

Sale of Club by Ghost Vote Warns Need of By-laws Study

by JOHN M. BRENNAN

Dozens of golf clubs in the New York Metropolitan district have either amended their constitutions, or are planning such action, in the wake of the bizarre sale of the 29-year-old Pomonok CC in Flushing.

It was a ghost vote that disposed of the valuable Pomonok tract of 140 acres at a meeting of the stockholders last May 27 at the Flushing club. More than 200 of the 400 votes cast were those of deceased members whose stock certificates in the Flushing Country Club Land Corp., owner of the property, passed on to their estates.

"Such a condition should never have existed in the first place," William S. Buchanan, pres. Pomonok and the Flushing CC Land Corp., said after the stockholders, the majority represented by proxy votes, decided to sell the club, which, ironically, experienced its finest season, financially, during 1948 and was on the way to another magnificent season when the ghost vote permitted the roof to fall in.

"Of course the bid was attractive, even fabulous, for the property and one can't blame some of these persons who inherited the certificates, the majority of whom don't know the difference between a mashie and brassie," observed Pres. Buchanan. "But, the control of the club should never have passed from the hands of the current members the way it did. If I had my way long years ago, it would have been compulsory for persons applying for membership in the golf club to purchase certificates in the land holding corporation. What can one expect when it comes to a vote, although it was necessary to get two-thirds to sell the club? Golf clubs in other sections can learn a valuable lesson from what happened to Pomonok CC."

Few Holders of Land

Buchanan pointed out that fewer than 20 per cent of the current members of Pomonok CC, which passed out of existence in November, held stock in the land corporation. Some of the stock, possibly 10 per cent, was held by heirs of charter members, or pioneer members still living, but no longer active in the golf club.

Actually, the property will be turned over to two groups. The Flushing CC

Land Corp., when title is passed, will collect \$1,238,172 from Local 3 of the AFL Electrical Workers for 103 acres (the greater portion of the course) and more than \$580,000 from New York City for a housing development. The latter project still must be approved by the city fathers, but officials have expressed the opinion that the proposal will be favorably acted upon by the Board of Estimate before the winter.

The union plans a \$20,000,000 garden apartment colony to house 2,000 families. About 60 acres of the course will be used, the remainder being set aside for a streamlined shopping center.

Lyle T. Alverson, prominent attorney and an adviser to Franklin D. Roosevelt during his first two terms in the White House, was chairman of the real estate committee that was in favor of selling the Pomonok property in view of the attractive offer.

Alverson pointed out that taxes in Queens County, which is part of New York City, are due to rise and that the Pomonok property is facing an assessment of more than \$100,000 for the recent construction of the vast Corridor sewer through most of Flushing. Smaller, but quite heavy assessments, are due and should prove burdensome on the golf club members who, in the event of continuing the club, would be compelled to pay higher membership fees.

Could Handle Assessment

Municipal Court Justice Mario J. Cariello of Long Island City, a veteran Pomonok member and stockholder, was loud in his protest of the sale. Judge Cariello said: "The Pomonok club showed a good profit last season, realizing its largest sum in history, and is well on its way to even better figures this season. Furthermore the Corridor sewer assessments will be spread over 15 years and could easily be absorbed by the flourishing club."

Commissioner Cornelius G. De Loca, another active member strongly opposed to the sale in spite of the big figure, was one of the last speakers at the stormy meeting. "What can we expect holding so few votes," reasoned De Loca. "This club

is being sold by the ghost votes of deceased members. What do these persons care about golf; they probably have never been out to the club in the first place. It's a really tragic situation, letting such a lovely club die with a filled membership roster."

Martin J. Lyons, director of the nearby Oakland GC, one of the oldest layouts in the country, decried the plight of the Pomonok CC, but hinted the members were themselves to blame. All, when admitted to Pomonok, were asked to purchase stock but were reluctant to do so. "So, who's to blame?" asked Lyons with a shrug of his shoulders.

Staid Oakland, one of the few clubs in the country that never carried a mortgage and has always operated along conservative lines, has an advantage over Pomonok, the latter having a mortgage of a quarter million dollars. Then, too, Pomonok being nearer the city and business districts, was taxed a lot heavier.

Constitutional Differences

At Oakland, it is compulsory to purchase stock in the land company and the same condition exists at most of the private clubs in the New York Metropolitan area that takes in Westchester, New Jersey and parts of Connecticut.

North Hills, purchased by the membership from the Federated Bank and Trust Company for approximately \$475,000, is another private course located in Queens. Its constitution, Pres. J. T. (Pat) Clancy advises, provides that any member holding stock in the club who resigns loses voting power on any club matters. That, of course, would nullify the stock in the event of a vote on an offer for the property.

Probably the finest constitution ever conceived by a golf club was devised by the founders of the old Queens Valley GC, which was located on the fringe of the old World Fair.

Briefly, Queens Valley's constitution permitted a member to resign and continue as a stockholder, but he was compelled to pay full dues, plus assessments. Few ever continued holding stock after quitting the club. All debts to the club at the time of a member's resignation, in the event of not being satisfied, would be deducted from the sale of his stock.

Supreme Court Justice Thomas Cuff, a member of the Hempstead GC, pointed out that the golf-minded members of that organization quickly got control of the stock when the news of Pomonok's demise leaked out.

"Hempstead, while far removed from New York City, is a progressive, fast-growing town and it would not be surprising if we were to get an offer for the

course, which is only a few blocks from the main business district," Judge Cuff asserted. "In order to protect the club, we managed to collect enough of the stock to preclude any sale, in the event of an attractive offer."

Pomonok was the first of dozens of courses that mushroomed on Long Island after World War I. A group of Flushing businessmen founded Pomonok. A number of the pioneer members quit the Old Country Club in Flushing, another course built before the turn of the century.

Pomonok went along in high gear until the depression days, when the mistake was made of taking in associate members in too large numbers. While the associates provided the club with sufficient revenue to carry on during the lean years of the early 30's, they soon formed the major portion of the Pomonok CC, eventually paving the way for the sale of the property.

The Pomonok club was the setting of the National PGA when Henry Picard beat Byron Nelson in an extra-hole final. The tournament, promoted by Corkly O'Keefe was marred by the first "sit-down strike" in the history of the sport. A faction of PGA members, resenting the action of the executive committee over the banning of Denny Shute for his failing to post his entry on time, organized the "sitdown strike" that held up the start of the tournament and almost led to the calling off of the event.

With virtually all Long Island private clubs boasting of waiting lists, the future of the more than 300 male and 135 female members of Pomonok is none too bright. A possible solution to the enigma will be for Pomonok's members to purchase one of the Nassau clubs, Pres. Buchanan revealed, following a recent informal meeting of the members to sound them out on the purchase of another club.

"If we do succeed in acquiring another club, you can bet there won't be any more associate members," cautioned Buchanan. "We'll have only one kind of member—stock-holding, and the price of the stock will be frozen, with no fluctuations like at the old club."

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