BUSINESS

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The News American

Investor Under Fire

Goldseker Answers His Critics

By WALTER HERMAN

Never before in Baltimore's business history has one well-established company been so maligned by the news media, and all without benefit of replying to many charges, most of which are unfounded and unsubstantiated.

M. GOLDSEKER & Co. has made news by way of radio, television and newspaper, as well as church bulletins, community association reports and other types of communications. But in just about every instance, the reports on Baltimore's largest real estate firm, which specializes in buying property, remodeling and renting — formerly selling as well — have all been one-sided.

For Sheldon Goldseker, the young nephew of the founder and owner of the firm, Morris Goldseker, developments, including a virtual siege last year of the company's offices at 215-220 W. Franklin St., have been ver shocking.

M. Goldseker & Co. for 40 years has been the biggest source of rental property, and also the largest reservoir of salable housing for this city's economically poor people whose desires to own a home of their own have been a struggle which even the Federal agencies have failed to fulfill.

THIS REPORT is an exclusive interview, but not exclusive because Mr. Goldseker is difficult to contact by the news media, to the contrary, he has asked to be heard to defend his company from charges ranging from blockbusting to making exhorbitant profits off the poor blacks, and poor whites as well.

But, despite reams of copy attacking M. Goldseker & Co., no one so far has seen fit to give the company the opportunity to reply, nor has anyone prove their charges.

As a bit of background, Morris Goldseker started his company in 1930 when he saw, in the middle of the Big Depression, how many families needed housing to rent or buy, and who were unable to.

THE GHETTOS of that time were in the alleys of Baltimore, where many small homes were rented to low-income blacks and whites, and where there was no inside plumbing or central heating.

The lending institutions were hard hit, and could not and would not lend money to buy to people who were the biggest risks of the time. But Morris Goldseker had the resources to both buy the homes, remodel them and resell, or rent, the properties to people in need.

Mr. Goldseker knew the risks would be big, and that a lot of service, both on the loans and in repairs, would be required.

HE TOOK THIS chance, and through the years the company's reputation has been excellent. People in the real estate business who have known the firm and had dealings, will attest to this fact, as will thousands of renters and buyers who used his firm as a means of finding decent housing.

The Goldseker firm has had to defend itself the past few years against many charges, but the one which irks Sheldon the most if that of gross profit.

The company does not actively seek the purchase of housing. It does not have to, for so many owners call daily offering their properties for sale, that the Goldseker firm has a wide choice. Most of the offers are turned down, especially lately with the company under fire.

SHELDON, who is manager of the firm, gave statistics bearing out this fact. "Of 88 homes bought when the company was actively buying homes, 42 were bough through brokers who are members of the Multiple Listing Service of the Real Estate Board of Greater Baltimore, and properties available for sale to any other buyer here.

Twenty other homes bought were purchased from investors, who had used them for income; two were brought from real estate companies, and just four were purchased directly owners.

The 68 homes were selected for this analysis by Goldseker's antagonists and not by the company

The Goldseker firm has the largest home remodeling crew and best equipped of its type in the city, possible one of the finest in the country.

WHENEVER a home is bought, an inspector for the company will note what repairs are needed, and the crew will take over.

The company, when the house is sold, will guarantee all repairs for one full year, using its service and maintenance force to handle the duties.

To illustrate his point, and to show how poor is the gross profit excuse for attacking his company, Certified Public Accountants took an average house which the company purchased in the Controversial Montebello section, in Northeast Baltimore.

MOST OF THESE brick group homes are at least 40 to 50 years old, have been lived in by the same families for most of this time, and little remodeling has ever been done on them through the years.

This particular house was bought from its owners for $7,674 in fee. The cost of redecorating, new steps, porch, other remodeling came to $1,356, making the total cost of the property $9,030.

The following expenses, pro-rated by a Certified Public Accountant, came to $1,379, broken down as follows:

SETTLEMENT EXPENSES, $200; purchase agent's salary, $54; advertising cost, $184; cost of vacancy until sold, average of three months for interest, taxes, insurance, etc., $246; sales commission, $344; sales manager's salary, $151; cost of guarantee for one year, $200.

THUS, THE total purchase price is set at $10,409, and the property is then sold through one of several types of financing for $13,650.

Here we get a gross future possible profit of $3,241. This profit is conditional, and does not include cost of servicing the mortgage for an average of 12 years.

For the activists and other "do-gooders" who have little knowledge of finance and business, they see only two figures, and they use these to set their argument of exploiting the poor people.

These figures are the $7,674 paid for the house, and the $13,650 which the new owner then was charged. All the other expenses in the middle have been completely overlooked.

GOLDSEKER OFFICE SHOWS SIGNS OF BEING UNDER SIEGE LAST YEAR
—News American Photo by James Kelmartin.

Jewelry, furniture, landscaping and other tangible items bear markups of up to 150 per cent, yet no one is screaming at these merchants, or sieging their offices.

True, housing is in a different category, but the $3,241 profit is only a probable figure, and it has to be divided by 12, the number of years it takes for the Goldseker firm to recover its investment.

LET'S TAKE a closer look at this profit. As in any business office, the cost of running the staff has to be taken into consideration. And with such a large organization, Goldseker has a number of expenses for employees.

Thus, the firm figures a pro-rated cost of $1,560 for servicing the loan. This includes pay for cashiers, bookkeeping, auditors, typists, office rent, electric and telephone bills, office supplies, equipment and other items.

Now the new future possible profit is reduced to $1,201. To this is added $1,000 for 12 years of net interest charged the buyers.

Add this up, and the new future possible profit comes to $2,291, including interest, an average of 18.7 per cent for 12 year. Thus, with all figures bared, the net potential profit on an average sale is not 80 or 100 per cent, as alleged, but a fraction of this.

WHAT CRITICS do not bring out is that cash losses on sales contracts are not included in their arguments. Any mortgage lender knows that he is taking a chance when he commits money to the purchase of a home. If it is VA or FHA guaranteed, he is assured of not suffering a loss, for the government will see to this.

But Goldseker often has sold to families unable to get bank loans, and who cannot qualify for VA or FHA financing, as most lenders today, because of the high cost of servicing, will not make a loan under $15,000, and Goldseker homes are almost all well under this figure.

Thus, Goldseker handles much of the financing himself. Even when a savings and loan takes a mortage from one of his homes, Goldseker will guarantee the loan, thus saving the lender from a loss.

"WE QUALIFY all buyers, we will not sell a house to a buyer who will be strapped financially," Sheldon Goldseker said.

"We are the ones taking the chance. We have sold to buyers "unable" to get loans else. Also, we even lend settlement expenses for 99½ per cent of buyers, and no lender through all the year has ever lost a cent of one of our sales.

"As to foreclosures, we allow longer time and have more understanding for our buyers than any lender in town. We often advance monthly payments on mortgage loans for buyers, who then can make up the difference when they have the money. This is especially true during times when buyers are thrown out of work by strikes and other misfortunes.

"We have sold under a variety of financing, FHA, VA, cash, land installment contract, secondary mortgage financing and rent-buy option. We use more than 50 lending institutions in our work.

The city and non-profit organizations buy houses for low prices and sell for much higher prices, but they — like the M. Goldseker Co. — spend tremendous amounts of money in order to provide decent housing and financing.

"Real estate offers a capital gains type of profit picture, and also a tax shelter for the company. This is one reason we use many corporation names, not to try to fool anyone. Builders have been doing this for years.

"Our maintenance and remodeling departments offer services far beyond the normal. We have invested $20,000 in a two-way radio system to keep repairs up to the minute; we have pest control service; key machines to aid tenants or buyers locked out of their homes. Our workmen wear uniforms, and our own inspectors check all our properties at regular intervals.

"Public housing here and across the country is now operating at a loss. We provided housing at a nominal cost, and must make a profit. I companies such as ours were not around, the taxpayers would have to bear a terrific brunt.

"WE HAVE BEEN leading the social movement for housing for poor people and low downpayment buyers for 40 years. We did this when our efforts were very unpopular.

"Others had the opportunity but did very little if any to help including the Federal Government, the clergy of all faiths, and many other so-called 'do-gooders' Where were they then? We supplied good housing in decent neighborhoods without using scare tactics at great risk to us and for a small fair profit. Our success today can only be based on 40 years of hard work serving the public and thereby building a good reputation.

"The news media, inspired by a small group of misguided and uninformed persons, have been fit to quote charges against the M. Goldseker Co. which have been false, misleading, and unsubstantiated. They have fanned the fires of rebellion and riot for the citizens of Baltimore City without making a just, unbiased, and objective effort to get our side of the story first.

"This problem of the unfair attack on private enterprise, with the assistance of a non-objective news media, is not only a problem of M. Goldseker & Company, but of all respectable business establishments across the Country."

Reprinted from NEWS AMERICAN, Jan. 3, 1971

ZETA SIGMA CHAPTER of Phi Beta Sigma Fraternity honored their distinguished brother, Dr. Parlett Longworth Moore, Sunday afternoon, at a testimonial in Sheraton-Baltimore Inn. Seen with Dr. Moore (right) are Mrs. Moore, Mr. and Mrs. Lemuel Lewie, Mrs. Cora Gibson, Oliver C. Eastman, attorney; and Mr. and Mrs. Emanuel Blow.

Gadabouting in Baltimore

Mrs. Horace Grays feted by Mrs. Sessoms, Mrs. Campbell

with Lula Mackay

Mrs. Horace B. Grays of Houston, Texas, grand basileus of Alpha Kappa Alpha Sorority, met the townsfolk at an elegant reception, Sunday afternoon, given by Mrs. Abdella Campbell and Mrs. Elsie B. Sessoms at the former's Denison Road home.

And a charming guest of honor she was . . . smart as well, in a black frock, relieved only by an exquisite jewel pin at the front of the high neckline. Mrs. Sessoms, who headed the receiving line, selected a primrose yellow dress, while Mrs. Campbell, who floated among the guests, was in a blue pants dress.

In addition, the hostesses had a bevy of fashionable friends as assistant hostesses, including Mesdames Saul Perdue, Harry Carpenter, Norma Humphrey and Walter Gray; and Misses Joan Sessoms and Lynn Carpenter.

And, may I say, that the guests did their share of prettying the party. The only thing was, every so often one or two would disappear. They were up the staircase taking a sneak view of the Campbells' beautiful recently built home . . . with its two-story-ceilinged living room and its cantilevered sleeping suites on the upper level. And anyone who saw them up there was up there herself or she wouldn't be able to report.

Mrs. Grays was, of course in Baltimore for the 63rd anniversary celebration of wudiy jo ƨuɪpunoɟ ɐɥʇ Kappa Alpha Sorority, and to be speaker at the Founders' Day luncheon.

To meet her at the reception were:

Alice Arrington of New York, Bernice S. Hunley, who heads Epsilon Omega Chapter of Alpha Kappa Alpha, Hilda Higgins, Ethel J. Day, Elsa Graser, Beatrice Hall, Elizabeth Marshall,

Hermoine E. Wharton, Constantia Jackson, Vivian Cook, Maxine J. Wood, Lula Mackay, Ellen Russell, Hermia M. Jordan, Edna H. Brown, Vivian E. Washington, Mabel L. Frisby, Patelle G. Harris,

Alberta C. Brown, Cordelia N. Johnson, Janice Peters, Lynn Carpenter, Grace B. Hunt, E. Louise Mayse, Ida L. Berry, Dr. and Mrs. Frederick Dedmond, Mable B. Alleyne, Dorothy Lewis, Charlotte Mebane, Harriet Trader, Odell W. Payne, Lucille P. Wade, Bessie Wood, Gwendolon deGecilio, Elmira Collins, Lillian Murphy, Mary M. Young, Janice L. Young, Appye H. Moree, Elizabeth Williams, Judith Sessoms, Olga Parker, Mae Williams,

Mae W. Fortune, Caroiyn Boston, Genevieve Wisner, Beatrice Hurt, Ethel T. Payne, Nellie H. Moore, Emma G. Bright, J. Ethel Hodges, Elizabeth Nalle, Rosaline Allen, Norma Gene Parker,

Mae W. Peck, Ethel J. Hucles, Lilla M. Barnum, Laura W. Jones, Anethia B. Williams, Florence D. Bailey, Anne C. Wilson, Sandye Wilson, Elva M. Quarles, Rita C. Crooms, Jean Spencer, Sarah S. Rayne, Vernice D. Matthews, Rose T. Kinney.

Estella R. Grant, Priscila P. Lansey, Eveena J. Henderson, Ida B. Collick, Patricia B. Page, Jean F. Turpin, Caroline D. Taves, Marie L. Fraser, Margaret H. Jackson, Rubye S. Walker,

Doris Reese, Melissa S. Perdue, Agnes W. Patterson, Charlotte Shervington, Beatrice C. Myers, Beatrice G. Holley, Doris J. Levi,

Deborah Jean Levi, Beatrice B. Reesby, Edmonia T. Yates, Verda F. Welcome, Norma Humphrey, Laona Carpenter and Dorothy Thomas.

* * *

Mrs. Alfred Moore, who had been chairman of the AKA luncheon committee, entertained for that group at a breakfast party at the Sheraton-Inn, with Mrs. Grays as a special guest.

On the committee were Mrs. Charlotte H. Harper, who was co-chairman; Mesdames Flozella Clark, Flossie Dedmond, Mary Young, Bernice Hunley, who is basileus of the local chapter; Mrs. Hermia Jordon, anti-basileus of the chapter; and Miss Elizabeth Williams.

Other guests were:

Dr. Frederick Dedmond, S. Leon Young, Alfred Moore, Miss Ginger Moore, Miss Janice Young, Mrs. Vivian Cook, Mrs. Genevieve Wisner, Mrs. Margaret Jackson, Mrs. Edna Campbell, Ivanh Williams, Miss Edmonia Yates and Miss Joan Sessoms.

* * *

Mrs. Alonzo T. Kelly centered her table with a huge arrangement of deep red gladioli and flanked the flowers with massive silver candelabra holding tall red tapers for her dinner party, Sunday night. Red napkins alternated with white ones on an exquisite white cloth as a part of the table decor.

The dinner party which she and Mr. Kelly gave was for their house guests, Mrs. William Stanley Braithwaite, widow of the renowned poet and author; Mrs. Edith Agard and Mrs. Fiana Carter, all of New York.

For the affair Mrs. Kelly selected a soft yellow pants dress, and her daughter, Mrs. William Brown of Belair, Md., who wore a pants dress in lace. Assisting too, were Mr. Brown and their son and daughter, Gary and Pamela.

The party was in the Kelly's Dolefield Road home . . . and if the decor was eye-catching, the menu was breathtaking.

Enjoying the fare, after a long cocktail hour were:

Mr. and Mrs. Simon C. Parker, Mr. and Mrs. Mencell Duncan, Mr. and Mrs. Clarence Turner of Annapolis, Md., Mr. and Mrs. Clifton Sherard, Mr. and Mrs. Gordon Johnson of Washington, Dr. Richard Jordon, also of Washington,

Dr. and Mrs. Thurmond O'Daniel, the Rev. Mr. and Mrs. Reginald Daniel, Mr. and Mrs. Frank Walker, Mr. and Mrs. Clifford Mackay, Mrs. Margaret Butler, Mr. and Mrs. Austin Pearson, and Dr. and Mrs. Robert Ford.

With the Mole philosophy of "It's later than you think" the Baltimore Molesners when it meets next at go steadily on "enjoying themselves."

Following an inspirational fellowship service at Trinity's Presbyterian Church, recently, the members went on to Dr. and Mrs. Herbert Trader's for brunch. The brunch was hosted by Moles Blanche Beckham, Emma Dudley, Harriet Trader and Annabelle Rawlings.

A later party was given by the Alonzo Hairston at their new residence on Loch Raven Boulevard.

Happily, Alonzo and Helena (in her paisley-print pants suit) greeted their guest as they arrived. Also in white knit pants suits were their daughters who assisted their parents.

Their stone-ranch home includes everything from a carpeted kitchen to an outside swimming pool. Besides the beautiful interior, cocktails, music, dancing, shuffle board, and ping pong were available for fun, and some guests played cards.

* * *

A delectable French menu was prepared by Horace Livingston a weekend guest of the host and hostess. Mr. Livingston is a close friend of the Hairstons' and also a caterer of New York. The beautifully decorated table of pink roses and lighted silver candelabra consisted of delicious chicken francine, roast beef, string bean casserole, tossed salad, hot rolls, salmon mousse, fruit flambre' and coffee.

Moles, Mules, and guest partied in this elegant atmosphere until the wee hours of the morning.

Attending were:

Mrs. Florence Bailey, Mr. and Mrs. Paul Beckham, Mr. and Mrs. Glenford Dudley, Dr. and Mrs. Allen Forte, Mr. and Mrs. Alonzo Hairston, Mrs. Ellen B. Howard, Mr. and Mrs. Cecil Johnston, Mrs. Margaret Land, Mr. and Mrs. Irving Lockerman, Dr. and Mrs. Edward McDaniels, Carl Pagan and Robert White.

Mr. and Mrs. Thomas McPherson, Dr. and Mrs. Nathan Pitts, Mr. and Mrs. Donovan Queen, Mr. and Mrs. Marsden Rawlings, Miss Jacqueline Spencer, Mr. and Mrs. Wesley Stubbs, Dr. and Mrs. Herbert Trader, Mr. and Mrs. Roland Williams, Mr. and Mrs. David Wright.

Other guests included:

Dr. Vergial Webb, Mr. and Mrs. Charles Hall, Mr. and Mrs. Chester Hampton, Mr. and Mrs. Armstead Jenkins, Mr. and Mrs. William Kidd, Mr. and Mrs. Yancy Whitaker.

Mrs. Mabel Dennis, Mrs. Amy Weaver, Benjamin Hall of New York, Joseph Hall, and Mr. Livingston.

* * *

Miss Marilyn Oliver, daughter of the late Mrs. Marye Thompson Oliver and John J. Oliver, received a masters degree in sociology from Howard University, last week.

A member of the Alpha Kappa Alpha Sorority, Marilyn is now employed on a research project at the National Institute of Health, Bethesda, Md.

Last week at a pink champagne party at an inn in Bethesda, her guests were her staff members, Dr. Melvin Kohn, chief of the lab of Socio-Environmental Studies; Dr. Leonard Perlin, head of the Division of Social Processes; Dr. Albert McQueen, historian, sociologist and visiting scientist on leave from Oberlin College; Dr. Fred Iiseld, psychiatrist and member of the team; Mrs. Clarice Radabaugh, assistant; Mrs. Marcie Giberman and Misses Irma Mebane, Gale Mench, Renee Burroughs, Mr. and Mrs. John J. Oliver, her parents; and Mrs. Elizabeth Oliver Abney, her aunt.

"Delta Loves You" was the greeting at the plate of each guest who joined those sorors at an intimate dinner-theatre party, recently, at Bolton Hill.

This activity was part of Delta Sigma Theta Sorority's Annual "Love Month" where Deltas actively show love to their fellowman in as many ways as possible.

Attending were:

Sorors Marguezite Addison, Dorothy Barrick, Martha Bradford, Corrine Coleman, Thelma B. Cox, Sarah Elias, Bernita Fuller, Frances Gaines, Delmar Gordon, Sara Gwaltney,

Sorors Lucy Harrison, Tjon Hill, Maxine Hurley, Louise Jackson, Susan King, Ethel Lineberger, Frances Lucas, Dorothy Marshall,

Sorors Gertrude Neale, Frances Pennington, Ponjola Priest, Roselle Randolph, Ida Smith, Gayneile Spaulding, Beatrice Squire, Lucille T. Williams and Carolyn Willis.

Included among their guests were:

Ms. Glodine Adams, Evelyn Berry, Marie W. Deskins, Fannie Ewell, Madeline Hadring, Rose T. Kinney, Louise Pierce, Beatrice Pitts, Beverly Reid and Phyllis Thompson;

Mr. and Mrs. Joseph Chapman, Mr. and Mrs. Samuel W. May; Donald Coleman, Leonard Cox, Robert R. Hill, Edward Hurley, Russell Lucas, Howard E. Marshall Sr., Howard L. Neale, Vernon Pennington, Dr. James Priest, Dalton Randolph, James Walker and Leo Wood.

Other features of Delta Love Month are a charity Love Fund, and a Daily Love Calendar for Children and Adults.

Check on your calendar the first organization meeting of the Class of '21, Douglass High School, at the Harvey Johnson Memorial Center, Union Baptist Church, on the 25th. Meeting begins at 7:30 p.m. Thelma Ashe and Sarah Rayne are planners. Phone 462-8313.

* * *

And don't forget St. Mary's Guild, Saint James' Episcopal Church, annual pancake supper on the 23, 5 to 8 p.m.

THIS WEEK was proclaimed "Volunteer Service Week," by Governor Mandel and Mayor Thomas D'Alesandro III, at ceremonies in Annapolis and at City Policy Advisory Committee of Volunteer Srvice Corps; Sinai Hospital, and Mrs. Jennie M. Jenkins, director of Volunteer Services Corps in the Community Action Agency, receive the Proclamation from Mayor D'Alesandro.

CHICAGO (UPI) — The American Bar Association last week endorsed a proposed drug law which is "hard on hard drugs and soft on marijuana users" and has no provision for "no-knock" entry into private homes.

NOTICE

ALL PATIENTS APPLYING FOR ADMISSION TO LONG GREEN NURSING HOME, 115 Melrose Ave, will be admitted without regard to race, color, creed or national origin.

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