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Leo Baekeland Diary Volume 52, 1932-1933

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Rossi & Berliss, except some vouchers bearing either the signature of George Baekeland or Rossi. In fact the order only bore the initial of each. What makes it worse is that Rossi initialed the vouchers ordering his own loans. I told Miss Bidwell to find whether there is anything in the letter or my correspondence indicating a record.

Dec 15. Annual Stockholders meeting of Bakelite corporation.

[[left margin in red]] Vice Presidents overstepping their duties [[left margin]]

Received a letter from Karpen announcing he cannot be present as he has a bad cold but his brother Leo is here. Hays without consulting me told him why I intend to prepare that Ad. Karpen should not be reelected as a vice president. He says his brother will take it much to heart etc. I answered him that when our corporation was first organized I was compelled to distribute "generalships" to everybody and too many vice-presidencies. That since that time I had been confronted with the fact that functionally every one of the vice-presidents had overstepped the bounds of duty in signing documents and obligating the company without asking my consent.

[[left margin in red]] A. Karpen [[left margin]]

That in several instances unfortunate situations had arisen and that when, a year ago A.K. proposed Sanford Brown as an additional vice president I only accepted his proposal until a change in the

Bye-laws was made defining and limiting the powers of the vice presidents. That since then the Chicago factory had been moved and our office there had no greater importance than our several other sub offices in different parts of the country. Under the circumstances a vice president in such a distant city and who at present was an invalid, and could not be kept posted from day too day as to the ever changing business problems

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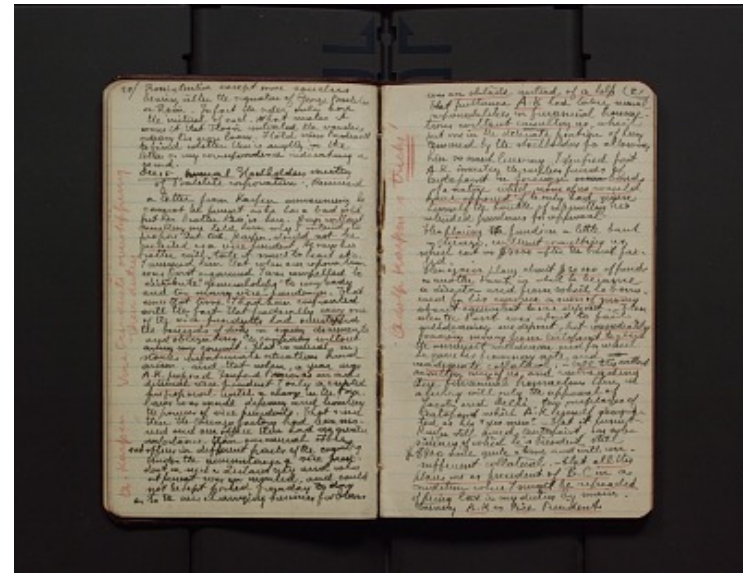
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Adolph Karpen's tricks!

[[double red underlined]] [[left margin]]

was an obstacle instead of a help That furthermore A.K. had taken several responsibilities in financial transactions without consulting us, which put me in the delicate position of being censured by the stockholders for allowing him so much leeway. I specified first A.K. investing the surplus funds of Autopoint in foreign ~~secur~~ bonds of a nature which none of us would have approved if he only had given himself the trouble of submitting his intended purchases for approval. Then placing ~~the~~ funds in a little bank in Chicago, without consulting us, which cost us \$4000 after the bank failed. Then again placing about \$30000 of funds in another bank in which he became a director and from which he borrowed for his own use a sum of money about equivalent to our deposit. - Then when the bank was about to fail withdrawing our deposit, but immediately borrowing money from Autopoint to about



the amount withdrawn and for which he gave his promisory note, and ~~we~~ inadequate collateral. - All this without consulting any of us, and railroading their financial transactions thru in a hurry with only the approval of Jacobs and Delhi, two employes of Autopoint which A.K himself designated as his "yes men." - That at present Karpen still owed Autopoint, our subsidiary of which he is President, still \$8400 since quite a time and with insufficient collateral. - That all this places me as president of B.C in a condition where I might be reproached of being lax in my duties by maintaining A.K as Vice President.

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