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Provincetown Inn Sold for \$1,857,000

By ED SEMPRINI

rooms at the inn plus 55 motel units, a convention site that has attracted numerous New England and statewide organizations and associations; coffee shop, cocktail lounge, dining room, saunas, bowling alleys, table tennis, billiards and what the inn describes as the largest heated pool in New England.

PROVINCETOWN — One of New England's largest and most popular resort complexes — Provincetown Inn — has been sold by Chester G. Peck Jr. to the Sheila Realty Trust (Sheila B. Malloy, 920 Centre Street, Newton) for \$1,857,000, according to records at Barnstable Registry of Deeds.

Provincetown Inn at the end of Commercial Street offers a sweeping view of the ocean and is a favorite year-round vacation complex for thousands of visitors as well as a popular convention site.

The inn has been owned by Peck since 1948, when it was purchased from Carl Murchison.

The complex includes 60

Auction February 4

Provincetown Inn In Foreclosure

The Provincetown Inn, the largest motel on the Outer Cape, is being put up for auction February 4, 14 months after it was purchased by a Newton corporation called the Sheila Realty Trust.

The auction announcement, published in this week's Advocate, follows the foreclosure of a mortgage written by former owner Chester G. Peck, Jr. of Provincetown to the Sheila Realty Trust.

A lawyer with the New Bedford firm of Downey, Jacobs and Caron, which is handling the sale, said the mortgage was foreclosed through "default of payment."

The auction itself could still be cancelled if the required mortgage payments were made prior to the auction date, the lawyer said Tuesday.

Neither Sheila Malloy nor her husband Jerry, the two principals in the trust, were available for comment, but an advertisement in this week's newspaper reads, in part, "despite what you may have heard, we're serving breakfast, lunch and dinner..."

Money Problems

The motel had been rumored to be in financial trouble since this summer.

A night club called "Morgans" was opened by the inn's management in June, with the publishing of an impressive list of top-name entertainers who were scheduled to appear. By August, the night club had closed, with only two of the promised performers actually reaching Provincetown.

Employees have complained that salaries were paid infrequently, and that the employees' group medical coverage had lapsed because the inn had not been making regular Blue Cross payments.

In the past couple of weeks, visitors to the motel have noticed lamps, counters, and

other fixtures being removed. Some employees have claimed the fixtures were being sold by the inn's management, but the management says they are being put into storage.

The Sheila Realty Trust purchased the complex, located at the far west end of Commercial Street, close to the sight of the Pilgrims' first landing in Provincetown, last October.

The motel had been previously owned by Peck and Young, Inc., a corporation whose principal, Chester Peck, is the holder of the foreclosed mortgage.

Sale Terms

Peck himself might regain title to the motel. A spokesman for the New Bedford law firm handling the sale said it was possible; and would not be unusual, for Peck to make a bid at the auction.

The auction itself will be held at the motel

at 2 p.m. According to the announced terms, the high bidder will have to pay 10 percent of his bid at the close of the auction, and the balance within 10 days.

The purchaser will also have to assume responsibility for all unpaid taxes, and for \$2,150,000 in mortgages written by three banks—the Bass River Savings Bank, the Seamen's Savings Bank, and the City Savings Bank of Pittsfield, Mass.

There may be other terms announced at the auction itself, the law firm said.

The Provincetown Advocate - June 6, 1974

Bass River Buys The Inn

The Bass River Savings Bank, on the first bid, bought the Provincetown Inn at auction last Friday for one million dollars.

Bass River purchased the Inn from a three-bank group which had foreclosed on the mortgage earlier this spring. The three banks were Bass River, The City Savings Bank of Pittsfield and the Seamen's Savings Bank.

Earlier that week, an attorney for the three-bank group, Marvin Geller, had convinced the Board of Selectmen to transfer (by a 3-2 vote) the liquor license held by the former corporate owners of the Inn to a new corporation created by the banks. That transfer is subject to the usually routine approval of the Alcoholic Beverage Control Commission.

The transfer left the old corporation, Pilgrim of Provincetown, Inc., with no assets and many creditors. Most people believe there is now little chance that these creditors will be paid.

Along with outstanding debts to merchant creditors, there were numerous tax claims on Pilgrim of Provincetown and a claim filed against it by its former employes for defaulting on payments for health insurance premiums.

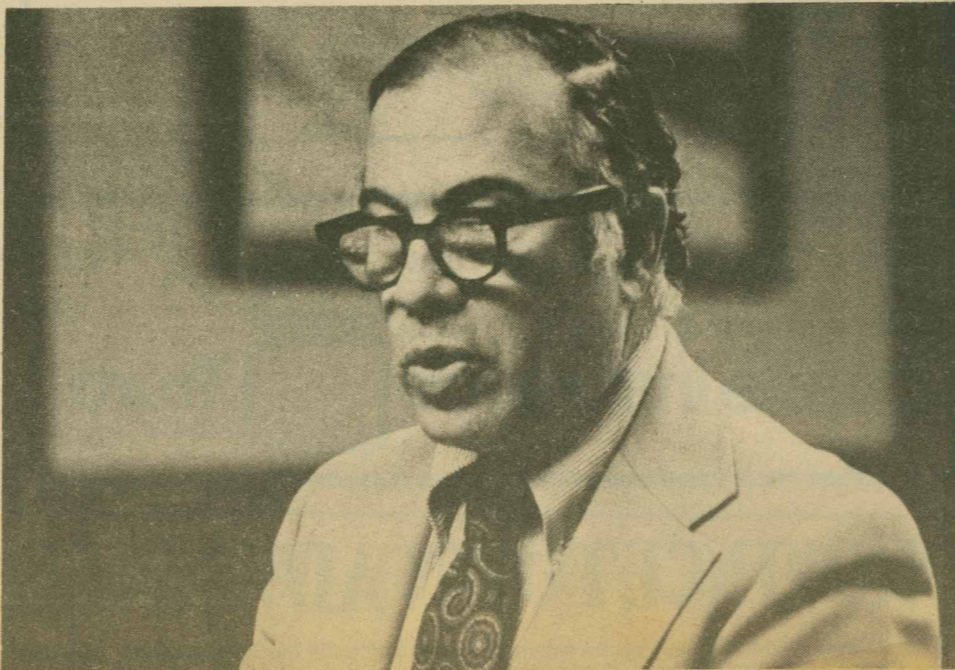
According to figures announced at the auction and previously made public, the Inn owed the Town of Provincetown \$32,936.55 on its 1973 property tax bill, \$35,575.50 for its 1974 property tax, and \$3,476 for its 1973

water bill; it owed the state \$19,000 for food tax deducted but never paid; and approximately \$65,000 to the federal government.

Officials of Bass River, who were present at the sale and made the only bid, refused to discuss anything about the acquisition.

Roland Chamberlain and Peter Ryder, who had managed the Inn while it was in receivership, said they would continue to operate the Inn for the bank as they had done since the May 6 foreclosure.

Future details about the Inn's fate, (Continued to Page 18)



Bass River Attorney Marvin Geller before the Provincetown Selectmen.

whether the bank will keep it, put it on its feet or sell it, remain a mystery.

It is unclear how much was realized on the foreclosure by the banks. The Town had assessed the Inn at \$1,868,700, but the banks never disclosed how much was outstanding on the first mortgage of \$2,133,250.

Geller had promised the Selectmen, when they transferred the liquor license to the bank's corporation, that any surplus over the mortgage debt would go to creditors. It is almost certain that no such surplus exists.

The auction was in marked contrast to the February auction of the second mortgage which was held by Chester Peck. At that auction, more than 300 persons saw Peter Ryder outbid four others to take title subject to the first mortgage for \$4,500.

Last Friday, there were only 30 persons in the Inn lobby as Joseph Finn, standing on a chair near the Inn's bar, intoned repeatedly, "And how much for the property please."

At the second call, Carroll Murdock, vice president and treasurer of the Bass River Bank, bid one million dollars, and three cries later it belonged to his bank.

Most of those present in the lobby were affiliated with one of the three banks holding the mortgage or with the Inn. Present also

was former owner Gerry Malloy.

Malloy had owned and run the Inn since purchasing it from Chester Peck two years ago. Malloy, currently under state indictment for larceny in connection with the nonpayment of collected employe medical premiums, observed the sale from the far end of the lobby.

Afterwards, Malloy said he attended the auction because "I wanted to see what would happen."