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TO DIRECTOR

FROM SAC, CHICAGO 290054

GUS ALEX, AKA. AR. DAILY SUMMARY. CG 6443-C ADVISED THAT GUS ALEX, FRANK FERRARO, AND SIDNEY KORSHAK ARE THE REAL OWNERS OF THE ST. CLAIR, EAST GATE AND CROYDON HOTELS IN CHICAGO AND THAT THE INDIVIDUALS FRONTING FOR THEM IN THE OWNERSHIP OF THE HOTELS ARE LOUIS SILVER, PHIL SCHER, AND AN INDIVIDUAL KNOWN AS FNU MACK. HE FURTHER ADVISED THAT SILVER IS PRESENTLY DEALING FOR THE OWNERSHIP OF THE AMBASSADOR EAST AND WEST HOTELS AS WELL AS THE SHERMAN HOTEL AND THAT THE TRANSACTION IS EXPECTED TO BE COMPLETED ANY DAY. INFORMANT SAID THAT THE SON-IN-LAW OF SILVER, ONE ROBERT LIFTON, IS AN OFFICIAL OF THE CONTINENTAL INVESTMENT CORPORATION, NEW YORK CITY. HE SAID THAT SIDNEY KORSHAK, ATTORNEY FOR ALEX AND HIS ASSOCIATES, HANDLES THE INVESTMENTS FOR THE "OUTFIT" IN THE ABOVE INVESTING CORPORATION. PCI FRANK LA CROIX ADVISED THAT LOUIS SILVER, OWNER OF THE GOLD COAST HOTELS WHICH INCLUDES THE ST. CLAIR, EAST GATE, AND CROYDON HOTELS, RECENTLY PURCHASED THE AMBASSADOR EAST AND WEST HOTELS FROM THE LAKE SHORE MANAGEMENT CORPORATION, WHICH IS OWNED BY JOHN MACK AND RAY SHER. HE STATED THE EFFECTIVE DATE WAS AUGUST 16 LAST AND THE ESTIMATED PURCHASE PRICE PAID BY SILVER WAS \$7,000,000. HE SAID THAT THE PURCHASE DID NOT INCLUDE THE SHERMAN HOTEL WHICH IS STILL OWNED BY MACK AND SHER. IT IS

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