

Buyer's Tax Problems

Stymie Sale of Chalk's

By **DON BEDWELL**
Herald Aviation Writer

A Pennsylvania contractor's plans to buy Chalk's International Airlines have been stalled, largely because of the prospective buyer's multi-million dollar tax dispute with the federal government.

Internal Revenue Service officers have filed a \$2.3 million tax lien in Miami against the would-be purchaser, Edward F. Dixon, 49, of Mount Carmel, Pa.

Edward Dixon is one of three Dixons hit with some \$8.7 million in IRS liens as an outgrowth of their contracting operations in Pennsylvania.

THOSE OPERATIONS — which involve extinguishing burning piles of coal slag under lucrative state contracts — have been under investigation by state authorities for more than two years.

Dixon had already been named Chalk's board chairman before the lien was filed here and Dixon's personal aircraft, a green Grumman Mallard, impounded by IRS agents at Chalk's Watson Island seaplane base.

Both Dixon and Dean H. Franklin, the Miami aviation pioneer who stepped down as board chairman and general manager during the negotiations, confirmed the planned sale and its delay.

Even if the two should reach an agreement, the sale still would be subject to approval by U.S. and Bahamian authorities since international routes are at stake.

CHALK'S INTERNATIONAL, though only a small air carrier which shuttles passengers and goods between Miami and the Bahamas, may be the world's oldest still-active air company.

Its twin-engine amphibians have operated from Biscayne Bay since 1919.

Arthur Burns Chalk, who founded the company, still holds the title of president although he is in his 80s.

Dixon, reached at the Britannia Beach Hotel in Nassau, said the deal hasn't gone through, "with the IRS getting into the picture and making allegations that aren't so."

But, asked if the IRS issue was the only question delaying the transaction, Dixon said, "I would say no." He declined to go into specifics of the proposed contract "until my attorneys have discussed the allegations with the IRS."

"We still have a lot of loose ends," said Franklin, now serving as director of the airline, he has controlled for about nine years.

"I might end up getting the whole thing back."

IRS PAPERS reportedly were served on attorneys for Franklin, Chalk's and the related Franklin Flying Service to prevent Dixon from transferring any stock he may hold in the two companies until the dispute is resolved.

"The lien involves all of Dixon's assets in Dade," said an IRS source.

"If he holds any stock in Chalk's, it would include that. He couldn't sell anything until he straightens out the tax lien."

The lien, filed on Nov. 29 in Circuit Court here, specifies that the government is trying to collect \$1,440,811 from Dixon for 1970 taxes and \$845,759 for 1971 taxes.

IT GIVES no specifics on how the government claims Dixon failed to meet his obligations.

Liens also have been filed against Dixon; his brother,

John P., and his cousin, John L. Dixon, in Pennsylvania, where the three are partners in Dixon Contracting Co. and the Commonwealth Development Association of Pennsylvania, whose tax-exempt status the IRS is challenging.

"The IRS has taken the position that the association wasn't concerned with social welfare, as claimed, but rather was operating as a corporation for profit and we have taxed them accordingly," an IRS spokesman in Philadelphia said.

The federal action does not claim a criminal offense. "It is a civil action attempting to collect taxes we feel he owes the government," a spokesman said.

Kosher

By **DOUG CLIFTON**
Herald Staff Writer

Miami Beach kosher food inspector Frank Brickman, under federal indictment on a charge that he extorted \$400 from a New York meat packer, was suspended Thursday by Acting City Manager Frank Spence.

"After personally reviewing the federal indictment on Mr. Brickman I have decided to suspend him . . . until charges are dropped or the courts make a decision about his case," Spence said.

"I think it the suspension) is in the best interests of the city since he (Brickman) does have law enforcement powers though I do believe that he is innocent until proven guilty," he added.

BRICKMAN, the only enforcer of Jewish dietary laws in the state and one of the few in the nation, pleaded not guilty to the charges