

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
205 Transportation Bldg., Montreal 1, P.C.

June 30, 1948.

Tokio Maikawa,
175 Donlands Ave.,
Toronto, Ont.

Dear Sir:

Re T. Maikawa Stores Limited, 365-369 Powell St., Vancouver, B.C., pursuant to the instructions contained in your letter to me of June 4, 1948, I have made certain inquiries in Vancouver at the City Hall assessment office, the Provincial Land Registry Office, the office of the Custodian of Enemy Property and the local real estate agent (Gordon M. Thompson) who has the property advertised for sale. In brief, the results of my investigations follow.

1. The Custodian's records show the capital of T. Maikawa Stores Limited to consist of 1,252 issued shares, of which you are credited with being the beneficial owner of 81 shares, Tomekiaki Maikawa 1,167 shares and other residents of Japan 4 shares. As a result of the majority of shares being held by residents of Japan, the Company was taken over by the Custodian of Enemy Property upon the declaration of war between Canada and Japan.

2. Administration of the estate was placed in the hands of P. S. Ross & Sons, Frederick Field acting as Controller. Under instructions of the Custodian the assets were sold some time ago. The present sum held by the Custodian in cash and bonds in the name of the Company is a little under \$70,000., I am confidentially informed. This sum is net of all liabilities of the Company, but may be subject to some further deduction for administrative charges of P. S. Ross & Sons.

3. The property records show that the land and building at 365-369 Powell St., the land being described as "a portion of block 40, formerly lots 27 and 28, in the District Lot 196, Group 1, New Westminster District", now stand in the name of Lauride Lewed Jessen, retired, 1572 West 13th Ave., and Einar Holger Flambeck, restaurateur, 4387 Cambie St., Vancouver. Title is registered under Cert. No. 174538(L), dated May 30, 1947. The value declared by Jessen and Flambeck in the Application for Registration was \$22,000.

4. The present value of the property, as given on the assessment rolls of the City of Vancouver, is:

land	\$4,000.
building	<u>17,000.</u>
total	<u>21,000.</u>

5. A record of the various transfers of the property from 1940 to date follows:

- (a) on Oct. 3, 1940, Tomekichi Maikawa to T. Maikawa Stores Limited, value \$29,500.
- (b) on July 9, 1945, T. Maikawa Stores Limited to Duncan McLaren, broker, 1726 Marine Bldg., Vancouver, value \$12,500.
- (c) on Aug. 3, 1945, Duncan McLaren to International Plastics Limited, value \$22,500.

(On Oct. 1, 1945, a mortgage for \$16,000. at 5% interest was registered in favour of the Industrial Development Bank. The mortgage release no. 126281 was registered June 13, 1947.)

- (d) on May 26, 1947, International Plastics Limited to Jessen and Planbeck (as above-noted), value \$22,000.

6. The property was evidently last occupied by International Plastics Ltd., whose name is still on the door but whose telephone is disconnected and there is no sign of activity around the place. I was unable to gain access to the property for a thorough inspection. It was described to me by the real estate agent as consisting of a lot 50' x 120' entirely covered by a two-storey building, one-half of which is reinforced concrete construction and the other half frame construction. I found the outside of the building showing neglect and lack of repair. The vitrolite tile on the store front is broken in many places, the wood siding and trim at the rear is unpainted and the whole building has a run-down appearance. Although this is not out of line with the character of the district at the present time, the building was evidently outstanding on this part of Powell St. several years ago.

The present asking price of the owners is \$40,000., although I was informed confidentially by the real estate agent that he considered this price too high and thought the property could be bought for perhaps a little over \$30,000. cash.

7. Because the Company was classified as "enemy alien property", the Custodian is holding the net proceeds of liquidation of the assets until the terms of the treaty of peace with Japan are settled. At this time presumably Canadian claims against Japan will be offset against Japanese assets now held by Canada, such as the sum realized from liquidation of this Company. The Vancouver office of the Custodian has no authority to disburse any part of the proceeds of liquidation of such assets at the present time. However, this does not mean that special authority to do so in special cases might not be obtained.

Recommendations

A. Since the offsetting of Canadian claims against Japanese assets held by the Custodian will certainly reduce the net value of this estate, I believe that you should make application to receive your share of the net assets as they now stand, before any such offset takes place. Your share apparently amounts to \$1/1252 of something under \$70,000., or approximately \$4,500.

The procedure is asking for such distribution is to write to the Custodian of Enemy Property, Victoria Bldg., Ottawa. State the circumstances of your case clearly, ask for a detailed statement of the gross and net realization from the liquidation of the assets of the Company, and request the distribution of your \$1/1252 part of the proceeds. Do not mention the alleged amount now in the hands of the Custodian.

*Write to
Custodian*

There is logic in your claim that, as a resident of Canada, you have a right to your share of these proceeds, regardless of what distribution is to be made of the balance representing the share of residents of Japan.

*Share -
Assets*

B. There is evidence that the Custodian (or his agent) did not obtain fair market value for the assets of the Company, at least so far as the property is concerned. The property transfer records show that Duncan McLaren declared the market value of the land and building to be \$12,500. (presumably the price he paid for it to the Custodian) on July 9, 1945. Similarly, International Plastics Ltd. declared the market value to be \$22,500. (presumably the price paid to Duncan McLaren) on Aug. 3, 1945. Whether \$22,500. was a fair price or not in August 1945, it seems inconceivable that \$12,500. could have been so, a scant three weeks earlier.

Since Albert Henry Young, who was solicitor for the Company when it purchased the property in 1940, was also solicitor for Duncan McLaren at the time of his purchase of the property from the Custodian, it is possible that you could obtain further information on the nature of the latter transaction, and of the identity of Duncan McLaren, from Mr. Young.

C. As soon as you receive a reply from the Custodian which discloses his estimate of the value of your 81 shares as realized from the sale of the Company's assets, if you consider that this amount is under the fair market value of these shares, you should investigate at once the possibility of filing a claim with the Royal Commission now holding hearings on Japanese claims, even though the time for the filing of claims has now expired. The fact that you did not have any settlement from the Custodian, or even any knowledge of the probable amount of the settlement, at the time the claims should have been filed, can be used to justify your late application for recompense.

Erin T. Adams

\$12,500.