May 25 that the bulk of President Nixon's estate at San Clemente was controlled by an unnamed investment company formed by Robert H. Abplanalp, another close friend of the President. But until today, it had declined to make public Mr. Rebozo's role as the second backer or to provide details of the real estate transaction.

Press Aide Comments

"The President has instructed that this be done so that once and for all the entire transaction is spelled out," said Gerald L. Warren, deputy White House press secretary. "Our hope is that this will put to rest once and for all the questions about purchase of the President's home and properties in San Clemente."

The analysis was made by Coopers & Lybrand, of New York, an international account-

ing firm. It was based on documents and financial records submitted by the Nixons. Some of them bearing on the San Clemente purchase in July, 1969, were included in materials released by the press office.

Firm's Name Changed

Mr. Warren said that Mr. Nixon had asked Coopers & Lybrand to study and report on his property transactions at the suggestion of two attorneys with whom he had consulted—H. Chapman Rose of Cleveland and Kenneth Gemmill of Philadelphia. The attorney were not paid, but Mr. Nixon paid the accounting firm, Mr. Warren said.

Coopers & Lybrand is the new name of a firm formerly known as Lybrand, Ross Brothers & Montgomery. In 1968 Carl J. Simon, a general partner, Robert H. Kaiser, a partner, and Melvin S. Fishman, a senior associate, were convicted of distributing false financial state-

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ments and of mail fraud growing out of the false 1962 financial statement of the Continental Vending Machine Corporation. They were fined a total of \$17,000.

On Dec. 20, 1972, President Nixon gave all three unconditional pardons.

When questioned about this, Ronald L. Ziegler, the White House press secretary, said the men pardoned by President Nixon had all withdrawn from the accounting firm. He said also that the White House staff had checked to find that Coopers & Lybrand had no pending Government business on which a charge conflict of interest might be based.

The report showed that Mr. Nixon was seriously overextended when he obligated himself to pay \$1.4-million for the 25.5-acre estate, and then bought an adjoining 2.6 acres for \$100,000 four months later.

Mr. Nixon was able to complete the transaction on July 15, 1969, by borrowing \$450,000 from Robert H. Abplanalp, president of the Precision Valve Company, who has been previously identified as having a financial interest in the San Clemente property.

Then, a year later on July 15, 1970, when the first \$100,000 mortgage payment came due, Mr. Nixon borrowed that sum, plus the year's \$75,000 interest from Mr. Abplanalp, raising his total indebtedness to the industrialist to \$625,000, plus interest. This debt was disclosed by the White House on May 25, on one of the two previous occasions when the President's spokesmen have said they were announcing the details of the

San Clemente purchase.

It was further disclosed today that Mr. Rebozo, the Florida financier and real estate operator who is a Presidential friend has also been a financial backer in the San Clemente deal.

Mr. Rebozo's role came in December, 1970, when Mr. Nixon and Mr. Abplanalp set out to regularize their financial relationship by substituting some sort of real property for the unsecured notes totaling \$625,000 that covered Mr. Nixon's indebtedness.

Since the Nixon property holdings at San Clemente were in a hidden trust administered by The Title Insurance and Trust Company, what was done was to transfer an undivided interest in the trust to Mr. Abplanalp and Mr. Rebozo, who were co-partners in the firm, the B.&C. Investment Company, the report stated.

How their ownership was divided was not clear. Further, Mr. Abplanalp said in an interview with The Washington Star-News some weeks ago that he had bought out his partner, whom he would not identify at that time. Presumably, this means that Mr. Rebozo no longer has an interest in the San Clemente property.

Special to The New York Times

SAN CLEMENTE, Calif., Aug. 27—Following is text of a letter from Coopers & Lybrand, a public accounting firm of New York to President and Mrs. Nixon outlining the results of an audit of the acquisition of Nixon properties in Key Biscayne, Fla., and San Clemente:

Dear Mr. President and Mrs. Nixon:

On this date we reported upon our examination of the statement of your assets and liabilities at May 31, 1973 and the related statement of changes in your new assets for the period from January 1, 1969 to May 31, 1973.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstance

We examined, among other things, the accounting records and other documents relating to: the purchase of your residential properties in Key Biscayne, Florida and San Clemente, California and the sources of funds used therefor; the sale of a part of your interest in the San Clemente property; and the costs paid by you for improvements and for operations of the residential properties through May 31, 1973.

At your request we set forth below, as supplemental information the details with respect to: (A) The purchase of your residential properties and the sources of funds used therefor; (B) the amounts paid (I) with respect to the re-

lated obligations including interest, (II) for improvements and furnishing, and (III) for operations of the residential properties, all through May 31, 1973; and (C) the balance of those obligations outstanding at that date that are related to the properties.

**Residential Properties,
Key Biscayne**

500 Bay Lane. Your property at 500 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was purchased on December 19, 1968 from Senator and Mrs. George A. Smathers for \$125,000. Other costs in connection with the purchase were \$527.

The total purchase price of this residence was \$125,527.

See clippings filed w/gate:

Abplanalp Cleared of Favoritism Charges
SFC 19 Oct 73

Cox Finds No Improper Conduct in Handling of Abplanalp Case
WXP 19 Oct 73, Lardner

See entry in Chronology
18 Oct 73

*Coopers & Lybrand is also the auditing firm for Air America and Southern Air Transport, both CIA.
- NYT 30 Aug 73, filed CIA.

Payment for this property Assumption of unpaid balance of mortgages payable to:

First Federal Savings and Loan Association of Miami	\$45,373
Chaswil, Inc. (mortgage subsequently transferred to Paul E. Williams)	36,875
amount paid from bank loan (described below)	\$43,497
	125,745
less, net settlement for interest, taxes, etc.	218
total	\$125,527

was made as follows:

516 Bay Lane. Your property at 516 Bay Lane, Key Biscayne, Florida consisting of land, building and furnishings was purchased on December 19, 1968 from Manuel Arca, Jr. and Evora Bonet de Arca for \$127,800. Other costs in connection with the purchase were \$128. The total purchase price of this residence was \$127,928.

Payment for this property was made as follows:

Assumption of unpaid balance of mortgage payable to First Federal Savings and Loan Association of Miami	\$ 27,718
Promissory note and purchase money mortgage issued to Manuel Arca Jr. and Evora Bonet de Arca, sellers with annual interest of 7.5 per cent (the Arca note)	80,000
Amount paid from bank loan (described below)	20,243
	127,961
Less, net settlement for interest, taxes, etc.	33
TOTAL	\$127,928

\$65,000 Unsecured Loan

The two previously mentioned payments of \$43,497 and \$20,243 were made from the proceeds of an unsecured loan to you in the amount of \$65,000, obtained on Dec. 19, 1968, from the First National Bank of Miami. These proceeds were disbursed as follows:

Paid to Senator and Mrs. George A. Smathers	\$43,497
Paid to Manuel Arca Jr. and Evora Bonet de Arca	20,243
Sundry expenditures in connection with the loan closing	643
	64,383
Cash remitted to you	617
TOTAL LOAN	\$65,000

During the period from Dec. 19, 1968 to June 13, 1969, you made monthly payments with respect to the mortgages on the Bay Lane residences from your personal funds. The payments were as follows:

Principal Interest Total	
First Federal Savings and	

Loan Association of Miami:			
500 Bay Lane	\$805	\$1,349	\$2,154
516 Bay Lane	595	630	1,225
Chaswil, Inc./Paul E. Williams	584	916	1,500
Total	\$1,985	\$2,895	\$4,879

On June 13, 1969, the existing mortgages with respect to the property at 516 Bay Lane were paid. You provided \$11,100 from your personal funds and the balance was paid from the proceeds of your mortgage note payable to Greater Miami Federal Savings and Loan Association for \$100,000.

These funds were applied as follows:

Payment in full of unpaid principal & interest (\$3,000) of the Arca note	\$83,000
Payment in full of the unpaid principal and interest (\$195) of the mortgage payable to First Federal Savings and Loan Association of Miami	27,318
Sundry costs in connection with refinancing	782
Total	\$111,100

On Sept. 4, 1969, you repaid from your personal funds the loan of \$65,000 to the First National Bank of Miami and the interest thereon of \$3,504.

Monthly Installments

You also paid from your personal funds the monthly installments on the existing mortgage on these properties as they have become due from June 13, 1969 to May 31, 1973. These payments are summarized as follows:

	Principal	Interest	Total
First Federal Savings & Loan Association of Miami	\$7,252	\$10,802	\$18,054
Chaswil, Inc./Paul E. Williams	6,413	7,987	14,400
Greater Miami Federal Savings & Loan Association	6,260	28,520	34,780
Total	\$19,925	\$47,309	\$67,234

Through May 31, 1973 you paid from your personal funds for improvements to these properties in the amounts of \$37,942 with respect to 500 Bay Lane, and \$38,479 with respect to 516 Bay Lane as follows:

	500 Bay Lane	516 Bay Lane
Remodeling	\$24,734	\$29,687
Furniture	13,208	8,792
Total	\$37,942	\$38,479

At May 31, 1973 these properties were subject to the liens of mortgages as follows:

	Monthly Annual Installments	Interest Includ. Balance
Mortgagee:	Rate	Interest of Mortg.
500 Bay Lane:		
First Federal Savings and Loan Association of Miami	6% June, 1985	\$37,316
Paul E. Williams	6% \$300 to Nov., 1984	29,878

516 Bay Lane:		
Greater Miami Federal Savings and Loan Association	7.5% \$740 to May, 1994	93,740
Total		\$160,934

Residential Property, San Clemente

We examined documents indicating that Richard M. Nixon and Patricia Nixon, as

joint tenants, are beneficiaries of a revocable trust established April 24, 1969, which terminates in ten years. This trust was formed to enable the trustee (Title Insurance and Trust Company of Los Angeles) to take title in your behalf to real property in San Clemente, California.

The trustee has taken title to two parcels of real property with the following consideration;

THE COTTON PARCEL:

Land (approximately 26 acres and building purchased July 15, 1969 from Victoria Reyes Cotton Ogden, Lionel E. Ogden, Edwin L. Harbach, trustees under deed of trust executed June 14, 1961, Victoria Cotton Ogden, Lucy Ellen Cotton, and Janice Ogden Vest (formerly Janice Lucy Ogden) \$1,400,000
Other costs in connection with the purchase.... 100
Total **1,400,100**

THE ELMORE PARCEL:

Land (approximately 2.9 acres) purchased October 13, 1969 from John J. Elmore, John Jameson Elmore and Stephen Henry Elmore, trustees under last will and testament of Hetty J. Elmore \$100,000
Other costs in connection with the purchase..... 54
Total **100,054**
Total (2 parcels) .. **\$1,500,154**

Payment for the Cotton parcel was made as follows:

Promissory note with purchase money trust deed, issued to sellers, payable in four installments of \$100,000 each July 15 thereafter, and \$600,000 payable July 15, 1974, with annual interest at 7.5 per cent (the Cotton note) \$1,000,000
(The proceed of a loan to you from Robert H. Abplanalp, in the amount of \$450,000 with annual interest at 8 per cent, had been deposited in your bank account on July 11, 1969.)

Net settlement for real estate taxes 491
Total \$1,400,100

Payment for the Elmore parcel was made as follows:

Promissory note with purchase money trust deed, issued to sellers, payable in five installments of \$16,000 each October 13, including October 13, 1974, with annual interest at 7.5 per cent (the Elmore note) \$80,000

Cash paid by you 20,054
Total \$100,054

Secured by Property

The foregoing obligations are secured solely by the property held in trust and do not involve any personal liability.

On July 15, 1970, the proceeds of a loan from Robert H. Abplanalp in the amount of \$175,000, with interest at 8 per cent, were deposited in

your bank account. On that date, you paid the current installment on the Cotton note (\$100,000) and the related interest (\$75,000).

On October 13, 1970, you paid from your personal funds the current installment on the Elmore note (\$16,000) and the related interest (\$6,000).

On December 15, 1970, you sold a portion of your interest in the trust, representing the entire Elmore parcel (2.9 acres) and a part (approximately 20.1 acres of the Cotton parcel, to Robert H. Abplanalp and C. G. Rebozo, co-partners doing business under the firm name and style of B. & C. Investment Company. On December 24, 1970, the trustee acknowledged receipt of a document of assignment and transfer of a part of your interest in the trust to B. & C. Investment Company.

Consideration received for this sale consisted of:

Assumption of obligation under promissory notes of B. & C.

Investment Company of:

Part of the	
Cotton note	\$560,000
The Elmore note	64,000
Principal amount of two notes payable to Robert H. Abplanalp, deemed paid	\$625,000 \$1,249,000

Interest Retained

After the sale, you retained your interest in the trust representing approximately 5.9 acres of the Cotton parcel including the residence and other improvements referred to as Casa Pacifica, and had an obligation of \$340,000 representing the unpaid portion of the Cotton note which had not been assumed by B. & C. Investment Company.

Subsequently, you paid from your personal funds the interest (\$56,883) owed on the notes payable to Robert H. Abplanalp (the principal of which was deemed paid in connection with the sale to B. & C. Investment Company), the interest (\$28,993) due to December 15, 1970 on the Cotton and Elmore notes, and the installments and interest (\$113,102) due in 1971 and 1972 on the part of the Cotton note not assumed by B. & C. Investment Company.

At May 31, 1973, the unpaid balance of the Cotton note amounted to \$700,000. At that date, your obligation for the note amounted to \$264,440. It is due, with interest of 7.5 per cent, in installments of \$37,780 and \$226,660 on July 15, 1973 and 1974, respectively. Your interest in Casa Pacifica is subject to the terms of the purchase money trust deed issued with the Cotton note.

Prior to May 31, 1973 you incurred and paid from your personal funds \$217,270 for

improvements, furnishings and other costs at Casa Pacifica as follows:

Description	Amount
Improvements and furnishings:	
Kitchen remodeling	\$30,440
Other remodeling costs	27,167
Painting	25,165
Swimming pool, including heater	14,950
Work on sewer system	13,318
Landscaping	7,804
Work on porch and fireplace	5,936
Driveway paving	1,146
Other costs	6,188
Furnishings	55,863
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	187,977

Acquisition costs:

Commission to realtor	\$25,000
Geotechnical survey	4,293 29,293
Total	\$217,270

Amounts Paid for Operations of the Residential Properties

During the period from the respective dates of purchase to May 31, 1973, you have paid from your personal funds certain operating expenses, exclusive of interest, of your residences in Key Biscayne, Fla., and in San Clemente, Calif. The amounts paid, after deducting \$4,800 representing utilities and maintenance costs of the golf facilities at San Clemente that were reimbursed by the golfing friends of the President, were:

Real estate taxes	\$72,298(X)
Utilities	31,175
Fire and casualty insurance	4,713
Household maintenance	59,104
	<hr/>
	\$167,290

(X) This amount does not include \$2,125 of real estate taxes that were accrued but were not paid at May 31, 1973.

Opinion

The amounts set forth above with respect to the purchase or improvement of the residential properties are stated on the basis of your cost. They do not include any amounts paid by the Government of the United States or others in connection with these residences.

In our opinion, the information set forth above presents fairly: (A) the purchase of your residential properties and the sources of the funds used therefore; (B) the amounts paid by you you (I) with respect to the related obligations including interest, (II) for improvements and furnishings, and (III) for operations of the residential properties, all through May 31, 1973; and (C) the balance of those obligations outstanding at that date that are related to the properties.

Very truly yours,
Coopers and Lybrand

Key Biscayne:

19 Dec 68, purchase
13 Jun 69, paid off in full

San Clemente, two transactions:

15 Jul 69, Cotton parcel, payments
through 15 Jul 74
13 Oct 69, Elmore parcel, payments
through 13 Oct 74

Elmore parcel and part of
Cotton parcel sold
15 Dec 70 to Abplanalp
and Rebozo