



BLAKE'S AMERICA

Mark J. Cowan

SUCCESS COMBINED WITH a long life supplies the liberty to pursue happiness. Consider the 106-year life of S. Prestley “Pres” Blake, co-founder of East Coast restaurant chain Friendly’s.¹ Business success allowed him to pursue interests from the traditional (philanthropy and investing) to the luxurious (yachting, collecting Rolls-Royces,² and taking the Concorde on a 24-day around-the-world journey³) to the eccentric (sleeping in an igloo at the North Pole⁴ and flying over the North Pole and the South Pole on a single Pam Am flight⁵).

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¹ Blake died on February 11, 2021. Daniel E. Slotnik, *S. Prestley Blake, a Founder of Friendly’s, Dies at 106*, N.Y. TIMES, Feb. 12, 2021. The name of the company was originally “Friendly Ice Cream.” It became “Friendly’s” in 1989. Friendly’s, Our Story, www.friendlysrestaurants.com/about/our-story/.

² One of Blake’s Rolls-Royces appeared in a 1970 Otto Preminger film starring Liza Minelli. Since the car was difficult to drive, the production asked Blake to play the chauffeur. S. PRESTLEY BLAKE & ALAN FARNHAM, *A FRIENDLY LIFE: THE AUTOBIOGRAPHY OF S. PRESTLEY BLAKE* 83 (2011). Thus, Blake could add acting to his list of accomplishments, although the role involved no lines and was uncredited. See *TELL ME THAT YOU LOVE ME, JUNIE MOON* (Paramount Pictures 1970).

³ BLAKE & FARNHAM, *supra* note 2, at 73-78. The Concorde trip was fitting, given that the supersonic aircraft was powered by Rolls-Royce engines. See Howard Slutsken, *What It Was Really Like to Fly on Concorde*, CNN.com, Mar. 2, 2019, www.cnn.com/travel/article/concorde-flying-what-was-it-like/index.html.

⁴ BLAKE & FARNHAM, *supra* note 2, at 79-80.

⁵ *Id.* at 80.

Blake had an affinity for replicas of America's past and a knack for losing money on them. This article reviews the tax case that arose from Blake's 1975 attempt to dispose of his yacht *America* via a charitable contribution. The outcome is an enduring example of how the tax law tries to look through the form of a transaction to get at its substance.

I.

BLAKE'S STORY, ABRIDGED

The money came from ice cream. Blake made his fortune not by inventing a disruptive technology or cryptocurrency, but through selling a product that had been around for centuries.⁶ In 1935, Blake and his brother Curtis,⁷ who were unable to find work, borrowed \$547 from their parents to open an ice cream parlor in Springfield, Massachusetts.⁸ The parlor charged five cents for two scoops of ice cream. Over the next four decades, the Blake brothers slowly expanded – building full-service restaurants throughout the region and their own creamery. Their business strategy, like their product, was old-fashioned. They grew slowly and avoided debt, an approach informed by the Blakes' personal experience during the Great Depression. Consistent with the company's name, the brothers focused on providing superior customer service. The company designed each restaurant with the kitchen in the center, surrounded by a low barrier, surrounded by customer seating – allowing servers to quickly move between the tables and the cooking area.⁹

⁶ For the history of ice cream, see International Dairy Foods Association, *The History of Ice Cream*, www.idfa.org/the-history-of-ice-cream. In early America, it was reported that Thomas Jefferson had his own 18-step vanilla ice cream recipe. *See id.*

⁷ Curtis, who managed the company with Pres throughout their ownership, died in 2019 at the age of 102. James R. Hagerty, *Curtis Blake, Prodded by His Mom, Co-Founded Friendly's Ice Cream Chain*, WALL ST. J., May 31, 2019.

⁸ Blake's father Herbert was an executive at Standard Electric Time Co. in Springfield. That company was the subject of its own tax litigation involving the tax-free liquidation of a subsidiary under I.R.C. § 332. *See* *George L. Riggs, Inc. v. Comm'r*, 64 T.C. 474 (1975).

⁹ Peter Romeo, *Never Mind WWII. Here are the Wars That Really Made Friendly's*, RESTAURANT BUSINESS, Nov. 8, 2020 (on file with author). The centralized kitchens are no longer used at the chain. An independent dairy bar and restaurant in Manchester, Connecticut, Shady

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The company went public in 1968, but the Blake brothers retained control.¹⁰ By the late 1970s, Friendly's had over 600 outlets across 16 states in the eastern United States. Hershey Foods Corporation bought the company in 1979 for \$162 million,¹¹ at which point Blake retired (his brother Curtis had done so earlier). Under Hershey's ownership, the chain's offerings expanded to feature Hershey-branded sundaes and the company began selling prepackaged ice cream treats in supermarkets. Hershey sold the company in 1988,¹² but continued to license its brands to the new owner. For a time, the restaurants continued to thrive.

Those who grew up in southern New England or the surrounding area in the 1960s and beyond likely have fond memories of going to Friendly's. The restaurants seemed to be everywhere, with the notable exception of the town of Somers in northern Connecticut, where Pres Blake lived for many years and where I grew up. Somers was known as a bedroom community where housing density was low and chain stores were forbidden. My family often traveled to nearby Enfield or Vernon to eat at Friendly's. There was often a wait. And whenever we'd drive by Blake's mansion, just south of the Massachusetts border,¹³ we'd point and say "that's where the Friendly's guy lives!"

I credit a now-shuttered Friendly's in West Hartford for helping me survive law school. My friends and I would often have lunch there,¹⁴ have conversations about the law and life, and take a break from the burdens of law school.

Glen, which hasn't changed much since the 1940s, still uses the setup. I recommend the Bernice Original Cheeseburger Platter and the hot fudge sundae.

¹⁰ BLAKE & FARNHAM, *supra* note 2, at 43; ROBERT J. GAUDRAULT, BEYOND THE MARK: FRIENDLY 1935-1985 at 80 (1985).

¹¹ Robert J. Cole, *Hershey Set to Buy Friendly Ice Cream*, N.Y. TIMES, Dec. 27, 1978, at D5, www.nytimes.com/1978/12/27/archives/hershey-set-to-buy-friendly-ice-cream-hershey-offer-on-saturday.html.

¹² Friendly's, Our History, www.friendlysrestaurants.com/about/our-story/.

¹³ There are several mansions on the Connecticut side of the border. Anecdotally, taxes may be a reason. For many years, Massachusetts (or "Taxachusetts" as it was sometimes called in those days) imposed a personal income tax but Connecticut did not (except for a tax on investment income). Connecticut did not enact a broad-based personal income tax until 1991.

¹⁴ I recommend the All-American Burger with Cheese and the Ultimate Cookies 'n Cream sundae.

Eventually, consumer tastes changed and Friendly's became a relic. As Friendly's fortunes faded, Blake started to buy Friendly's stock and became an activist investor. His 2006 dispute with management resulted in a Harvard Business School Case.¹⁵ In 2011, Friendly's entered bankruptcy, closed many of its outlets,¹⁶ and spun off its prepackaged ice cream business.¹⁷

II.

A REPLICA OF REGRET

Blake donated substantial sums to charities.¹⁸ When he tried to combine his passions for philanthropy and yachting, he ran into tax trouble. Blake owned several luxury vessels over the years, but one stood out both in yachting history and in the annals of the U.S. Tax Court: *America*.¹⁹ The yacht is a replica of the original *America*, built in 1851, which provided the name for the America's Cup race. Blake purchased the yacht for \$500,000 in 1972.²⁰ While the yacht later became notable for its participation in the Tall Ships' Sail in New York City during the 1976 Bicentennial celebration and won a contest in Africa, Blake ultimately grew frustrated with *America*.

¹⁵ Fabrizio Ferri, V.G. Narayanan, and James Weber, *Shareholder Activists at Friendly Ice Cream*, HARVARD BUSINESS SCHOOL CASE 9-108-024 (2008). Blake attended class the first time the case was taught.

¹⁶ Chris Reidy, *Friendly's Closes 63 Stores as Ice Cream Chain Files for Bankruptcy*, BOSTON GLOBE, Oct. 5, 2011.

¹⁷ One consequence was that Friendly's ice cream products became available in more locations – even in my now-home of Boise, Idaho. A licensed Boise State Bronco version of Friendly's ice cream was sold in local supermarkets. In 2016, the prepackaged ice cream brands were sold to Dean Foods. Blake invested in the company as a show of support, but Dean went bankrupt and its brands were taken over by a company affiliated with the Dairy Farmers of America cooperative. See Friendly's, Retail, friendly.com/retail/.

¹⁸ Blake's name is on many educational and charitable facilities in New England, including the S. Prestley Blake Law Center, which houses the School of Law at Western New England University.

¹⁹ Blake v. Comm'r, T.C. Memo. 1981-579 (1981), *aff'd*, 697 F.2d 473 (2d Cir. 1982).

²⁰ Blake v. Comm'r, 697 F.2d 473, 475 (2d Cir. 1982). The yacht was technically purchased by Blake's wholly-owned S corporation, but that had no bearing on the tax treatment because the activity of the S corporation passed through to Blake as the stockholder. See Blake v. Comm'r, T.C. Memo. 1981-579 (1981).

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It was costly to maintain and failed to attract significant charter business. Ultimately Blake decided he had to get rid of the vessel “at all costs.”²¹

Given his philanthropic interests, Blake decided to donate the yacht. But he had difficulty finding a charity that wanted it. After Mystic Seaport in Connecticut declined the gift, he entered into discussions to donate the yacht (and some cash to help maintain it) to the Kings Point Fund (Fund), a charity which supports the U.S. Merchant Marine Academy in New York. On March 13, 1975, the directors of the Fund approved the acquisition of *America*, subject to the approval of legal counsel. Four days later, after “apparently consulting with his tax lawyers,” Blake donated not his yacht, but 35,000 shares of his Friendly Ice Cream Corporation stock to the Fund for use in its cadet training programs.²² At the time of the donation, the stock’s fair market value was \$685,000 and its basis to Blake was \$98.²³ The Fund immediately sold the stock, earmarking \$675,000 of the proceeds to purchase *America* from Blake and the remainder to maintain the yacht.²⁴ The Fund then immediately tried to sell *America* and was ultimately able to net \$200,000 from its sale in the summer of 1975.²⁵ There appeared to be no written contract requiring the Fund to purchase the yacht from the proceeds of the stock sale but there was clearly an understanding between Blake and the Fund that the purchase would occur.

Taxpayers who itemize deductions in lieu of taking the standard deduction can deduct contributions to charity.²⁶ Donations of property to charity are generally deductible at fair market value.²⁷ The taxpayer contributing the

²¹ *Blake*, 697 F.2d at 475.

²² *Id.*

²³ *See id.* The \$98 basis may appear low, but recall the humble origins of the company as noted in *supra* Part I. Blake’s stock had unrealized gains that had accrued from the 1930s through the mid-1970s – a period of substantial growth for the company. Although it pains me, as a CPA, to do so, I sometimes use rough/rounded numbers throughout this article. There were numerous other issues in Blake’s tax case and using precise numbers would require pedantic explanations that would obscure the main points.

²⁴ *Blake*, 697 F.2d at 475-76.

²⁵ *Id.* at 476.

²⁶ *See* I.R.C. § 170(a) (allowing the deduction); I.R.C. § 63(d) (noting that all deductions allowed for individuals, except those enumerated, are itemized deductions; deductions for charitable contributions are not among those enumerated).

²⁷ Treas. Reg. § 1.170A-1(c)(1) (as amended in 2020). There are exceptions, which are not

property generally does not recognize any gain or loss on the contribution because the property was not sold or exchanged.²⁸ Thus, the taxpayer gets a double benefit. For example, assume a taxpayer purchases publicly traded stock for \$100,000 in Year 1. In Year 5, the stock is worth \$1,100,000. If the stock were sold, the taxpayer would have a \$1,000,000 long term capital gain. If the stock were donated, the \$1,000,000 gain would be avoided and a full \$1,100,000 would be deductible as a charitable contribution. It seems suspiciously generous to allow a taxpayer to deduct the fair market value of the property when the accrued gain has never been subject to tax. But that is the rule.²⁹

Blake claimed, as the paperwork indicated, that he had donated stock to the Fund and then sold the yacht. The IRS claimed that Blake had donated the yacht to the Fund and that he had sold his stock, using the Fund as a

relevant here. Charitable deductions are limited to a percentage of the taxpayer's adjusted gross income, with any unallowed amount carried forward (and subject to the same limits) for up to five years. I.R.C. § 170(b) & (d). In the case of donations of long-term capital gain property, like corporate stock, the limit is 30 percent of adjusted gross income. I.R.C. § 170(b)(1)(C).

²⁸ See I.R.C. § 1001, which requires taxpayers to recognize gains or losses from “the sale or other disposition of property” equal to the difference between the taxpayer’s adjusted basis and the amount realized. The “amount realized” in such transactions is “the sum of any money received plus the fair market value of the property (other than money) received.” I.R.C. § 1001(b). This language has been interpreted to hold that donations of property, in which no consideration is received, are not realization events for tax purposes. See, e.g., LAWRENCE ZELENAK, FIGURING OUT THE TAX: CONGRESS, TREASURY, AND THE DESIGN OF THE EARLY MODERN INCOME TAX 100 n.74 (2018).

²⁹ Scholars have criticized this result as a significant loophole that should be changed, but acknowledge that doing so would be difficult. The decision to allow a fair market value deduction for property donations in these situations was made in the early days of the federal income tax. Although many admit the decision was a conceptual mistake, the fair market value deduction has endured as one of the “original sins” of the federal income tax. The generosity of the rule attracted powerful constituencies from the donor and charitable communities which lobby to protect the deduction whenever it is threatened. See ZELENAK, *supra* note 28, at 99-109; 125-132; see also Gerard M. Brannon, *Tax Loopholes as Original Sin: Lessons from Tax History*, 31 VILL. L. REV. 1763, 1773 (1986). The double benefit is a power incentive for taxpayers to donate property to charity. In 2019, individual taxpayers deducted \$39.6 billion in donations of corporate stock to charity. Internal Revenue Service, 42 STATISTICS OF INCOME BULLETIN 2 (Summer 2022).

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conduit to accomplish the sale. These claims lead to starkly different tax results.

Under Blake's view of the transaction, he donated stock valued at \$685,000 and was entitled to a deduction for that amount.³⁰ The Fund then sold the stock, resulting in no gain to him (since it was sold by the Fund) and no taxable gain to the Fund (since the Fund is a charity).³¹ He then sold *America* to the Fund, in a separate transaction, recognizing a gain of \$190,000.³² The transactions thus (over several tax years) lowered Blake's taxable income by approximately \$495,000.

Under the IRS's view of the deal, Blake had sold the Friendly stock (using the Fund as a conduit) and had to recognize a long-term capital gain of \$684,902 (\$685,000 sales price less his \$98 basis in the stock). Blake then donated the yacht and could claim a charitable contribution deduction for its fair market value at the date of the contribution. The Tax Court determined that the fair market value of the yacht was \$375,000.³³ Thus, the net impact of the transaction was to *raise* Blake's taxable income by \$309,902.

³⁰ He didn't actually deduct the full amount on his 1975 return because he was subject to the 30 percent of adjusted gross income limitation (see *supra* note 27) and thus had to carry most of the deduction forward for possible use in future tax years. *Blake v. Comm'r*, T.C. Memo. 1981-579 (1981).

³¹ See I.R.C. § 512(b)(5), excluding gains on the sale of most property by charities from the unrelated business income tax that applies to Section 501(c)(3) organizations.

³² See *Blake v. Comm'r*, T.C. Memo. 1981-579 (1981). As noted earlier, Blake paid \$500,000 for *America* in 1972 and sold it to the fund for \$675,000 in 1975, which would have resulted in a gain of \$175,000. The difference between this number and the reported gain is due to a combination of depreciation (reducing Blake's basis in the yacht) and improvements (increasing Blake's basis in the yacht).

³³ Although the Fund sold the yacht for \$200,000 shortly after acquiring it (and thus \$200,000 would appear to be the vessel's fair market value), the Tax Court determined that the Fund had sold it at below fair market value. After reviewing the evidence, the court settled on a value of \$375,000. See *Blake v. Comm'r*, T.C. Memo. 1981-579 (1981). Under today's law, the value of the donation would have been limited to \$200,000. Deductions for donations of used motor vehicles, boats, and airplanes are generally limited to the gross proceeds the charity receives from selling the donated property (assuming no intervening use or improvement of the property by the charity). I.R.C. § 170(f)(12).

Accordingly, Blake's reckoning of the impact of the transactions on his taxable income (\$495,000 *reduction* in taxable income) and the IRS's reckoning (\$309,902 *increase* to taxable income) differed by \$804,902.³⁴

Blake's reporting of the transaction certainly raised concerns at the IRS, given that Blake was claiming a \$685,000 deduction for a donation that netted the Fund only \$200,000. After Blake and the IRS failed to resolve the dispute on audit, they went to court. *Blake v. Commissioner* was heard first by the U.S. Tax Court (which ruled for the IRS) and then by the Court of Appeals for the Second Circuit.³⁵ The next section discusses the Second Circuit's opinion.

III.

"THE BOAT THING"

The outcome of the case turned on the application of the classic judicial doctrine of substance over form. The notion is that transactions should be taxed based on their substance, rather than their form. More precisely, the doctrine at issue in *Blake v. Commissioner* is a flavor of substance over form known as the step transaction doctrine. If a transaction involves a step that is unnecessary to accomplish the economics of the transaction, it may be disregarded for tax purposes. For simplicity, I'll refer to the issue simply as substance over form.

When applying substance over form, courts do not generally focus on the taxpayer's effort to save taxes itself. Per Judge Learned Hand's oft-quoted 1934 opinion in *Helvering v. Gregory*, a taxpayer "may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury; there is not even a patriotic duty to increase one's taxes."³⁶ Yet the Second Circuit ruled against the taxpayer in the quoted case, not because the taxpayer tried to save taxes, but because the taxpayer did so by inserting unnecessary steps into a trans-

³⁴ I provide this estimate to give readers a sense of the big picture of what was at stake. In reality, because of the percentage limitations on the charitable deduction that Blake claimed for his purported stock donation and various other issues not discussed here, the taxable income numbers for the tax years actually before the court were different.

³⁵ *Blake v. Comm'r*, T.C. Memo. 1981-579 (1981), *aff'd*, 697 F.2d 473 (2d Cir. 1982).

³⁶ *Helvering v. Gregory*, 69 F.2d 809, 810 (2d Cir. 1934).

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action in a way that subverted the statute. In 1935, the same year Blake and his brother opened their ice cream shop, the Supreme Court upheld the Second Circuit's decision in *Helvering v. Gregory*, articulating the substance over form doctrine:

Putting aside, then, the question of motive in respect of taxation altogether, and fixing the character of the proceeding by what actually occurred, what do we find? Simply an operation having no business or corporate purpose – a mere device which put on the form of a [tax-free] corporate reorganization as a disguise for concealing its real character The whole undertaking, though conducted according to the terms of [the Internal Revenue Code], was in fact an elaborate and devious form of conveyance masquerading as a corporate reorganization, and nothing else. The rule which excludes from consideration the motive of tax avoidance is not pertinent to the situation, because the transaction upon its face lies outside the plain intent of the statute. To hold otherwise would be to exalt artifice above reality and to deprive the statutory provision in question of all serious purpose.³⁷

In another case from 1935, Hand again articulated the substance over form principle:

The question always is whether the transaction under scrutiny is in fact what it appears to be in form; a marriage may be a joke; a contract may be intended only to deceive others; an agreement may have a collateral defeasance. In such cases the transaction as a whole is different from its appearance. . . . [T]he purpose which counts is one which defeats or contradicts the apparent transaction, not the purpose to escape taxation which the apparent, but not the whole, transaction would realize.³⁸

In form, Blake had donated stock to the Fund and then, in an unrelated transaction, sold *America* to the Fund. But is this what really happened in substance? If the Fund had been legally obligated to use the proceeds from the sale of the stock to buy the yacht, then it would be clear that there was no real donation of stock in substance.³⁹ What the court had to decide was

³⁷ *Gregory v. Helvering*, 293 U.S. 465, 469-70 (1935).

³⁸ *Chisholm v. Comm'r*, 79 F.2d 14, 15 (2d Cir. 1935).

³⁹ *Blake v. Comm'r*, 697 F.2d 473, 476 (2d Cir. 1982).

whether the informal understanding between Blake and the Fund should lead to the same result.

Blake argued that he donated the stock free and clear and that the fund was under no obligation to purchase *America* with the proceeds. The Fund, in his view, had the freedom to refuse to buy the yacht and thus Blake bore the risk that he'd be stuck with the vessel. When looking for substance, the tax law, like *America*, respects freedom and risk. Both are evidence of substance.

When asked at trial if he would have donated \$685,000 in stock to the Fund if it had not agreed to buy *America*, Blake admitted he would not have donated so much "except for the boat thing."⁴⁰ Thus, the donation would not have been made but for the Fund's plan to purchase the yacht. The donation and sale were connected, not coincidental. Furthermore, the director of the Fund testified that if the charity had not bought the yacht after taking Blake's stock, the Fund would have destroyed its relationship not only with Blake, but also with other potential donors.⁴¹ Thus, it was clear that the stock and boat transactions were interconnected, Blake was at no real risk, and the Fund had no freedom not to buy the yacht. All of this pointed to the substance of the arrangement as a donation of the yacht and a sale of the stock.

The court also applied state law to show that, if the Fund had not bought the yacht, Blake would have had a legal cause of action under the promissory estoppel doctrine.⁴² Blake, after all, had relied on the Fund's assertions that it would buy the yacht with the proceeds it got from selling the stock. But the court did not view the application of promissory estoppel to be necessary to its decision:

[W]hether or not the "understanding" the Tax Court found here was legally enforceable under state law, we hold that where there is an understanding that a contribution of appreciated property will be utilized by the donee charity for the purpose of purchasing an asset of the contributor, the transaction will be viewed as a matter of tax law as a contribution of the asset – at whatever its then value is – with the charity acting as a conduit of the proceeds

⁴⁰ *Id.* at 478.

⁴¹ *Id.*

⁴² *Id.*

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from the sale of the stock. This makes the taxpayer/putative-donor taxable on the gain of the stock though entitled to deduct the value of the asset given, whatever that value in fact is.⁴³

Thus, Blake lost. But at least he didn't have *America* to worry about anymore.

CONCLUSION

The *America* drama was not the last of Blake's replica adventures. To celebrate his 100th birthday, he bought his neighbor's estate and, at a cost of over \$8 million, constructed a replica of Thomas Jefferson's *Monticello* – out of respect for the author of the Declaration of Independence.⁴⁴ Blake planned to sell the property. Much like with *America*, Blake had trouble selling his version of Monticello. It ultimately sold at auction for \$2.1 million.⁴⁵ Blake later decided he would donate his mansion and Monticello (which he no longer owned and presumably needed to buy back) to Michigan-based Hillsdale College to hold adult education courses.⁴⁶ Many Somers residents were not happy about the traffic and activity that Hillsdale's presence would bring. When zoning problems followed, Hillsdale rebranded the property as the Blake Center for Faith and Freedom and threatened to sue the town for violating its religious rights.⁴⁷ A settlement was later reached in which Hillsdale agreed to limit its activities on the site. As of this writing, there is no public record of any federal income tax issues arising over the donations to Hillsdale.⁴⁸

⁴³ *Id.* at 480.

⁴⁴ Slotnik, *supra* note 1. The neighboring estate was owned by the D'Amour family. The D'Amours were another pair of brothers in western Massachusetts who borrowed a few hundred dollars from their family in the 1930s to start their own business – which grew into the Big Y chain of supermarkets. See Big Y, Our History, www.bigy.com/AboutUs/History. I worked for a Big Y store in high school and college, first as a front-end clerk bagging groceries and later in the produce department. I wanted to be a cashier, but was told that I was too shy to ask people for money.

⁴⁵ Slotnik, *supra* note 1.

⁴⁶ Christopher Hoffman, *How the Coming of a Conservative Midwestern College Divided a Small CT Town*, CONNECTICUT MAGAZINE, Aug. 26, 2020.

⁴⁷ *Id.* Some opined that Hillsdale was not really a religious organization and that it only claimed that status when the zoning issues arose. See *id.*

⁴⁸ But there is a property tax issue. With the use of the property changing from residential

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Blake embodied many traditions we associate with life in America, like hard work, entrepreneurship, philanthropy, and ice cream. His *America* tax drama will remain in the casebooks as an enduring example of how substance can trump form. Blake is gone. But his legacy will live on in what is left of the restaurant chain he created, the many charitable centers which bear his name, and the many happy memories he made possible for his customers. In indulging in nostalgia for American glories of the past, he lost millions. But in creating nostalgia for others, he built a fortune.



to nonprofit (tax-exempt), the town will lose about \$100,000 in annual property tax revenue. Hillsdale and the Blake family have discussed replacing the lost revenue. *See id.*