

# STOCK EXCHANGE PRACTICES

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## HEARINGS

BEFORE THE

## COMMITTEE ON BANKING AND CURRENCY UNITED STATES SENATE

SEVENTY-THIRD CONGRESS

SECOND SESSION

ON

### S. Res. 84

(72d CONGRESS)

A RESOLUTION TO INVESTIGATE PRACTICES OF STOCK  
EXCHANGES WITH RESPECT TO THE BUYING AND  
SELLING AND THE BORROWING AND LENDING  
OF LISTED SECURITIES

AND

### S.Res. 56 and S.Res. 97

(73d CONGRESS)

RESOLUTIONS TO INVESTIGATE THE MATTER OF BANKING  
OPERATIONS AND PRACTICES, TRANSACTIONS RELATING TO  
ANY SALE, EXCHANGE, PURCHASE, ACQUISITION, BORROW-  
ING, LENDING, FINANCING, ISSUING, DISTRIBUTING, OR  
OTHER DISPOSITION OF, OR DEALING IN, SECURITIES OR  
CREDIT BY ANY PERSON OR FIRM, PARTNERSHIP, COMPANY,  
ASSOCIATION, CORPORATION, OR OTHER ENTITY, WITH A  
VIEW TO RECOMMENDING NECESSARY LEGISLATION, UNDER  
THE TAXING POWER OR OTHER FEDERAL POWERS

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### PART 20

Exhibits Cleveland Banking Investigation (continued)

MAY 3 AND 4, 1934

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Printed for the use of the Committee on Banking and Currency



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GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1934

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JAMES COUZENS, Michigan

<sup>1</sup> Alternate, Thomas P Gore, Oklahoma

<sup>2</sup> Alternate, Phillips Lee Goldsborough, Maryland.



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SCHEDULE OF DIRECTORS AND OFFICERS, YEARS 1929-1933, INC.

UNION TRUST COMPANY  
UNION CLEVELAND CORPORATION

(Exhibit U-A faces this page)

EXHIBIT U-B

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THE UNION TRUST COMPANY

*Meeting of Board of Directors January 14, 1931*

The following committees of the Board were thereupon proposed and were named by the Board:

*Auditing Committee.*—R. C. Norton, Ralph T. King, E. P. Lenihan.

*Branch Bank Committee.*—W. J. Crawford, Jr., F. W. Daykin, F. B. Fretter, George Gund, Herman Moss, Thos. P. Robbins.

*Finance Committee.*—E. R. Grasselli, Otto Miller, Thos. P. Robbins, F. P. Root, Allard Smith.

*Executive Committee.*—F. H. Ginn, E. R. Grasselli, W. A. Harshaw, W. S. Hayden, Emil Joseph, John A. Kling, E. J. Kulas, Wm. G. Mather, Otto Miller, Kenyon V. Painter, Thos. P. Robbins, F. P. Root, Allard Smith, Windsor T. White.

*Industrial Committee.*—George Bartol, Alexander C. Brown, F. B. Fretter, W. H. Gerhauser, Thos. M. Girdler, Geo. C. Gordon, Geo. H. Hodgson, Adrian D. Joyce, E. J. Kulas, E. A. Langenbach, Bascom Little, P. A. Myers, C. N. Osborne, N. G. Richman, Thos. P. Robbins, Samuel Lewis Smith, Whitney Warner, R. W. Woodruff.

Addition to Industrial Committee, July 14, 1931: W. A. Harshaw, F. H. Haserot, J. E. Rogers.

*Trust Committee.*—W. P. Belden, F. H. Ginn, G. W. Grandin, T. S. Grasselli, W. S. Hayden, Emil Joseph, Bascom Little, Wm. G. Mather, Allard Smith, Samuel Lewis Smith, Andrew Squire, Windsor T. White.

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EXHIBIT U-B-1

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THE UNION TRUST COMPANY

*Meeting of Board of Directors January 13, 1932*

The following committees of the Board were thereupon proposed and were named by the Board:

*Auditing Committee.*—R. C. Norton, Ralph T. King, E. P. Lenihan.

*Branch Bank Committee.*—W. J. Crawford, Jr., F. W. Daykin, F. B. Fretter, George Gund, Herman Moss, Thos. P. Robbins.

*Executive Committee.*—F. H. Ginn, E. R. Grasselli, W. A. Harshaw, W. S. Hayden, Emil Joseph, John A. Kling, E. J. Kulas, Wm. G. Mather, Otto Miller, Kenyon V. Painter, Thos. P. Robbins, F. P. Root, Allard Smith, Windsor T. White.

*Industrial Committee.*—George Bartol, F. B. Fretter, W. H. Gerhauser, Thos. M. Girdler, George C. Gordon, W. A. Harshaw, F. H. Haserot, Geo. H. Hodgson, Adrian D. Joyce, E. J. Kulas, E. A. Langenbach, Bascom Little, P. A. Myers, C. N. Osborne, N. G. Richman, Thos. P. Robbins, Jos. E. Rogers, Samuel Lewis Smith, Whitney Warner.

Addition to Industrial Committee, September 13, 1932: T. W. Miller.

*Trust Committee.*—W. P. Belden, F. H. Ginn, G. W. Grandin, T. S. Grasselli, W. S. Hayden, Emil Joseph, Bascom Little, R. C. Norton, Allard Smith, Samuel Lewis Smith, Andrew Squire, Windsor T. White.

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## EXHIBIT U-B-2

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## THE UNION TRUST COMPANY

*Meeting of Board of Directors January 11, 1933*

The following committees of the Board were thereupon proposed and were named by the Board:

*Auditing Committee.*—R. C. Norton, Ralph T. King, E. P. Lenihan.

*Branch Bank Committee.*—F. W. Daykin, F. B. Fretter, George Gund, Herman Moss, Thos. P. Robbins.

*Executive Committee.*—F. H. Ginn, E. R. Grasselli, W. A. Harshaw, W. S. Hayden, Emil Joseph, John A. Kling, E. J. Kulas, E. P. Lenihan, Wm. G. Mather, Otto Miller, R. C. Norton, J. R. Nutt, Thos. P. Robbins, F. P. Root, Allard Smith, Windsor T. White.

*Industrial Committee.*—George Bartol, F. B. Fretter, W. H. Gerhauser, Thos. M. Girdler, George C. Gorden, W. A. Harshaw, F. H. Haserot, Geo. H. Hodgson, Adrian D. Joyce, E. J. Kulas, Bascom Little, T. W. Miller, C. N. Osborne, N. G. Richman, Thos. P. Robbins, Jos. E. Rogers, Whitney Warner.

*Trust Committee.*—W. P. Belden, F. H. Ginn, G. W. Grandin, T. S. Grasselli, F. H. Haserot, W. S. Hayden, Emil Joseph, Laurence H. Norton, J. R. Nutt, Allard Smith, Andrew Squire, Windsor T. White.

## THE UNION TRUST COMPANY—COMPENSATION TO OFFICERS—M. J. LAPADULA

## UNITED STATES SENATE—MEMORANDUM

U-17-6-7-8-9 refer to photostatic copies of annual reports.

## EXHIBIT U-17-1

*The officers pay roll tax return for 1928*

C. W. Carlson .....	\$9,000.00	Joseph C. Royon .....	\$18,000.00
John H. Caswell .....	6,500.00	L. H. Stofer .....	7,800.00
Thomas J. Champion .....	14,000.00	Jos. H. Thompson .....	5,500.00
Wm. H. Freytag .....	5,500.00	W. A. Gibson .....	6,000.00
George Q. Hall .....	3,600.00	Lewis C. Gilger .....	5,400.00
Elmer E. Creswell .....	21,000.00	G. H. Hull .....	12,000.00
Charles E. Farnsworth .....	25,000.00	W. J. O'Neill .....	21,000.00
William A. Hartford .....	5,220.00	Geo. N. Sherwin .....	21,000.00
Chas. Heil .....	5,000.00	H. L. Brown .....	8,400.00
M. B. Koelliker .....	8,400.00	C. J. Fairbanks .....	4,500.00
John P. Kraus .....	6,000.00	A. E. Mason .....	4,500.00
D. Y. LeFever .....	7,200.00	W. H. Kinsey .....	6,000.00
H. J. McGinness .....	5,400.00	Harry F. Pratt .....	4,800.00
W. R. Park .....	4,200.00	J. G. Geddes .....	15,000.00
Ralph B. Pettit .....	7,000.00	W. O. Stromberg .....	6,000.00
John Sherwin, Jr. ....	9,000.00	Fred W. Cook .....	4,000.00
W. G. Stuber .....	11,400.00	Geo. P. Steele .....	20,000.00
J. L. Wadsworth .....	7,200.00	F. D. Williams .....	12,000.00
Ralph Williams .....	6,000.00	Barton A. Bruce .....	5,500.00
J. P. Harris .....	30,000.00	A. B. Marshall .....	15,000.00
Van R. Purdy .....	6,000.00	Horace R. Sanborn .....	4,800.00
A. C. Coney .....	20,000.00	Clara Dombey .....	3,180.00
C. B. Lincoln .....	17,500.00	Chas. B. Anderson .....	12,000.00
Arthur F. Reed .....	13,000.00		
J. C. Armstrong .....	5,700.00		
C. S. Bechberger .....	9,000.00		
E. C. Genee .....	6,300.00		

## EXHIBIT U-17-1b

Joseph P. Hance .....	\$10,000.00	W. M. Baldwin .....	\$45,000.00
Wm. A. Hiles .....	5,500.00	Geo. A. Coulton .....	50,000.00
H. D. Messick .....	25,000.00	Robert S. Crawford .....	30,000.00
Chas. A. Morgan .....	5,730.00	Harry E. Hills .....	18,000.00
		Roger C. Hyatt .....	30,000.00
		Joseph R. Kraus .....	45,000.00
		Alden W. Lewis .....	7,200.00
		J. R. Nutt .....	50,000.00

*The officers pay roll tax return for 1928—Continued*

John Sherwin.....	0	C. L. Bethel.....	\$4, 500. 00
Allard Smith.....	\$35, 000. 00	Geo. W. Falkner.....	3, 300. 00
C. L. Tewksbury.....	4, 800. 00	Charles J. Hodous....	7, 200. 00
P. S. Wiseman.....	12, 000. 00	Frank L. Frey.....	5, 800. 00
Ernest Wagley.....	4, 800. 00	P. T. Harrold.....	9, 000. 00
John E. Washer.....	7, 500. 00	C. D. Hajek.....	5, 200. 00
F. W. Hoyer.....	4, 800. 00	C. J. Jindra.....	4, 500. 00
J. H. Clark.....	8, 700. 00	H. B. Chappell.....	5, 800. 00
S. D. James.....	5, 266. 00	Bruce Peter.....	3, 230. 00
John R. Geary.....	5, 000. 00	C. C. Morgan.....	5, 100. 00
A. L. Moler.....	7, 500. 00		
William Tonks.....	15, 000. 00		
J. C. Anderson.....	7, 700. 00		
W. A. Pfeiffer.....	6, 000. 00		
Donald S. Knowlton..	6, 500. 00		
George Brauer.....	4, 800. 00		
James Dunn, Jr.....	25, 000. 00		
C. G. Stark.....	4, 500. 00		
Armin Boethelt.....	4, 185. 00		

## EXHIBIT U-17-1c

Don Girgor.....	\$4, 800. 00
M. S. Halliday.....	10, 125. 00
John V. Holecek.....	3, 950. 00
Paul Kowallek.....	4, 450. 00
J. E. Mazach.....	3, 950. 00
Carl Orlikowski.....	4, 650. 00
James L. Paton.....	8, 000. 00
Chas. Piwonka.....	11, 750. 00
Ernest J. Simak.....	3, 300. 00
P. J. Slach.....	16, 000. 00
O. M. Stafford.....	25, 000. 00
Joseph Ranft.....	6, 000. 00
Arnold Chimo.....	4, 080. 00
Gus Rozman.....	3, 660. 00
L. H. Fisher.....	13, 500. 00
G. M. Kovachy.....	7, 750. 00
Earl F. Grow.....	5, 100. 00

## EXHIBIT U-17-1d

J. B. Monda.....	\$3, 762. 00
Theodore V. Bastel..	3, 300. 00
J. H. Lackamp.....	5, 200. 00
T. J. Eline.....	4, 900. 00
John G. Armstrong...	10, 000. 00
John C. Zamecnik.....	3, 000. 00
Frank Kakes.....	3, 800. 00
Joseph Kakes.....	4, 500. 00
J. B. Lackamp.....	4, 800. 00
H. Piwonka.....	8, 000. 00
J. L. Tekesky.....	3, 600. 00
Edson L. Twerell.....	4, 800. 00
J. C. Sanders.....	18, 000. 00
G. A. Spear.....	8, 000. 00
W. H. Cool.....	5, 980. 00
F. J. Woolworth.....	5, 250. 00
H. H. Herbert.....	3, 780. 00
Roy W. Irwin.....	4, 500. 00
Grover H. Culver.....	5, 000. 00
Joseph Hollander.....	2, 875. 00
J. W. McHaffie.....	4, 908. 00
E. M. Coen.....	3, 600. 00
Geo. Wickerlings....	6, 200. 00

1, 304, 409. 00

## EXHIBIT U-17-2

*Information return for calendar year 1929, the Union Trust Company*

C. W. Carlson.....	\$9, 600. 00	J. P. Harris.....	\$36, 000. 00
John H. Caswell.....	6, 500. 00	Van R. Purdy.....	6, 000. 00
Thomas J. Champion..	15, 000. 00	Peter Ball.....	6, 569. 22
J. H. Clark.....	9, 000. 00		
Elmer E. Creswell.....	22, 000. 00		
Charles E. Farnsworth.	25, 000. 00		
Wm. H. Freytag.....	5, 700. 00		
George Q. Hall.....	3, 600. 00		
William A. Hartford..	5, 400. 00		
Chas. Heil.....	5, 137. 00		
Homer H. Herbert.....	4, 000. 00		
W. R. Irwin.....	4, 750. 00		
M. B. Koelliker.....	9, 000. 00		
John P. Kraus.....	6, 000. 00		
D. Y. LeFever.....	7, 200. 00		
H. J. McGinness.....	5, 400. 00		
W. R. Park.....	4, 390. 00		
Ralph B. Pettit.....	7, 000. 00		
W. G. Stuber.....	12, 000. 00		
Ernest Wagley.....	5, 100. 00		
J. L. Wadsworth.....	7, 200. 00		
Ralph Williams.....	7, 200. 00		

## EXHIBIT U-17-2a

A. C. Coney.....	\$13, 333. 36
C. B. Lincoln.....	11, 666. 72
Henry Ranft.....	3, 500. 00
C. E. Register.....	4, 324. 00
L. J. Roeder.....	3, 166. 00
J. C. Armstrong.....	6, 000. 00
C. S. Bechberger.....	10, 000. 00
Grove H. Culver.....	5, 354. 00
E. C. Genee.....	6, 600. 00
Joseph P. Hance.....	10, 800. 00
Wm. A. Hiles.....	6, 000. 00
Joseph Hollander.....	3, 250. 00
H. D. Messick.....	27, 000. 00
Chas. A. Morgan.....	6, 600. 00
Joseph C. Royon.....	20, 000. 00
L. H. Stofer.....	8, 400. 00
W. A. Gibson.....	6, 000. 00

## Information return for calendar year 1929, the Union Trust Company—Con.

Lewis C. Gilger.....	\$6,000.00	Chas. Piwonka.....	\$11,750.00
G. H. Hull.....	13,500.00	P. J. Slach.....	16,000.00
W. J. O'Neill.....	21,000.00	Joseph Ranft.....	4,800.00
Geo. N. Sherwin.....	21,000.00	Arnold Chimo.....	4,080.00
H. L. Brown.....	9,000.00	Gus Rozman.....	4,012.00
C. J. Fairbanks.....	4,500.00	L. H. Fisher.....	15,000.00
A. E. Mason.....	4,800.00	G. M. Kovachy.....	7,750.00
W. H. Kinsey.....	6,000.00	Earl F. Grow.....	5,100.00
Harry F. Pratt.....	4,800.00	C. L. Bethel.....	4,800.00
J. G. Geddes.....	15,000.00	Geo. W. Falkner.....	3,397.00
J. W. McHaffie.....	5,166.00	Charles J. Hodous.....	7,200.00
EXHIBIT U-17-2b			
W. O. Stromberg.....	\$7,200.00	P. T. Harrold.....	9,600.00
Fred W. Cook.....	4,000.00	George S. Jones.....	3,030.00
Geo. P. Steele.....	21,500.00	C. J. Jindra.....	4,800.00
Barton A. Bruce.....	5,500.00	J. E. Mazach.....	4,100.00
A. B. Marshall.....	14,000.00	EXHIBIT U-17-2d	
Horace R. Sanborn.....	3,600.00	H. B. Chappell.....	\$5,800.00
F. D. Williams.....	9,000.00	Bruce Peter.....	3,360.00
Clara Dombey.....	3,180.00	C. C. Morgan.....	5,106.00
Chas. B. Anderson.....	13,200.00	J. B. Monda.....	3,900.00
W. M. Baldwin.....	48,333.00	Theodore V. Bastel.....	3,600.00
Geo. A. Coulton.....	50,000.00	J. H. Lackamp.....	5,600.00
Robert S. Crawford.....	30,000.00	W. J. Bauknet.....	2,750.00
Harry E. Hills.....	20,000.00	T. J. Eline.....	5,200.00
Joseph R. Kraus.....	48,333.00	John G. Armstrong.....	10,000.00
Alden W. Lewis.....	8,400.00	D. D. Scott.....	3,352.00
Ladimer Lustig.....	5,448.00	John C. Zamecnik.....	3,037.00
J. R. Nutt.....	50,000.00	George Weckerling.....	6,200.00
Allard Smith.....	37,500.00	Frank Kakes.....	3,900.00
C. L. Tewksbury.....	4,800.00	Joseph Kakes.....	4,500.00
P. S. Wiseman.....	13,000.00	J. B. Lackamp.....	5,100.00
John E. Washer.....	7,500.00	H. Piwonka.....	8,000.00
F. W. Hoyer.....	4,800.00	J. L. Tekesky.....	3,600.00
S. D. James.....	5,500.00	G. A. Spear.....	8,000.00
John R. Geary.....	5,000.00	E. M. Coen.....	2,323.00
A. L. Moler.....	8,333.00	Walter Forsythe.....	4,020.00
William Tonks.....	18,000.00	R. Z. Mickey.....	4,500.00
J. C. Anderson.....	8,000.00	Henry Lange.....	3,900.00
Fred Hart.....	4,500.00	Paul Glove.....	3,900.00
EXHIBIT U-17-2c			
W. A. Pfeiffer.....	\$6,300.00	Herbert Zdara.....	3,360.00
Donald S. Knowlton.....	7,200.00	Elmer W. Schacht.....	3,390.00
George Brauer.....	4,800.00	H. W. Black.....	3,500.00
James Dunn, Jr.....	25,000.00	Wm. J. Adamson.....	4,750.00
C. G. Stark.....	4,500.00	J. H. Benes.....	4,000.00
Armin Boethelt.....	4,320.00	EXHIBIT U-17-2e	
Don Grigor.....	5,100.00	Richard Bosworth.....	\$3,525.00
M. S. Halliday.....	12,000.00	C. D. Hajek.....	2,741.00
John V. Holecsek.....	4,200.00	O. M. Stafford.....	16,666.00
Paul Kowallek.....	4,600.00	J. C. Sanders.....	9,000.00
Carl Orlikowski.....	4,800.00	Jos. H. Thompson.....	5,775.00
Ernest J. Sinak.....	3,480.00	Roger C. Hyatt.....	22,500.00
James L. Paton.....	8,000.00	Edson L. Twerell.....	1,200.00
			1,345,901.08

## EXHIBIT U-17-3

## Tax return reported for 1930 The Union Trust Company

J. H. Benes.....	\$4,200.00	Thomas J. Champion.....	\$15,000.00
J. P. Harris.....	36,000.00	J. H. Clark.....	9,000.00
Van R. Purdy.....	6,000.00	Elmer E. Creswell.....	22,000.00
C. W. Carlson.....	10,200.00	Charles E. Farnsworth.....	25,000.00
John H. Caswell.....	7,000.00	Chas. B. Gleason.....	18,124.00

Tax return reported for 1930 The Union Trust Company—Continued

Geo. Q. Hall	\$3,600.00
Wm. A. Hartford	6,000.00
Chas. Heil	5,600.00
Homer H. Herbert	4,500.00
W. R. Irwin	4,800.00
M. B. Koelliker	9,000.00
John P. Kraus	6,000.00
Henry Lange	4,200.00
D. Y. LeFever	7,450.00
H. J. McGinness	5,400.00
W. R. Park	4,500.00
Ralph B. Pettit	7,000.00
W. G. Stuber	13,000.00
J. L. Wadsworth	7,200.00
Ernest Wagley	6,000.00
Ralph Williams	8,400.00
J. G. Geddes	16,500.00

EXHIBIT U-17-3a

J. W. McHaffie	\$5,366.00
W. O. Stromberg	7,200.00
J. C. Armstrong	6,000.00
C. S. Bechberger	11,200.00
Walter M. Forsythe	4,500.00
E. C. Gence	6,900.00
Joseph P. Hance	12,000.00
Wm. A. Hiles	6,300.00
Jos. Hollander	3,900.00
H. D. Messick	27,000.00
R. Z. Mickey	4,800.00
Chas. A. Morgan	7,200.00
Joseph C. Royon	22,000.00
L. H. Stofor	9,000.00
Grove H. Culver	6,000.00
W. A. Gibson	6,000.00
Lewis C. Gilger	7,000.00
G. H. Hull	13,500.00
W. J. O'Neill	21,000.00
Geo. N. Sherwin	21,000.00
H. L. Brown	9,000.00
C. J. Fairbanks	4,500.00
A. E. Mason	4,800.00
W. H. Kinsey	6,000.00
Harry F. Pratt	5,000.00
Fred W. Cook	4,000.00
Geo. P. Steele	22,500.00
Barton A. Bruce	5,500.00

EXHIBIT U-17-3b

A. B. Marshall	\$12,000.00
Horace R. Sanborn	3,600.00
F. D. Williams	4,800.00
P. S. Wiseman	4,100.00
Clara Dombey	3,180.00
W. J. Adamson	5,400.00
Chas. B. Anderson	14,000.00
W. M. Baldwin	50,000.00
Geo. A. Coulton	50,000.00
Robert S. Crawford	30,000.00
Wm. H. Freytag	6,000.00
Harry E. Hills	21,000.00
Joseph R. Kraus	50,000.00
Alden W. Lewis	10,000.00
J. R. Nutt	50,000.00

Allard Smith	\$40,000.00
C. L. Tewksbury	4,800.00
Richard W. Bosworth	4,699.00
John E. Washer	8,100.00
F. W. Hoyer	5,000.00
Ladimer Lustig	5,500.00
S. D. James	5,700.00
John R. Geary	5,000.00
A. L. Moler	8,916.00
William Tonks	19,000.00
J. C. Anderson	9,000.00
Ed. M. Coen	3,900.00
Fred Hart	5,000.00

EXHIBIT U-17-3c

W. A. Pfeiffer	\$6,600.00
Donald S. Knowlton	7,800.00
George Brauer	4,800.00
James Dunn, Jr.	25,000.00
C. G. Stark	4,500.00
Armin Boethelt	4,500.00
Don Grigor	5,400.00
M. S. Halliday	13,500.00
Peter Ball	13,058.00
A. C. Coney	20,000.00
C. B. Lincoln	17,500.00
Henry Ranft	5,600.00
C. E. Regester	9,946.00
L. J. Roeder	5,000.00
Paul Glove	4,147.00
John V. Holecek	4,400.00
Paul Kowallek	4,800.00
Carl Orlikowski	5,000.00
Ernest J. Simak	3,600.00
James L. Paton	8,000.00
Chas. Piwonka	12,000.00
P. J. Slach	16,500.00
Joseph Ranft	3,000.00
Arnold Chimo	4,260.00
Gus Rozman	4,200.00
L. H. Fisher	16,500.00
G. M. Kovachy	7,750.00
Earl F. Grow	5,400.00

EXHIBIT U-17-3d

Herbert Zdara	\$3,780.00
C. L. Bethel	5,000.00
Geo. W. Falkner	3,480.00
Chas. J. Hodous	7,200.00
P. T. Harrold	10,000.00
George S. Jones	3,420.00
Elmer W. Schacht	3,480.00
C. J. Jindra	5,400.00
J. E. Mazach	4,500.00
H. W. Black	3,720.00
H. B. Chappell	6,000.00
Bruce Peters	3,460.00
C. C. Morgan	5,400.00
J. B. Monda	3,900.00
Theodore V. Bastel	3,900.00
J. H. Lackamp	6,000.00
W. J. Bauknet	6,000.00
T. J. Eline	5,400.00
John G. Armstrong	11,000.00

*Tax return reported for 1930 The Union Trust Company—Continued*

D. D. Scott.....	\$3, 900. 00	H. Piwonka.....	\$8, 000. 00
George Weckerling....	6, 200. 00	J. L. Tekesky.....	3, 600. 00
Frank Kakes.....	4, 000. 00	G. A. Spear.....	8, 000. 00
Joseph Kakes.....	4, 800. 00		
J. B. Lackamp.....	5, 400. 00		1, 296. 132. 00

## EXHIBIT U-17-4

*The Union Trust Company—Salaries reported to the Government for the year 1931*

J. H. Benes.....	\$4, 200. 00	Barton A. Bruce.....	\$5, 500. 00
J. P. Harris.....	36, 000. 00	John P. Kraus.....	3, 000. 00
Van R. Purdy.....	6, 000. 00	A. B. Marshall.....	11, 000. 00
C. W. Carlson.....	10, 200. 00	Horace R. Sanborn....	3, 600. 00
John H. Caswell.....	7, 000. 00	F. D. Williams.....	3, 600. 00
Thomas J. Champion..	15, 000. 00	Clara Dombey.....	3, 180. 00
J. H. Clark.....	9, 000. 00	W. J. Adamson.....	2, 925. 00
Elmer E. Creswell....	22, 000. 00	Chas. B. Anderson....	14, 000. 00
Charles E. Farnsworth.	25, 000. 00	W. M. Baldwin.....	50, 000. 00
Charles B. Gleason....	25, 000. 00	Geo. A. Coulton.....	50, 000. 00
George Q. Hall.....	3, 600. 00	Robert S. Crawford....	30, 000. 00
William A. Hartford..	6, 000. 00	Wm. H. Freytag.....	6, 600. 00
Charles Heil.....	5, 600. 00	Harry E. Hills.....	21, 000. 00
Homer H. Herbert....	4, 500. 00	Joseph R. Kraus.....	50, 000. 00
W. R. Irwin.....	4, 800. 00	Alden W. Lewis.....	10, 000. 00
M. B. Koelliker.....	9, 000. 00	J. R. Nutt.....	50, 000. 00
Henry Lange.....	4, 200. 00	Allard Smith.....	40, 000. 00
D. Y. LaFever.....	7, 500. 00	C. L. Tewskbury.....	4, 550. 00
Dave Lewis.....	4, 600. 00	Richard W. Bosworth..	5, 000. 00
H. J. McGinness.....	5, 400. 00	John E. Washer.....	3, 712. 00
W. R. Park.....	4, 500. 00	F. W. Hoyer.....	5, 000. 00
Ralph B. Pettit.....	7, 000. 00	Ladimer Lustig.....	5, 500. 00
W. G. Stuber.....	13, 000. 00	S. D. James.....	5, 700. 00
J. L. Wadsworth.....	6, 200. 00	John R. Geary.....	5, 000. 00
Ernest Wagley.....	6, 000. 00	A. L. Moler.....	9, 000. 00
Ralph Williams.....	8, 400. 00	William Tonks.....	19, 000. 00
J. G. Geddes.....	16, 500. 00	J. C. Anderson.....	9, 000. 00
J. W. McHaffie.....	5, 400. 00	Ed. M. Coen.....	3, 900. 00
W. O. Stromberg.....	7, 200. 00	Fred Hart.....	5, 000. 00
J. C. Armstrong.....	6, 000. 00	W. A. Pfeiffer.....	6, 600. 00
C. S. Bechberger.....	11, 200. 00	Donald S. Knowlton..	7, 800. 00
Walter M. Forsythe..	4, 500. 00	George Brauer.....	4, 800. 00
E. C. Genee.....	6, 900. 00	James Dunn, Jr.....	25, 000. 00
Joseph P. Hance.....	12, 000. 00	C. G. Stark.....	4, 500. 00
Wm. A. Hiles.....	6, 300. 00	Armin Boethelt.....	4, 500. 00
Joseph Hollander....	3, 900. 00	Don Grigor.....	5, 400. 00
H. D. Messick.....	27, 000. 00	M. S. Halliday.....	13, 500. 00
R. Z. Mickey.....	4, 800. 00	Peter Ball.....	12, 000. 00
Chas. A. Morgan.....	7, 200. 00	A. C. Coney.....	20, 000. 00
Joseph C. Royon.....	22, 000. 00	C. B. Lincoln.....	17, 500. 00
L. H. Stofer.....	9, 000. 00	Henry Ranft.....	5, 600. 00
Grove H. Culver.....	6, 000. 00	C. E. Regester.....	6, 000. 00
W. A. Gibson.....	6, 000. 00	L. J. Roeder.....	5, 000. 00
Lewis C. Gilger.....	7, 000. 00	Paul Glove.....	4, 200. 00
G. H. Hull.....	13, 500. 00	John V. Holecek.....	4, 400. 00
W. J. O'Neill.....	21, 000. 00	Paul Kowallek.....	4, 800. 00
George N. Sherwin....	21, 000. 00	Carl Orlikowsky.....	5, 000. 00
H. L. Brown.....	9, 000. 00	Ernest J. Simak.....	3, 600. 00
C. J. Fairbanks.....	4, 500. 00	James L. Paton.....	7, 833. 00
A. E. Mason.....	4, 800. 00	Chas. Piwonka.....	12, 000. 00
W. H. Kinsey.....	6, 000. 00	P. J. Slach.....	17, 500. 00
Harry F. Pratt.....	5, 000. 00	Joseph Ranft.....	2, 400. 00
Fred W. Cook.....	4, 000. 00	Arnold Chimo.....	4, 260. 00
George P. Steele.....	22, 500. 00	Gus Rozman.....	4, 200. 00



*The Union Trust Company—Salaries reported to the Government for the year 1931—*  
Continued

L. H. Fisher .....	\$16,500.00	J. B. Monda .....	\$3,900.00
G. M. Kovachy .....	7,750.00	Theodore V. Bastel .....	3,900.00
Earl F. Grow .....	5,400.00	J. H. Lackamp .....	6,000.00
Herbert Zdara .....	3,780.00	W. J. Bauknet .....	6,000.00
C. L. Bethel .....	5,000.00	T. J. Eline .....	5,400.00
George W. Falkner .....	3,480.00	John G. Armstrong .....	11,000.00
Charles J. Hodous .....	7,200.00	D. D. Scott .....	3,900.00
P. T. Harrold .....	10,000.00	George Weckerling .....	3,616.00
Henry Knepper .....	4,500.00	Frank Kakes .....	3,941.00
Elmer W. Schacht .....	3,660.00	Joseph Kakes .....	4,775.00
C. J. Jindra .....	5,400.00	J. B. Lackamp .....	5,400.00
J. E. Mazach .....	4,500.00	H. Piwonka .....	6,716.00
H. W. Black .....	3,720.00	J. L. Tekesky .....	3,575.00
H. B. Chappell .....	6,000.00	G. A. Spear .....	6,083.00
Bruce Peter .....	3,460.00		
C. C. Morgan .....	5,400.00		
			1,286,910.00

## EXHIBIT U-17-5

*Report made to the Government for the year 1932 salaries paid to the following officers*

H. L. Brown .....	\$7,875.00	Chas. Piwonka .....	\$9,866.00
C. J. Bairbanks .....	4,087.00	P. J. Slach .....	14,645.00
A. E. Mason .....	4,360.00	Joseph Ranft .....	2,400.00
Harry F. Pratt .....	4,391.00	J. H. Benes .....	3,815.00
George P. Steele .....	20,312.00	C. W. Carlson .....	8,200.00
Barton A. Bruce .....	3,925.00	John H. Caswell .....	5,783.00
A. B. Marshall .....	6,000.00	Thomas J. Champion .....	12,875.00
Horace R. Sanborn .....	2,200.00	J. H. Clark .....	7,875.00
F. D. Williams .....	2,400.00	Elmer E. Creswell .....	12,999.00
Chas. B. Anderson .....	12,416.00	James Dunn, Jr. ....	17,708.00
W. M. Baldwin .....	44,166.00	Charles E. Farnsworth .....	21,458.00
George A. Coulton .....	40,916.00	Charles B. Gleason .....	17,333.00
Robert S. Crawford .....	25,750.00	William A. Hartford .....	5,450.00
Wm. H. Freytag .....	5,995.00	Charles Heil .....	5,086.00
George R. Herzog .....	3,633.00	Homer H. Herbert .....	4,087.00
Harry E. Hills .....	18,625.00		
Joseph R. Kraus .....	44,106.00	EXHIBIT U-17-5a	
Alden W. Lewis .....	9,083.00	W. R. Irwin .....	\$4,360.00
Allard Smith .....	33,333.00	Henry Knepper .....	4,087.00
C. L. Tewksbury .....	3,600.00	M. B. Koelliker .....	7,875.00
Richard W. Bosworth .....	4,541.00	Henry Lange .....	3,815.00
F. W. Hoyer .....	4,391.00	Dave Lewis .....	4,178.00
Ladimer Lustig .....	4,770.00	H. J. McGinness .....	4,725.00
S. D. James .....	5,112.00	W. R. Park .....	4,087.00
John R. Geary .....	3,716.00	Ralph B. Pettit .....	6,208.00
William Tonks .....	16,258.00	Van R. Purdy .....	5,295.00
J. C. Anderson .....	7,575.00	W. G. Stuber .....	11,458.00
Fred Hart .....	4,391.00	Ernest Wagley .....	5,450.00
W. A. Pfeiffer .....	5,725.00	Ralph Williams .....	7,630.00
Donald S. Knowlton .....	6,566.00	J. G. Geddes .....	12,874.00
Armin Boethelt .....	3,787.00	W. O. Stromberg .....	5,766.00
Don Grigor .....	4,065.00	J. C. Armstrong .....	5,450.00
M. S. Halliday .....	11,187.00	C. S. Bechberger .....	9,633.00
A. C. Concy .....	12,083.00	George Brauer .....	4,360.00
C. B. Lincoln .....	8,458.00	Walter M. Forsythe .....	4,087.00
Henry Ranft .....	4,466.00	E. C. Gence .....	6,267.00
L. J. Roeder .....	3,941.00	Joseph P. Hance .....	10,000.00
Paul Glove .....	3,695.00	Wm. A. Hiles .....	5,722.00
John V. Holecek .....	3,756.00	Joseph Hollander .....	3,542.00
Paul Kowallek .....	1,146.00	H. D. Messick .....	22,750.00
Carl Orlikowski .....	4,341.00	R. Z. Mickey .....	4,360.00
Ernest J. Sinak .....	3,110.00	Chas. A. Morgan .....	6,540.00
James L. Paton .....	5,600.00	Joseph C. Royon .....	19,083.00

Report made to the Government for the year 1932 salaries paid to the following officers—  
Continued

L. H. Stofer.....	\$7, 575 00	W. J. Bauknet.....	\$5, 450. 00
Grove H. Culver.....	5, 300. 00	T. J. Eline.....	4, 905. 00
W. A. Gibson.....	5, 300. 00	John G. Armstrong.....	9, 591. 00
Lewis C. Gilger.....	6, 208. 00	C. C. Morgan.....	4, 905. 00
G. H. Hull.....	11, 624. 00	Joseph Kakes.....	4, 188. 00
W. H. Kinsey.....	5, 300. 00	J. B. Lackamp.....	4, 785. 00
W. J. O'Neill.....	18, 625. 00	H. Piwonka.....	5, 118. 00
Geo. N. Sherwin.....	14, 499. 00	G. A. Spear.....	4, 749. 00
Arnold Chimo.....	3, 715. 00		
Gus Rozman.....	3, 815. 00	EXHIBIT U-17-5b	
L. H. Fisher.....	14, 375. 00	J. R. Nutt (½ year).....	\$22, 916. 00
G. M. Kovachy.....	6, 589. 00	Jos. P. Harris.....	15, 500. 00
Earl F. Grow.....	4, 905. 00	Peter Ball.....	4, 332. 00
Herbert Zdara.....	3, 431. 00	P. T. Harrold.....	4, 583. 00
C. L. Bethel.....	4, 541. 00	C. E. Register.....	2, 166. 00
Charles J. Hodous.....	6, 220. 00	Ed. M. Coen.....	1, 348. 00
D. Y. LaFever.....	6, 812. 00	Jos. L. Wadsworth.....	750. 00
D. D. Scott.....	3, 542. 00	J. W. McHaffie.....	2, 050. 00
Elmer W. Schacht.....	3, 330. 00	Leslie O. Carr, Jr.....	4, 062. 00
C. J. Jindra.....	4, 905. 00	C. G. Stark.....	1, 724. 00
J. E. Mazach.....	3, 987. 00		
H. W. Black.....	3, 380. 00		1, 044, 051. 00
H. B. Chappell.....	5, 183. 00	Deduct.....	1 35, 446. 00
Bruce Peter.....	3, 139. 00		
J. B. Monda.....	3, 542. 00		1, 008, 605. 00
J. H. Lackamp.....	5, 450. 00		

<sup>1</sup> Union Cleveland Corp.

A C Coney.....	35, 446. 00
C B Lincoln.....	
Henry Ranft.....	
L. J. Roeder.....	
Peter Ball.....	
C; E. Regisils.....	

EXHIBIT U-17-10

Union Trust Company—Officers Salary \$25,000.00 and over

	1928	1929	1930	1931	1932
Chas E Farnsworth.....	\$25, 000 00	\$25, 000 00	\$25, 000 00	\$25, 000 00	\$21, 458 00
J. P. Harris.....	30, 000 00	36, 000 00	36, 000 00	36, 000 00	15, 500 00
H D Messick.....	25, 000 00	27, 000 90	27, 000 00	27, 000 00	22, 750 00
W M Baldwin.....	45, 000 00	48, 333 00	50, 000 00	50, 000 00	44, 166 00
Geo A Coulton.....	50, 000 00	50, 000 00	50, 000 00	50, 000 00	40, 916 00
Robert S Crawford.....	30, 000 00	30, 000 00	30, 000 00	30, 000 00	25, 750 00
Roger C Hyatt.....	30, 000 00	22, 500 00			
Jos. R. Kraus.....	45, 000 00	48, 333 00	50, 000 00	50, 000 00	44, 166 00
J. R. Nutt.....	50, 000 00	50, 000 00	50, 000 00	50, 000 00	22, 916 00
Alard Smith.....	35, 000 00	37, 500 00	40, 000 00	40, 000 00	33, 333 00
Jas Dunn, Jr.....	25, 000 00	25, 000 00	25, 000 00	25, 000 00	17, 708 00
O M Stafford.....	25, 000 00	16, 666 00			
Chas B Gleason.....				25, 000 00	17, 333 00
	\$15, 000 00	416, 332 00	383, 000 00	408, 000 00	305, 996 00
Number employed.....	12	12	10	11	11

THE UNION TRUST COMPANY LOANS TO DIRECTORS—M. J. LA PADULA

UNION DIRECTORS' LOANS 40% PAID

ONLY 15 OF 32 ON NOTES STILL OWE; PAY OFF IN YEAR \$2,033,295

(By John W. Vance)

Directors of the defunct Union Trust Co., in the year since the bank closed, have repaid \$2,033,295.70 of the large sums they had borrowed, Oscar L. Cox, liquidator, disclosed yesterday.

Excluding the sums owed by Kenyon V. Painter, other directors had borrowed \$5,232,787.06 on Feb. 25, 1933, and on Feb. 17, 1934, they still owed \$3,201,712.61. The bank has thus collected approximately 40 per cent of what is due.

The reason for excluding the \$2,930,000 of principal which Painter owes is that the Painter loan is not in the same process of collection as the others, since the Union and other creditors have already foreclosed all Painter's available assets.

A year ago 32 of the 53 directors owed money. At the present time only 15 of them still owe and all but two of the largest loans show reductions in the amount owed. More than half the directors who owed the bank money have paid off in full.

Of three large loans, one for \$707,539.06 has not been reduced, but the bank has succeeded after long negotiation, in getting additional collateral behind it which gives the bank a margin of \$200,000 excess collateral. The loan will be paid off in the next year by the sale of this collateral, Cox said. On another loan which was not so large and which the bank originally thought would be a loss, it now appears that very substantial payments will be made, he said.

The third large loan, for \$860,482.27, has not been reduced since the bank closed, but this also is a situation where collateral and other factors have delayed a satisfactory arrangement.

Some of the loans which were completely paid off were very large, the largest being for \$371,530.70. The amounts of the loans of other directors who have paid in full were \$8,000, \$1,000, \$10,000, \$10,000; \$83,612.50, \$7,194.25, \$40,350, \$100,000, \$3,850, \$90,000, \$17,250, \$15,300, \$3,680, \$350,000, \$110,050 and \$8,700.

On the larger loans where payment could not be made in full, some heavy payments were made. For instance, a loan of \$312,000 was reduced by \$106,064.25 to present a balance of \$206,935.75. Another loan of \$984,387.50 was reduced by 241,113.99 to a balance of \$743,273.51. A third loan of \$321,000 has been reduced by \$290,059.38 until only \$30,940.62 is still owing. The remaining larger loan of \$562,853.70 has been reduced by \$164,111.18 to \$398,742.52.

The remaining smaller unpaid loans have all been reduced by varying amounts, with generally a good ratio of payment to the size of the loan. These payments were \$10,032.17, \$645.84, \$1,350, \$9,085.02, \$35,795.30, \$20,214.11, \$1,301.44, \$7,311.67 and \$10,864.20.

## EXHIBIT U-6-54a

*Oscar L. Cox, deputy superintendent of banks in charge of the liquidation of the Union Trust Company, Cleveland, Ohio*

DIRECTORS' LIABILITY AT THE CLOSE OF BUSINESS FEB. 25, 1933, AND FEB. 17, 1934

	February 25, 1933			February 17, 1934			Date paid
	Direct Liability	Contingent Liability	Total Liability	Direct Liability	Contingent Liability	Total Liability	
Baldwin, W. M. ....			None			None	6-24-33
Barkwill, E. S. ....	8,000 00		8,000 00			None	
Bartel, George.....			None			None	None
Belden, W. P. ....	12,500 00		12,500 00	11,150 00		11,150 00	
Comey, Geo. P. ....	32,000 00		32,000 00	31,354 16		31,354 16	None
Corning, Henry W. ....			None			None	
Coulton, Geo. A. ....			None			None	Joint with Wm. G Mather et al.
Dalton, H. G. ....	20,865 89		20,865 89	10,833 72		10,833 72	
Fretter, F. B. ....			None			None	None
Gerhauser, W. H. ....	1,000 00		1,000 00			None	
Ginn, F. H. ....		10,000 00	10,000 00			None	8-16-33
Girdler, T. M. ....	10,000 00		10,000 00			None	7-29-33
Gordon, Geo. C. ....			None			None	5-3-33
Grandin, G. W. ....	312,000 00		312,000 00	206,935 75		206,935 75	None
Grasselli, E. R. ....			None			None	None
Grasselli, Thomas S. ....	371,530 70		371,530 70			None	5-9-33
Gund, George.....			None			None	

Oscar L. Cox, deputy superintendent of banks in charge of the liquidation of The Union Trust Company, Cleveland, Ohio—Continued

DIRECTORS' LIABILITY AT THE CLOSE OF BUSINESS FEB. 25, 1933, AND FEB. 17, 1934—Continued

	February 25, 1933			February 17, 1934			Date paid
	Direct Liability	Contingent Liability	Total Liability	Direct Liability	Contingent Liability	Total Liability	
Hadden, John A.....	15,280 00		15,280 00	6,294.98		6,294.98	
Hanna, H M.....			None			None	
Harshaw, W A.....	33,900 00	6,595.30	40,495 30		4,700 00	4,700 00	6-17-33-Direct Liability of 33,900
Haserot, F H.....			None			None	
Hayden, W. S.....	83,612 50		83,612 50	None		None	4-24-33-Joint with Otto Miller on Hayden Miller & Co.
Hodgson, George H.....			None			None	
Joseph, Emil.....			None			None	
Joyce, Adrian D.....	708,841 50		708,841 50	707,539 06		707,539 06	
King, Ralph T.....	29,205.71		29,205 71	8,991 60		8,991 60	
Kling, John A.....		7,194.25	7,194 25			None	7-31-33
Kraus, J R.....			None			None	
Kulas, E J.....			None			None	
Lenihan, E P.....			None			None	
Little, Bascom.....	37,343 44	152,000 00	189,343 44	35,750.61	146,281.16	182,031 77	
Mather, Philip R.....	40,000.00	350 00	40,350 00	None	None	None	7-28-33
Mather, Wm G.....	20,865 89			10,833.72			Joint with Wm. G. Mather et al
	836,967.50		857,833 39	849,648.55		860,482.27	See special report
Miller, Otto.....	83,612 50			None			4-24-33-Joint with W. S. Hayden on Hayden Miller & Co.
	830,000 00	70,775.00	984,387 50	743,273 51	None	743,273 51	
Miller, T. W.....			None			None	
Moss, Herman.....		20,140 57	20,140 57		9,276 37	9,276 37	
Norton, Laurence H.....	100,000.00		100,000 00			None	12-20-33
Norton, Robert C.....			None			None	
Nutt, J. R.....		3,850 00	3,850 00			None	4-7-33
Osborne, Carl N.....	90,000 00		90,000 00			None	7-6-33
Painter, Kenyon V.....	2,930,000.00		2,930,000 00	2,926,778.75		2,926,778.75	See special report.
Richman, N G.....			None			None	
Robbins, Thomas P.....			None			None	
Rogers, Jos E.....			None			None	
Root, F P.....	17,250 00		17,250 00			None	9-20-33
Smith, Allard.....	15,300 00		15,300 00	None		None	8-8-33
Squire, Andrew.....	290,000 00	31,000.00	321,000 00		30,940 62	30,940 62	7-12-33-Direct Liability 290,000.
Tremmel, H. G.....	3,680.00		3,680 00			None	7-7-33
Wade, J H, Jr.....	350,000 00		350,000 00			None	2-2-34
Warner, Whitney.....	9,925.20	552,928.50	562,853 70		398,742.52	398,742.52	12-26-33-Direct Liability 9,925 20
White, Fred R.....	110,050 00		110,050 00			None	4-8-33
White, Thomas H.....			None			None	
White, Windsor T.....		8,700 00	8,700 00			None	8-14-33
	7,403,730.83	863,533 62	8,267,264.45	5,549,384.41	589,940.67	6,139,325 08	
Less Duplications Account of Joint Liability			104,477.39			10,833.72	
			8,162,787 05			6,128,491 36	







NAME		ADDRESS		CITY		STATE		ZIP	
Miller, O. NATL CITY		1250 Union Trust Bldg.		NATL CITY		OHIO		45211	
INTEREST									
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	PRINCIPAL
			3150-						
			3150-7-1-32						
			578						
			3150-10-1-32						
			3150-JAN 1 1933						
			3150-						
			2250-4-1-33						
			15132-209868						
			1650						
			117767-1-33						
			9611-8-1-33						
			1241-10-1-33						
			202277-1-1-34						

EXHIBIT U-6-59

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	X 1900shs	The Richman Brothers Co. Com #31397 at 300shs #37119 at 100shs #33164/78 at 100shs ea n/o Otto Miller		47 71200
DEC 31 1932	X 225,516.75	Official Checks The Union Trust Co. #34863 at \$10.75 #34847 at \$10.75 #34857 at \$10.75 #34857 at \$10.75 #34857 at \$10.75		
	X 500shs	The Chesapeake Corpn Com #C22179/C22232 at 100shs ea n/o Hayden Miller & Co.		43 212800
	X 1,100shs	The Firestone Tire & Rubber Co. 6% Cum Prd. #CP1109/13 at 100shs ea n/o Otto Miller, #CP1360/64 at 100shs ea n/o Hayden Miller & Co. REF. Att.		78 80 45800
	X 1000shs	The Chesapeake & Ohio Railway Co. Com #C172221/30 at 100shs ea n/o Hayden Miller & Co.		
	X 500shs	The Union Carbide & Carbon Corpn Com #A88165/69 at 100shs ea n/o Hayden Miller & Co.		48 24000
	X 1,000shs	The White Motor Co. Com #C6151/53 #C6493 at 100shs ea n/o Otto Miller		61 343800
	X 500 Shares			
RECEIVED				
Order to sell 200 shs Chesapeake Corp. 250 placed by Mr. Miller, with 400 shares White Motor Co. 500 shares Chesapeake Corp. Com #C22179/32 #C22232 at 100shs ea n/o Otto Miller				
500 Shares Chesapeake Corp. Com #C22179/32 #C22232 at 100shs ea n/o Otto Miller				
Received from THE UNION TRUST COMPANY (Chicago, Ohio) Consents Securities and all other papers etc in connection with the above described loan.				

EXHIBIT U-6-59a



PAR OF SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
800shs	The Allegheny Corpn Com #C481d1/2 #C48561 #C48370 #C48162 #C48137 #C48577 #C48526 at 100shs ea n/o Horntlower & Wacks		
X 1000shs	The Bucyrus Erie Co. Com #NY13733/47 at 100shs ea n/o Hayden Miller & Co.	NY 8	8
X 1000shs	The Bucyrus Erie Co. Conv. Pfd. #NY12435/92 at 100shs ea n/o Hayden Miller & Co.	NY 13	13
X 200shs	The Kansas City Southern Rwy Co. Com #37529/30 at 100shs ea n/o Hayden Miller & Co.	KY 17	17
X 300shs	The Midland Steel Products Corpn Com #CL859/60 at 100shs ea #CL361 at 100shs n/o Hayden Miller & Co.	NY 17	17
X 3000shs	The Sparks Withington Co. Com #D2799/2828 at 100shs ea n/o Otto Miller.	NY 6 7	14
X 12,000 ✓	The Chicago & Eastern Illinois Rwy Co. 5% Gd #M13935/40 #M13652 #M13941 at 1,000 ea #D608 #D1025 at 500 ea #M33370 #M34698 #M14074 at 1,000 ea due 5/1/51	NY 14 24	1680
800 shs	RECEIVED Allegheny Corp Com for 800 shs Allegheny Pfd		50680

EXHIBIT U-6-60

DATE	PAR OF SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	900shs	The Allegheny Corpn Pfd. Series A \$40. Warr. Att. #P6996-#P6916 at 100shs ea #XL/P219 #XL/P22 #XL/P274 at 100shs ea #L/P22/34-100shs ea #L/P241/43 #L/P223 #L/P258-100shs ea #XL/P200-100shs ea	NY 10 12	50680
	X 1500shs	The Allegheny Corpn Pfd: Series A \$30. Warr. Att. #P6247/60-#P6474-#P6816/B #P6863/68 #P6889 at 100shs ea #P6247/60 #P6474 at 100shs ea #P7112/16 #P7016 at 100shs ea #P7135 100shs #P61261-50shs	NY 12 13	27000
	X 600shs	The Allegheny Corpn Pfd. 5% Series A #P6856 #P6812/16-100shs ea	NY 10 17	6000
		Hold - MO Mtge Bond		95680
		RECEIVED		1.31 105130

EXHIBIT U-6-61



Address Miller, Otto NATL CITY  
1250 Union Tr Bldg.

DEMAND LOAN No. 63676

UJ FULLY PAID BY SEN 8 11 33

DATE	DEBIT	CREDIT	INTEREST	BALANCE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	PRINCIPAL	BALANCE
			76750			1-2-30		6 DEC 9 1925	2000		O. L. C. 112	2000
			1125			7-1-30					4-8-35	2000
			93750			1-2-31						
			93750			1-2-31						
			93750			1-2-31						
			93750			1-2-31						
			93750			1-2-31						
			1125			1-5-32						
			1125			1-4-32						
			1125			7-1-32						
2250	1125	1588				10-5-32						
						1933						
			1125			JAN 1 1933						
			1125			JAN 1 1933						
			1125			JAN 1 1933						
046			21229			9-1-27 APR 1 1933						
			113750			7-1-33						
			38750			8-1-33						
			76750			10-1-33						
			1150			1-1-34						

THE UNION TRUST COMPANY, CLEVELAND

EXHIBIT U-6-64

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET DATA	REMARKS
1933	600shs	The Firestone Tire & Rubber Co. 6% Cum. Pfd. Series A. Temp. Ctf. 1/25/33		Warrants Att. 100/11-100shs ea
	400shs	The Richman Brothers Co. Gen. #31387 at 300shs #37119 at 100shs		
<p>1/21 and 1/24 and 1/27 interest due 1/1/33 on the amt of 377<sup>00</sup> paid out of 400 of amt of 400 shs (Comp. Compound) it also would have 2624<sup>11</sup> (See other bond)</p>				
<p>THIS COLLATERAL SECUREST BANK'S AGGREGATING</p>				
<p>1,000shs The Firestone Tire &amp; Rubber Co. 6% Cum. Pfd. Series A. Temp. Ctf. exchanged for Perm. Ctf.</p>				
<p>1000 Shares Firestone Tire &amp; Rubber Co. 6% Cum. Pfd. Series A. Temp. Ctf. exchanged for 400 Shares Richman Brothers Co. Gen. #31387 at 300shs #37119 at 100shs</p>				
<p>Received from THE UNION TRUST COMPANY, CLEVELAND, Ohio, Securities and all other records due in connection with the above described loan.</p>				
<p>baert-mushoan 600 shs 2500 shs 400 shs</p>				

EXHIBIT U-6-65

U-6-66

OTTO MILLER

NAME

ADDRESS

BOND DIRECT

INDIRECT

COLLATERAL LOANS

0-42-200-1-28

OLD BALANCE	DATE	NO.	MAKER	ENDORSER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
87 000 00	7-24-26	1262			5 DEM		10 000 00	9-21-26	10 000 00	97 000 00	*7-24-26
97 000 00	8-19-26	95591 X						8-19-26	87 000 00	10 000 00	*8-19-26
10 000 00	9-21-26										-0-9-21-26
10 000 00	12-15-28	45341			6 DEM		10 000 00	1-4-29	5 000 00	10 000 00	*12-15-28
10 000 00	1-4-29							1-5-29	5 000 00	5 000 00	*1-4-29
5 000 00	1-5-29										-0-1-5-29
	5-4-29	53299			6 DEM		15 975 00	8-16-29	9 798 75	15 975 00	*5-4-29
15 975 00	6-11-29	55022			6 DEM		1 005 00	11-25-29	15 975 00	16 980 00	*6-11-29
16 980 00	6-21-29	55597			6 DEM		502 50			17 482 50	*6-21-29
17 482 50	6-28-29	55927			6 DEM		502 50			17 985 00	*6-28-29
17 985 00	7-10-29	+56436			6 DEM		502 50			18 487 50	*7-10-29
18 487 50	7-20-29	56912			6 DEM		5 025 00			23 512 50	*7-20-29
23 512 50	7-23-29	57014			6 DEM		502 50			24 015 00	*7-23-29
24 015 00	8-1-29	57460			6 DEM		502 50			24 517 50	*8-1-29
24 517 50	8-10-29	57876			6 DEM		1 256 25			25 773 75	*8-10-29
25 773 75	8-16-29									15 975 00	*8-16-29
15 975 00	9-21-29	59798			6 DEM		60 000 00	11-12-29	36 000 00	75 975 00	*9-21-29
								11-27-29	24 000 00		
75 975 00	10-29-29	61731			6 DEM		230 000 00	11-22-29	35 000 00	305 975 00	*10-29-29
								11-27-29	95 000 00		
305 975 00	11-17-29									269 975 00	*11-17-29
269 975 00	11-22-29									234 975 00	*11-22-29
234 975 00	11-25-29									219 000 00	*11-25-29
219 000 00	11-27-29									100 000 00	*11-27-29
100 000 00	12-9-29	63676			6 DEM		75 000 00			175 000 00	*12-9-29
175 000 00	3-28-30	68526			5 1/2 DEM		75 000 00	4-7-30	75 000 00	250 000 00	*3-28-30
250 000 00	4-7-30									175 000 00	*4-7-30
175 000 00	6-26-30	72753			5 1/2 DEM		330 000 00	1-13-32	210 000 00	505 000 00	*6-26-30
505 000 00	11-12-30	78602			5 DEM		300 000 00			805 000 00	*11-12-30
805 000 00	1-13-32	96536			6 DEM		210 000 00	8-15-32	36 70	805 000 00	*1-13-32
805 000 00	8-15-32							4-17-33	25 516 75	804 963 30	*8-15-32
804 963 30	9-2-32	5415			6 DEM		36 70			805 000 00	*9-2-32
805 000 00	4-17									779 483 25	*4-17-33

OTTO MILLER

Possession of Business and Property taken June 15, 1933 I. J. Fulton, Supt. of Banks.

Balance Forward

U.S. Senate Committee on Banking & Currency:

This two page report has been prepared at your request from the records of The Union Trust Co. Cleveland, Ohio and the Superintendent of Banks in charge of the Liquidation and is correct to the best of my knowledge and belief.

O. C. MORTON,

(For Oscar L. Cox, Deputy Superintendent of Banks  
in charge of the Liquidation of The Union Trust Co.)

EXHIBIT U-6-55

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS  
TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSEN-  
TIAL CREDIT INFORMATION

For exclusive use of Credit Department

APRIL 13, 1933

OTTO MILLER

Mr. Cox invited me into an interview with Otto Miller, relative to Mr. Miller's collateral loan of \$805,000, demand notes, with a present collateral value of \$298,140.75. Of this loan of \$805,000, \$595,000 is located here and \$210,000 is pledged at the R.F.C.

Mr. Miller said that he could only meet this note in full by:

1. Market appreciation of collateral.
2. Money earned by Hayden, Miller & Co., which has been somewhat handicapped by the death of Mr. Hayden; Mr. Williams' resigning to be the Government's agent for the Federal Reserve Bank of Cleveland; and Mr. Fleek's retirement.

Mr. Miller also owes the Society for Savings and they recently asked him questions. He wrote them a letter under date of April 12, copy of which is attached to this report.

Mr. Miller also said that the payment of the loan in full would depend a good deal upon the action of the market value prices on Alleghany Corporation and Richman.

Another handicap which Mr. Miller would have to meet is the double liability on the stock of The Union Trust Company.

Income from securities and from the business is not sufficient to service the loan.

Mr. Miller's source of income at present is a *trust* in the Union Trust Company, which has little income now and that is necessary for living purposes.

Mr. Miller said he could do nothing now, and he answered in the affirmative when Mr. Cox said the bank at present could not look upon it as a loan, but simply owning the securities.

Part of the collateral on the loan is cash \$25,516.75, which was kept in that form for reinvestment. Now that the bank is in charge of a Conservator, Mr. Miller could see that reinvestment would not be permitted, and he will write us a letter authorizing application of the cash to the loan.

WILLIAM TONKS, *Assistant Conservator*

Letter of April 12 attached.

Copy to Mr. Oscar L. Cox, Conservator.

(Exhibits U-6-56 through U-6-66 face this page)

EXHIBIT U-6-67

Collateral loans

NAME  
ADDRESS  
BOND  $\left\{ \begin{array}{l} \text{Direct} \\ \text{Indirect} \end{array} \right.$

Old balance	Date	No.	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date
\$799,483 25	7-22	96536	Continued					7-22-33	\$47,547 54	\$731,935.71	*7-22-33
								7-24-33	4,940.00		
731,935.71	7-24							7-31-33	75 00		
								1-18-34	7,722 00	726,995 71	*7-24-33
								1-24-34	925 20		
726,995 71	7-31									726,920 71	*7-31-33
726,920 71	1-18									719,198 71	1-18
										718,273 51	1-24

8750

STOCK EXCHANGE PRACTICES

## EXHIBIT U-6-68a

APR 3 11, 10 AM 1933

Credit file Adrian Joyce. file

ADRIAN D. JOYCE,  
*President*Mr. J. R. KRAUS,  
*Chairman, The Union Trust Company,  
Cleveland, Ohio.*THE GLIDDEN COMPANY,  
*1963 Union Trust Building,  
Cleveland, Ohio, January 26, 1933.*

DEAR MR. KRAUS: I am attaching statement of my assets and liabilities as taken from my books.

In this connection I would call your attention to the fact that while I have listed my investment in Land Syndicates—which, as you know, are Newcomer Syndicates—at \$298,070.64, the value of this investment is problematical.

Concerning the Real Estate at Chicago, this is the sound value according to the appraisal, and I believe Mr. Wilbur Baldwin has a copy of the appraisal.

The investment in the Joyce Realty Company is after depreciation.

You asked me to give you a list of the securities pledged with the various Banks, and I am pleased to give this information as follows:

## Central United National Bank:

12,971 shares Glidden Common  
 716 “ Glidden Prior Preferred  
 500 “ Distillata Company Common  
 500 “ Leach Securities Corporation Pfd.  
 1,000 “ Western Reserve Investment Co. Units  
 250 “ Kennecott Copper Corporation  
 \$20,000 P.V. Pacific Western Oil Co. Bonds  
 1,000 shares Wood Chemical Products Co. Common

## Midland Bank:

12,000 shares Glidden Common  
 800 “ Union Trust Company Common  
 325 “ Central United National Bank  
 2,000 “ Wood Chemical Products Co. Common  
 \$20,000 P.V. Lautaro Nitrate Co. Ltd. 6's

## EXHIBIT U-6-68b

You have a list of the securities which are pledged as collateral with The Union Trust Company and I am not, therefore, giving you this information.

Concerning my life insurance, The Union Trust Company has as security a policy for \$150,000.00; in addition to this I carry life insurance of \$545,000.00. The Glidden Company carries insurance of \$1,000,000.00 payable to the Company on my death, and the Wood Chemical Products Company carries insurance of \$200,000.00.

Trusting this is the information you desire, I am

Yours truly,

ADRIAN D. JOYCE

## EXHIBIT U-6-69

MARCH 24, 1930.

Mr. ADRIAN D. JOYCE—file  
*1263 Union Trust Building  
Cleveland, Ohio.*

MY DEAR MR. JOYCE: This is to inform you that from this date until further notice, interest on your demand collateral loans will be computed at the rate of 5% per annum.

Very truly yours,

Vice President.

WMB D

EXHIBIT U-6-70

MAY 10TH, 1932

Mr. RALPH WILLIAMS  
Asst. Vice President.

DEAR SIR: Please note that I have agreed to make the rate of interest on loans of Adrian D. Joyce and Anna Page Youce 5½% from and after April 1st, 1932. The question of the unpaid balance of interest due April 1st is to be held in abeyance for a few days longer.

Very truly yours,

President.

WMB:EMS

(Exhibits U-6-71a through U-6-75b face this page)

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EXHIBIT U-6-76

Received L.A.C.  
Cordrey

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS  
TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of Credit Department

October 16, 1933.

Collateral Loan Dept.: Crawford, Wm. J. Jr.

Loan: \$57,997.24

Dated: 7-1-23 due demand.

Security: 76 shs Degnon Contracting Co.

53 shs Degnon Realty & Terminal Improvement Co.

85 shs Jordan Motor Car Co., Inc. Pfd.

50 shs Cleveland Realization Co. Cap.

925 shs Crawford Realty Co. Com.

300 shs Union Carbide & Carbon Corp. Cap.

100 shs Union Oil Co.

20 shs Equity Savings & Loan Co.

35000 Crawford Realty Co. Deb. 6s notes due 12-31-31.

Market Value: \$15,200.00 as of 10-11-33.

Transfer of Property:

Date: Sept. 23, 1933

Williard J. Crawford Jr., Extr. of Estate of Bessie Crawford, to

Georgia G. Cannon, s1 383, 80 ft. Woodmere Dr., Cleve. Hts.,... \$19,000.00

VINCENT J. HANNON.

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EXHIBIT U-6-77

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS  
TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of the Credit Department

NOVEMBER 1, 1933.

W. J. CRAWFORD, JR.

Meeting referred to in memo of October 25 was held today, all those present except E. E. Barker (who substituted for C. C. Sigmier) having been at former meeting.

Mr. Crawford submitted a report relative to the Estates of W. J. Crawford, his father, Bessie Crawford, his mother, and Randall C. Crawford, his brother, in which he has an interest. This report was made so that we might arrive at some idea as to the value of the interest of W. J. Jr., listed in his financial statement submitted at October 25 meeting.

⅓ Residuary interest in Estate of W. J. Crawford.

¼ Residuary interest in Estate of Randall Crawford.

Entire residuary interest in Estate of Bessie Crawford which includes ⅓ of the residuary interest in the Estate of W. J. Crawford and ¼ of the residuary interest in the Estate of Randall Crawford.



NAME		End by W. H. Warner & Co. & The W. H. Warner Coal Co.		TIME LOAN	
ADDRESS		660 Union Trust Bldg.		No. 1	
No. 6	DUE 1/31/32	No. 9	DUE 10/31/32	No. 2	DUE 3/28/32
No. 7	DUE 3/31/32	No. 10	DUE 11/30/32	No. 3	DUE 4/29/32
No. 8	DUE 5/31/32	No. 11	DUE 12/30/32	No. 4	DUE 5/31/32
MEMO:		130-73		No. 5	DUE 6/30/32

INTEREST OR DISCOUNT		INT.		PRINCIPAL		BALANCE				
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			1500	FEB 28 1932			6	126 32	300 000 + Int	300 000
			1600				6		300 000	0
			1600				6	328 32	300 000 + Int	300 000
			1600				6		300 000	0
			1600				6	328 32	300 000 + Int	300 000
			1500				6		300 000	0
			1600				6	300 000 + Int		300 000
			1500				6		300 000	0
			1600				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			4500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
			1500				6		300 000	0
			1500				6	300 000 + Int		300 000
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			1500				6	300 000 + Int		300 000
		</								

DATE	PAIR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
X	797shs	The Panda Steamship Co. Cap #24		
	<del>1007shs</del>	<del>The Pittsburgh &amp; Ashland Coal &amp; Dock Co. Cap #40</del>		
X	975shs	The Ohio River Edison Coal Co. Cap #23		
X	596shs	The Har-Mar Coal Co. Cap #58 at 288shs #59 at 294shs #65 at 14shs n/o Whitney Warner		

SEE G P STEELE BEFORE RELEASING  
HOLD COLLATERAL ~~IN~~ PROTECT ENDORSEMENT ON UNSECURED  
LOAN TO OHIO RIVER EDISON COAL CO. G P. STEELE

RECEIVED  
1997 shs Pittsburgh & Ashland Coal & Dock Co Cap  
The W. H. Warner Collieries Company  
By Whitney Warner F. Pres.

Received from THE UNION TRUST COMPANY-CLEVELAND OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE

EXHIBIT U-6-71c

NAME: *W. H. Warner Coal Co.* End by *W. H. Warner & Co.* TIA *AM*

ADDRESS: *660 Union Trust Bldg.*

NO. 6	DUE	NO. 9	DUE	NO. 1	DUE
<i>2914</i>	<i>6-1-32</i>	<i>6481</i>	<i>10-31-32</i>		<i>2-25-32</i>
<i>1997</i>	<i>8-31-32</i>	<i>7692</i>	<i>11-30-32</i>		<i>3-28-32</i>
<i>5800</i>	<i>9-30-32</i>	<i>8680</i>	<i>12-30-32</i>		<i>4-29-32</i>
		<i>9246</i>	<i>1-30-33</i>		<i>5-31-32</i>

MEMO: *Handled by Mr. Steele*

DATE	DISCOUNT	INTEREST OR DISCOUNT	INT. RATE	INT. REC'D	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
<i>5199</i>	<i>FEB 25 1932</i>	<i>6-1-32</i>	<i>6</i>	<i>126.92</i>	<i>103980 + 21</i>	<i>FEB 25 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>113980</i>	<i>0</i>
<i>4446</i>	<i>MAR 2 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>MAR 2 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>4446</i>	<i>APR 2 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>APR 2 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5545</i>	<i>MAY 31 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>MAY 31 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5199</i>	<i>JUN 30 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>JUN 30 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5545</i>	<i>JUN 30 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>JUN 30 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5199</i>	<i>AUG 31 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>AUG 31 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5199</i>	<i>SEP 30 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>SEP 30 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5372</i>	<i>OCT 31 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>OCT 31 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5199</i>	<i>NOV 30 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>NOV 30 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>
<i>5199</i>	<i>DEC 31 1932</i>		<i>6</i>		<i>103980 + 21</i>	<i>DEC 31 1932</i>	<i>6</i>	<i>103980</i>	<i>103980</i>	<i>103980</i>	<i>0</i>

*3733 1898 6-1-33*

*(Blum for report - See Card - Chas. River Edison Coal Co.)*

EXHIBIT U-6-72a

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	✓ 244shs	The Pocahontas Domestic Coal Co. Cap #201		
	<del>2000shs</del>	<del>The Pittsburgh &amp; Ashland Coal &amp; Dock Co. Cap #32 at 1sh n/o J. V. Warner #33 at 90¢ n/o The Maher Collieries Co. #35 at 100¢ n/o The Maher Collieries Co. #36 n/o John K. Maher #34 n/o The K. Maher at 1sh ea</del>		
	✗ 251/1000ths	Trust Certificate of Part Ownership, The Warner Youghiogheny Coal Trust #34/5 at 100/1000ths ea #89 at 51/1000ths		
	✗ 125,000 ✓	The McKeesport Coal & Coke Co. Second Mtgs 6% S/P Gd Cpn Ed #2,4,6,9,10,12,14,16,18,20,22,24,26 #28,30,32,34,36,38,40,42,44,46,48,50,52,54,56,58 #60,62,64,66,68,70,72,74,76,78,80,82,84,86,88,90, #92,94,96,98,100,102,104,106,108,110,112,114,116, #118,120,122,124,126,128,130,132,134,136,138,140 #142,144,146,148,150,152,154,156,158,160,162,164, #166,168,170,172,174,176,178,180,182,184,186,188 #190,192,194,196,198,200,202,204,206,208,210,212 #214,216,218,220,222,224,226,228,230,232,234,236, 238,240,242,244,246,248,250, at 1,000 ea due		
AT 29 1932	7000 shs	<i>Pittsburgh &amp; Ashland Coal &amp; Dock Co. Cap Mott &amp; Warner Coal Co by J. Warner Warner Trust</i>		
Received from THE UNION TRUST COMPANY-CLEVELAND OHIO, Collateral Securities and all other papers in connection with above described loan.				
DATE				

EXHIBIT U-6-72b

NAME		ADDRESS		TIME LOAN	
The W. H. ... Coal Co.		No. 1		DUE	
		No. 2		DUE	
		No. 3		DUE	
		No. 4		DUE	
		No. 5		DUE	
MEMO					
INTEREST OR DISCOUNT					
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID
	426	51829	32241	1-1-32	
	370862	51829	374918	1-1-33	
	530298	51829	540039	1-1-34	
PRINCIPAL					
DATE	DEBIT	CREDIT	BALANCE		

EXHIBIT U-6-72c

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
×	550shs	The Dragon Coal Co. Cap #22 at 250shs #11 at 100shs n/o Florence S. Warner #13 at 200shs n/o W. H. Warner Coal Co.		
×	1108shs	The Goodman Manufacturing Co. Cap #495 at 213shs #2916 at 554shs #1815 at 277shs #373 at 64shs n/o W. H. Warner		
×	448shs	The Pitt Gas Coal Co. Cap #7 at 50shs n/o Elizabeth C. Warner #6 at 250shs n/o W. H. Warner #8 at 143shs n/o Whitney Warner		
×	200shs	The Stover Elkhorn Coal Co. Cap #1 n/o Whitney Warner		
×	10,711shs	The Warner Collieries Co. Com #379 at 2058 $\frac{1}{2}$ shs #333 at 3711 $\frac{1}{2}$ shs #390 at 1725shs #343 at 36shs #342 at 1040shs #341 at 840shs #336 at 1300shs n/o W. H. Warner Coal Co.		
		RECEIVED		
Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.				
DATE				

EXHIBIT U-6-72d

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
×	1995shs	The W. H. Warner Coal Co. Cap #54 at 72shs #39 at 261shs #43 at 5shs #44 at 20shs #45 at 371shs #11 at 2.4shs #16 at 3.6shs #19 at 6shs #26 at 5shs n/o W. H. Warner #55 at 72shs #41 at 110shs #48 at 12shs #49 at 14shs #50 at 296shs #17 at 3.6shs #12 at 2.4shs #20 at 11shs n/o Whitney Warner. #40 at 127shs #46 at 183shs #47 at 130shs n/o Elizabeth C. Warner #42 at 110shs #52 at 104shs #51 at 84shs n/o Florence S. Warner.		
×	50,000	✓ The Brady Warner Coal Corpn Ctf of Deposit 1st Mtge 7 $\frac{1}{2}$ S/F Cd Bd #122 due 9/1/42 <i>W. H. Warner Co.</i>		
×	191shs	✓ The Low Volatile Coal Co. Com #229 - <i>W. H. Warner Co.</i>		
×	1500shs	✓ The Keesport Coal & Coke Co. Com #113 at 500shs #100 at 12 $\frac{1}{2}$ shs #98 at 62 $\frac{1}{2}$ shs #99 at 50shs #1 at 125shs #/o Whitney Warner #204 at 10shs #97 at 62 $\frac{1}{2}$ shs #101 at 12 $\frac{1}{2}$ shs #102 at 500shs #75 at 125shs #185 at 25shs #196 at 15shs n/o W. H. Warner		
		RECEIVED		
Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.				
DATE				

EXHIBIT U-6-72e









NAME		ADDRESS		DAMAGE LOAN				
Whitworth, A. B. End. by Whitney Farmer		660 Union Trust Bldg.		L.J. FULTON NOTICE SENT 1-1-33				
INTEREST		INTEREST TO		DATE PAID				
DATE	DEBIT	CREDIT	BALANCE	RATE	DATE	DEBIT	CREDIT	BALANCE
			95		JAN 1 1925			19,000 -
	283.21				FEB 1 1925	250		18,750
	281.25				JUL 1 - 1925	250		18,500
	281.25				MAY 17 1926	200		18,300
	281.25				OCT 6 1926	150		18,150
	276.00				APR 1 1927		700.00	17,450
	272.25				MAY 3 6 1927		75	17,475
	267.50				AUG 1 5 1927		75	17,550
	264.75				APR 1 4 1928		200	17,350
	262.00						250	17,100
	259.25				JUN 1 1 1928		650	16,450
	256.50						75	16,375
	253.75						75	16,300
	251.00						75	16,225
	248.25						75	16,150
	245.50						75	16,075
	242.75						75	16,000
	240.00						75	15,925
	237.25						75	15,850
	234.50						75	15,775
	231.75						75	15,700
	229.00						75	15,625
	226.25						75	15,550
	223.50						75	15,475
	220.75						75	15,400
	218.00						75	15,325
	215.25						75	15,250
	212.50						75	15,175
	209.75						75	15,100
	207.00						75	15,025
	204.25						75	14,950
	201.50						75	14,875
	198.75						75	14,800
	196.00						75	14,725
	193.25						75	14,650
	190.50						75	14,575
	187.75						75	14,500
	185.00						75	14,425
	182.25						75	14,350
	179.50						75	14,275
	176.75						75	14,200
	174.00						75	14,125
	171.25						75	14,050
	168.50						75	13,975
	165.75						75	13,900
	163.00						75	13,825
	160.25						75	13,750
	157.50						75	13,675
	154.75						75	13,600
	152.00						75	13,525
	149.25						75	13,450
	146.50						75	13,375
	143.75						75	13,300
	141.00						75	13,225
	138.25						75	13,150
	135.50						75	13,075
	132.75						75	13,000
	130.00						75	12,925
	127.25						75	12,850
	124.50						75	12,775
	121.75						75	12,700
	119.00						75	12,625
	116.25						75	12,550
	113.50						75	12,475
	110.75						75	12,400
	108.00						75	12,325
	105.25						75	12,250
	102.50						75	12,175
	99.75						75	12,100
	97.00						75	12,025
	94.25						75	11,950
	91.50						75	11,875
	88.75						75	11,800
	86.00						75	11,725
	83.25						75	11,650
	80.50						75	11,575
	77.75						75	11,500
	75.00						75	11,425
	72.25						75	11,350
	69.50						75	11,275
	66.75						75	11,200
	64.00						75	11,125
	61.25						75	11,050
	58.50						75	10,975
	55.75						75	10,900
	53.00						75	10,825
	50.25						75	10,750
	47.50						75	10,675
	44.75						75	10,600
	42.00						75	10,525
	39.25						75	10,450
	36.50						75	10,375
	33.75						75	10,300
	31.00						75	10,225
	28.25						75	10,150
	25.50						75	10,075
	22.75						75	10,000
	20.00						75	9,925
	17.25						75	9,850
	14.50						75	9,775
	11.75						75	9,700
	9.00						75	9,625
	6.25						75	9,550
	3.50						75	9,475
	0.75						75	9,400
							75	9,325
							75	9,250
							75	9,175
							75	9,100
							75	9,025
							75	8,950
							75	8,875
							75	8,800
							75	8,725
							75	8,650
							75	8,575
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							75	8,425
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							75	5,875
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							75	4,975
							75	4,900
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							75	4,450
							75	4,375
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							75	4,225
							75	4,150
							75	4,075
							75	4,000
							75	3,925
							75	3,850
							75	3,775
							75	3,700
							75	3,625
							75	3,550
							75	3,4



NAME: \_\_\_\_\_ NO. \_\_\_\_\_ DEMAND LOAN

ADDRESS: \_\_\_\_\_

INTEREST				INT.		PRINCIPAL			
DATE	DEBIT	CREDIT	AMOUNT	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			1728	APR 1 1933	1-11-33				
			1728	APR 1 1933					
			52380	10-1-33					
52421		5761							
			4933						
			5102	1-1-34					
			1000	1-1-34					
			5102	1-1-34					

HELMES-GORLING, INC.

EXHIBIT U-6-74c

NAME: *W. J. Hartford* ADDRESS: *2906 Weybridge Rd. S. H.* CITY: *Camay, Geo. P.* NO. 1: *6-30-31* TIME LOAN: *II*

MEMO: *Trader*

DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	PRINCIPAL	CREDIT	BALANCE
417				6-30-31	6-4-31	6%	6-4-31	27800		27800	27800
417				9-30-31	9-30-31	6%	9-30-31	27800		27800	27800
525	11580			12-2-31	12-2-31	6%	12-2-31	85000		85000	85000
		450		12-2-31	12-2-31	6%	12-2-31		1100	34000	34000
510		1967		3-1-32	3-1-32	6%	3-1-32	34000		34000	34000
48533				5-31-32	5-31-32	6%	5-31-32	32000		32000	32000
480				8-29-32	8-29-32	6%	8-29-32	32000		32000	32000
476				11-20-32	11-20-32	6%	11-20-32	32000		32000	32000
480				2-28-33	2-28-33	6%	2-28-33	32000		32000	32000
62427	48580			1-1-33	1-1-33	6%	1-1-33				
113503	31376			1-1-33	1-1-33	6%	1-1-33				
14522	1740			1-1-34	1-1-34	6%	1-1-34				

*W. J. Hartford* 765 *Camay, Geo. P.*

CHS 24 3135416

EXHIBIT U-6-75a

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
		SEE WMB, OPS, OR CEF, BEFORE RELEASING ANY COLL.			
	x 360shs	The National Refining Co. Com #2203 at 100shs #4652 at 100shs #64702 at 100shs C1147/9 at 100 shs ea., C11478 at 60 shs n/c Jason Grain	6	6	2160
	x 25shs	The Triton Steamship Co. of Del. Cap. #91 #41----- #75 n/c Jason Grain			1250
	x 75shs	The Pioneer Steamship Co. of Del. Cap. #213/5 at 25shs ea. #22-50 shs #521-26 shs #806 25 shs., #807 50 shs n/c Jason Grain	110	110	8250
	x 82shs	The National Refining Co. Pfd. #1123 at 10shs #1086 at 50shs #1902 at 12shs #1191 at 5shs (C6562 n/c Jason Grain 4-1-33)	53	68	4346
	x 400shs	The Union Trust Co., (New) *25.00 ea Cap #1167/89 at 100shs ea #1170/1 at 50shs ea			16006
		HOLD FOR ENDORSEMENT ON COMEY & JOHNSON CO COMMERCIAL LOAN & MORTGAGE LOAN			151 3 17236
		RECEIVED			2/15 8

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE

EXHIBIT U-6-75b

The large liability of W. J. Crawford's Estate, amounting to \$299,072.16, in connection with an Agreement of the stockholders of The Cuyahoga Valley Realty Company seems to eliminate any value that may have remained after distribution to the heirs.

The Estate of Bessie Crawford is possibly subject to a charge of \$20,000. for creation of a trust fund for the benefit of grandchildren and assessment with respect to 100 shares Cuyahoga Valley Realty Company stock.

Randall Crawford's estate will in all probability be consumed by the trust he created for the benefit of his widow and children. It is also subject to assessment on 75 shares of Cuyahoga Valley Realty Co. stock.

Since all of the above are dependent primarily on real estate there is at this time very little, if any, value, although further administration proceedings may produce some if certain property can be sold even at tax value.

It was agreed by the representatives of the interested banks that W. J. Crawford, Jr. was in a better position to work out his own affairs than any of the members present. They did feel, however, that the Union Trust Company, the Society for Savings and the Cleveland Trust Company should each appoint a representative to counsel with Mr. W. J. Crawford, Jr. regarding any major or important move, the banks so represented to act without any commitment as to time allowed and free to withdraw at will. The banks' representatives are to consult with Mr. Crawford regarding his personal requirements and it would seem only proper that a monthly statement of receipts and disbursements should be required so that some plan could be adopted whereby his liabilities could be reduced.

---

EXHIBIT U-6-78

Oscar L. Cox, Conservator

Excerpt for credit file re:

Name: W. J. Crawford, Jr. (Director). Amount of loan \$61,400.00.

(This name and amount are listed in the report of the Audit Committee of the Board of Directors, dated February 3, 1933, under the following):

"Loan Schedule I  
Loans to Directors—Under-Secured  
Now on Non-Accrual Basis"

Committee Comment: While these loans should be among the best loans in the bank and be predicated upon the highest type securities, in some cases the reverse is true and the bank now finds itself with loans greatly under-secured or secured by other items for which there is no market whatsoever. Further, some of these loans have necessarily been placed on a non-accrual basis.

The Committee knows that in some cases, even though our loan is still under-secured, the borrower has come forward and offered such other security as he may have had and such action is highly commended. However, there are other loans on which we should bring pressure to get a mortgage on their homes and insist that they arrange for the payment of delinquent interest and reduction of the principal.

The Committee also comments that these are on nonaccrual basis.

Inserted and filed by Conservator

By us.

EXHIBIT U-6-79a

Nov. 14, 1933.

NATIONAL CITY BANK

*Cleveland, Ohio*

Attention Mr. L. B. Devine.

Re: Parmely W. Herrick

GENTLEMEN: Among our collateral loans pledged to your bank is one of Parmely W. Herrick for \$755,189.63, accrued interest to November 1, 1933, \$57399.44. This loan is secured by the following:

10,525 Shs.	Union Carbide & Carbon Corporation
50 "	Sun Investing Company Preferred
1,000 "	Atlas Utilities Company Preferred
1,000 "	Atlas Utilities Company Warrants
\$6,000	Missouri Pacific 5s 1977
	Burkam-Herrick Publishing Co. Cdfs.

In September 1932 Mr. W. M. Baldwin, Mr. Rollin A. Wilbur and Mr. John H. Dexter were appointed a committee to take charge of certain assets and liabilities of Mr. Parmely W. Herrick. The Union Trust Company was designated as trustee. The agreement between the committee and the creditors provided amongst other things that all proceeds derived from the trust estate, either from income or principal, were to be held for the pro rata benefit of the creditors under the agreement, in the proportion which the amount of their indebtedness in excess of the value of the security held may bear to the aggregate of like indebtedness by the other creditors under the agreement. These creditors originally were:

The Union Trust Company, The Society for Savings, Estate of James Parmely, The Midland Bank, Burkham Herrick Publishing Company. (By supplementary agreement): The Oliver C. Schroeder Drug Company, The Cuyahoga

## EXHIBIT U-6-79b

Company, and The Harriman National Bank were included among the creditors. The standstill feature of this agreement expired Nov. 1, 1933, after which any creditor has the right to sell the collateral specifically pledged under its loan.

The present trustees, R. A. Wilbur, John Dexter and H. F. Burmester, along with Parmely W. Herrick, Harold Clark and George Webster, met Nov. 3, 1933 for the purpose of considering a further extension of six months of the standstill feature of the trust agreement. In view of the fact that The Union Trust Company is in liquidation, it was the consensus of opinion of those present that the interest of our depositors and creditors would be best served by the Liquidator agreeing to a six months' extension, having in mind that in the interim a definite liquidating program would be put into effect.

The prime consideration for requesting the six months' extension was that the investment in Union Carbide, which is the principal holding, had reasonable prospects within that time to make a good showing, in which case it is the intention of the committee to sell substantial amounts. It was also felt that inasmuch as considerable tax would be involved in the sale of Union Carbide stock that by granting the extension Mr. Herrick would be in a position from a tax standpoint to offset certain possible losses that may be definitely established in the fore part of the coming year. It was also felt that the sale of certain real estate now under negotiation might be closed.

It is the writer's opinion that the interest of all concerned would be best served by granting the six months' extension requested. We are therefore requesting your approval of the Second Supplementary Agreement enclosed.

For your further information we are enclosing a balance sheet of Parmely W. Herrick as of August 31, 1933, which we would ask that you kindly return as soon as it has served your purpose.

Yours very truly,

HB

H. F. BURMESTER, *Agent.*

Approved:

NATIONAL CITY BANK, CLEVELAND,  
By C. B. REYNOLDS  
RECONSTRUCTION FINANCE CORPORATION,  
CLEVELAND LOAN AGENCY  
By M. W. DAVIES  
*Acting Assistant Manager.*

EXHIBIT U-6-80a

JANUARY 11, 1934.

Mr. PARMELY W. HERRICK,  
*Cuyahoga Building, Cleveland, Ohio.*

DEAR SIR: We wish to advise you of credits totaling \$39,745.72 to your loan account, proceeds of the sale of:

1000 shs Atlas Utilities Corp., \$3 pfd, Series A.

As the certificates pledged were in the name of The Herrick Company they were not good delivery and we accordingly enclose an itemized statement.  
The unpaid principal balance on your loan is \$709,253.71.

Yours very truly,

I. J. FULTON,  
Superintendent of Banks.  
OSCAR L. COX,  
Special Deputy Superintendent.  
By R. J. RUTENBECK,  
Agent.

RJR:EJR

EXHIBIT U-6-80b

JANUARY 11, 1934.

*Itemized statement of sale of 1000 shs Atlas Utilities Corporation*

Broker	Shares	Price	Amount	Commis- sion	Interest	Tax	Post- age	Total
Jackson & Curtis.....	100	40	\$4,000	\$15 00	----- borrowing tax	\$9 00 4 00	.25	\$3,971.75
Chas Quincey & Co.....	100	40	4,000	15 00	-----	9 00	-----	3,976 00
Hornblower & Weeks.....	100	40	4,000	15 00	-----	9 00	.25	3,975 75
Livingston & Co.....	100	40	4,000	15 00	-----	9 00	.21	3,975.79
Dyer, Hudson & Co.....	100	40	4,000	15 00	-----	9 00	.24	3,975 78
Post and Flagg.....	200	40	8,000	30 00	-----	18 00	.25	7,951 75
E. A. Pierce & Co.....	100	40	4,000	15 00	3.86	9.00	.20	3,971 94
Curtiss, House Co.....	100	40	4,000	15 00	----- borrowing tax	9.00 4 00	.25	3,971 75
Salomon Bros & Hutzler..	100	40	4,000	15 00	55	9 00	.22	3,975 23
								\$39,745 72

EXHIBIT U-6-81a

AUGUST 2, 1933

Mr. SIDNEY B. CONGDON,  
President National City Bank  
Cleveland, Ohio

Re: Parmely W. Herrick

DEAR MR. CONGDON: Mr. Herrick is indebted to us as of July 7, 1933, in the amount of \$786,987.47. On our collateral sheet we listed without value certificates of deposit on the Winters National Bank and Trust Company of Dayton, Ohio, No. 15265 for \$40,000, No. 15415 for \$40,000, and No. 15416 for \$5,387.52, or a total of \$85,387.52, which certificates were deposited in escrow with our Estates Trust Department under receipt dated February 23, 1933.

This deposit in escrow was occasioned by a claim that had been exercised on total certificates of deposit held by us in the amount of \$105,000 by the trustees for the Estate of James Parmelee, in which the Trust Department of The Union Trust Company and Rollin Wilbur act jointly. The occasion for the assertion of this claim developed because in our individual capacity we had at one time loaned to Parmely W. Herrick in substantial amounts on a secured basis, and on September 30, 1931, made further demand on him for additional collateral under his loan and received at that time the certificates of deposit above referred to, as well as several hundred shares of Harriman National Bank stock. Later, in December, we received an additional few hundred shares of Harriman National Bank stock, all of which stock subsequently became of no value. The bank had been appointed a joint executor and trustee early in May of 1931, and made the demand for additional collateral a few months later as indicated above. In the assets of the estate there appeared a certain obligation of Parmely W. Herrick in the amount of \$248,083.09, secured by questionable collateral. About a year and a half later the trustees for the estate learned for the first time that the bank had, upon demand, received the additional collateral referred to above, and thereby had preferred itself while acting in a dual capacity.

We now learn that the law is very strict in interpreting the responsibilities of a trustee, particularly in the District of Columbia, where this estate is being probated. From a credit viewpoint it is difficult to reconcile oneself to the

fact that we did other than the proper thing. However, our attorneys, Trust Department officers, and Special Counsel Laylin agree that we would have difficulty in sustaining our position in court. Consequently, in a meeting Friday

**EXHIBIT U-6-81b**

with the trustees and their counsel, it was agreed to accept trustees' prior claim to this collateral to the extent of \$81,248.07.

At the time of accepting this adjustment we did not realize that you might have assigned some value to this escrow, as we for ourselves had never considered it of any collateral value after we had allowed it to go into escrow. Consequently, today, when endeavoring to send some of the certificates of deposit through for collection, we learned for the first time of your interest, at which time I immediately phoned you to advise you of the circumstances.

Our counsel advise us that we were indeed fortunate to be able to make this adjustment as favorable as it is, as there was good probability that the court might easily have well sustained a position that the bank should turn over to the estate all of the \$105,000 in certificates of deposits and the accrued interest, as well as some part of the value of the Harriman National Bank stock as of the date we received it as additional collateral. Under the terms of the adjustment the matter is being presented to the court in the District of Columbia, and approval of the court is expected momentarily.

At the present time we are holding among our collateral of Parmely W. Herrick certificate in face value of \$20,000, which has been pledged to you along with his other collateral. We are withdrawing this certificate of deposit under trust receipt, and, together with the \$85,387.52 in certificates originally held in escrow, are sending them to the Winters National Bank and Trust Company at Dayton for payment in the amount of \$55,000, and a redistribution of the balance of \$50,000 into certificates proportionate to the interest of The Union Trust Company and the Estate of James Parmelee. Normally, the certificates would immediately be converted into cash, and the distribution of \$81,248.07 would be made to the estate. However, same is deemed inadvisable at the moment, and the bank has expressed itself as preferring to pay \$55,000 at this time and the balance at the rate of \$15,000 per month until all the certificates of deposit are liquidated. Consequently, in order to adhere to that plan and to share proportionately in any cash proceeds, it was agreed that we would share the proceeds of any cash on the basis of 77.09457 to the Estate of James Parmelee and 22.0543 to ourselves.

As soon as the items are returned to us from Dayton, you will receive our proportion of the \$55,000 in cash, as well as the three certificates for \$3,435.81

**EXHIBIT U-6-81c**

each and one certificate for \$3,653.99, or a total of \$13,961.42, details of which are explained in the attached copy of letter to the Winters National Bank, dated August 2, 1933.

Will you please give your approval to this settlement?

Yours very truly,

O. L. Cox,  
*Special Deputy Superintendent of Banks.*  
 By H. F. BURMESTER,  
*Agent.*

HFB:R

(Exhibits U-6-83a through U-6-83k face this page)

NAME: **NAT'L CITY**

ADDRESS: **Grandin George W. Union Bldg.**

No. 1: **14976** DUE: **7-1-37**

No. 2: DUE: **U-6-83a**

No. 3: DUE:

No. 4: DUE:

No. 5: DUE:

MEMO: Principal due in installments as follows:  
 \$50,000 due July 1, 1934 \$25,000 due July 1, 1936 \$50,000 due July 1, 1938  
 25,000 due Jan. 1, 1935 25,000 due Jan. 1, 1936 25,000 due Jan. 1, 1937

Form No. 0 89 5M 332

EXHIBIT U-6-83a

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	950shs	The Louisiana Central Lumber Co. #506-- #637 n/o George W. Grandin		U-6-83a
	25,000	The Clark-Randolph Bldg. Site #1606 n/o Harry L. Brown #1737 n/o George W. Grandin	02 10 11	25000
	30,000	The Northwestern Bldg. Site Land Trust Ctr. #927 n/o Union Trust Co. #1088 n/o George W. Grandin	00 50 10	15000
	865shs	The Grandin Coast Lumber Co. Cap. #106 288shs #437 107shs #456 220shs #493 100shs n/o The Union Trust Co. #440 80shs #56 10shs n/o G.W. Grandin #607 at 157shs #684 at 260shs #696 at 220shs #697 at 160shs #700 at 200shs n/o George W. Grandin #611 n/o George W. Grandin	116	
	480shs	The United Milk Products Co. Prd. #TP245-80shs #TP244-400shs	22 20 10 500	28060
RECEIVED				
Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.				
DATE				

EXHIBIT U-6-83b





NAME		TIME LOAN									
ADDRESS		No. 1		No. 2		No. 3		No. 4		No. 5	
Grandin George W.		DUE		DUE		DUE		DUE		DUE	
No. 6		No. 9		No. 10		No. 11					
No. 7		DUE		DUE		DUE		DUE		DUE	
No. 8		DUE		DUE		DUE		DUE		DUE	
MEMO.											
INTEREST OR DISCOUNT											
DATE	DISCOUNT	INT. REBATE	INT. RECEIV	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE	
OCT 1 1933	10000	10000	Electric Light Co. to Curtis House - pay							625017	
	2200 sh		Electric Co Com -							44229	
OCT 1 1933	2499 sh		Electric Co Com to Curtis House - pay							4852917	
	733 sh		Standard Oil Co.							3623534	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							2964674	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							12456177	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							717542	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							14573710	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							5723166	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							8850545	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							6529225	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							4841744	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							1584390	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							731340	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							344560	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							384730	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							126	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							1011380	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							125150	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							825930	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							50752	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							324170	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							301360	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							27830	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							100	
OCT 1 1933	100 sh		Standard Oil Co. to Curtis House - pay							1283	

EXHIBIT U-6-83e

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	BASIS	100.00
5-26-33	300shs	The Chesapeake & Ohio Railway Co. Com. #0055453/60-50shs ea #071265/66-10shs ea n/o Curtiss, House & Co.	NY		7300
6-26-33	100shs	The Union Carbide & Carbon Corp. Cap. #273310/11-50shs ea n/o Curtiss House & Co.	NY	48 40	4800
6-26-33	100shs	The American Telephone & Telegraph Co. Cap. #1147141/42-50shs ea n/o Curtiss, House & Co.	NY	118 30	11800
7-26-33		Agreement dated August 23, 1933, by and between George W. Grandin and Ira J. Polton, Supt. of Banks of the State of Ohio, in charge of liquidation of The Union Trust Co. of Cleveland, Ohio.			
OCT 1 1933	200shs	The Standard Oil Co. of California Cap. #11192384/96-100shs ea #11/0233329-50shs #NY/D192444-100shs	NY	41 40	14760
OCT 2 1933	380shs				
OCT 1 1933	200shs	The P. Lorillard Co. Com. #331011/12-100shs ea #483237-00shs	NY	18 17	5700
OCT 2 1933	200shs				
JAN 15 1934		200 shs The P. Lorillard Co. Com exch for new \$10 Par			113640

EXHIBIT U-6-83f



DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
OCT 2 0 1933	43shs	The Air Reduction, Inc. Cap. #080264	NY	10	4380
OCT 2 3 1933	160shs	The Alaska Junction Gold Mining Co. Cap. #113764-100shs #068337-60shs	NY	22	3360
OCT 2 3 1933	90shs	The American Smelting & Refining Co. Com. #C0128164	NY	44	3960
OCT 2 0 1933	300shs	The General Motors Corp. Cap. #D209-048 #D209-804/95-100shs ea	NY	38	11700
OCT 2 0 1933	80shs	The National Distillers Products Corp. Com. <sup>April 30-1</sup> #CA/O/19014	NY	84	6720
OCT 2 3 1933	340shs	The Northern Pacific Ry. Co. Cap. #A21725/27-100shs ea #C329477-40shs	NY	31	10200
OCT 2 3 1933	100shs	The J.C. Penney Co. Com. #A051268	NY	60	6000
OCT 2 0 1933	145shs	The St. Joseph Lead Co. Cap. #B1175-100shs #066518-45shs	NY	24	3420
RECEIVED					
219016					
Received from THE UNION TRUST COMPANY-CLEVELAND OHIO, Collateral Securities and all other papers in connection with above described loan.					
DATE					

EXHIBIT U-6-83i

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
OCT 2 0 1933	110shs	The Hoarn, Roebuck & Co. Cap. #E112844-100shs #E0215894-10shs	NY	44	4840
OCT 2 3 1933	108shs- 118shs	The Texas Gulf Sulphur Co. Cap. #C197000-100shs #F217374-18shs	NY	39	4602
OCT 2 3 1933	37shs	The Great Western Sugar Co. Com. #NY/O/48815	NY	31	1147
OCT 2 3 1933	90shs	The McIntyre Porcupine Mines, Ltd. Cap. \$5 per #NY/R/13973	NY	38	3420
OCT 2 3 1933	100shs	The Norment Mining Corp. \$10 per Cap. #B23274	Cal.	53	5300
OCT 2 3 1933 NOV 2 1933	300shs- 480shs	The Wright-Hargreaves Mines, Ltd. Cap. #B31410/11-100shs ea #B32006/7-100shs ea #B32006-60shs	Cal.	7	3220
OCT 2 3 1933	40shs	The United States Smelting, Refining & Mining Co. Com. #NY/O/77249	NY	103	4120
NOV 2 1933	100shs	The Lake Shore Mines, Ltd. Cap. \$1 per #BA7002	Cal.	42	4200
RECEIVED					
250085					
Received from THE UNION TRUST COMPANY-CLEVELAND OHIO, Collateral Securities and all other papers in connection with above described loan.					
DATE					

EXHIBIT U-6-83j

U-6-83k

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
NOV 3 1933	80shs	The American Commercial Alcohol Corp. Com.	NY 60	750.00
NOV 10 1933	85shs	#015170-80shs #015372-25shs		81.00
DEC 2 1933	100 shs	Union Pacific Railroad Company #414813 n/o Curtis House & Co.	127 103	12700
DEC 15 1933	7 2/5ths shs	The Cache La Poudre Co., Cap. #0 2000 at 7 shs., #2-5-73 at 2/5ths sh n/o George W. Grandin		
FEB 10 1934	90shs	The National Power & Light Co. Com. #NY/O/165287 n/o Curtis House & Co.		2618.85
FEB 10 1934	50shs	The International Harvester Co. Com. #FH169537 n/o Curtis House & Co.		
				131 70 Cash 2618.85 7
		RECEIVED		

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loans.

DATE

EXHIBIT U-6-83k



DATE	PAY OR SH	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
CT	X 637 <sup>2</sup> shs	The Crowell & Little Construction Co. Com. #2 dated 7/19/22 No Par.		17360
CT	X 250shs	The Crowell & Little Construction Co. Pfd. #2 dated 7/19/22 No Par.		1230
		<p>Handwritten note: <i>Handwritten note: For collection on this loan to secure Ind. of Pascom letter on loan of Litch Apartments Inc. Inc.</i></p>		<p>Handwritten: <math>\frac{217}{4} = 10,080</math></p>
DEC 29 1932		<p>RECEIVED  <i>Paid off # 2-637 of Crowell Little Construction Co. Com dated 7/19/22 - off by 100 shs.  Crowell Little Construction Co. Pfd. dated 7/19/22 - L. 100 shs</i></p>		

EXHIBIT U-6-85c





## EXHIBIT U-6-84

*Status of loans to directors, February 25, 1934*

Total Liability .....		\$6, 139, 325. 08
Special Report:		
Wm. G. Mather .....	\$860, 482. 27	
K. V. Painter .....	2, 926, 778. 75	
		<u>3, 787, 261. 02</u>
		<u>\$2, 352, 064. 06</u>
Made up as follows:		
W. P. Belden .....	\$11, 150. 00	
G. P. Comey .....	31, 354. 16	
H. G. Dalton .....	10, 833. 72	
G. W. Grandin .....	206, 935. 75	
J. A. Hadden .....	6, 294. 98	
W. A. Harshaw .....	4, 700. 00	
A. D. Joyce .....	707, 539. 06	
R. T. King .....	8, 991. 60	
B. Little .....	182, 031. 77	
O. Miller .....	743, 273. 51	
H. Moss .....	9, 276. 37	
A. Squire .....	30, 940. 62	
W. Warner .....	398, 742. 52	
		<u>\$2, 352, 064. 06</u>

(Exhibits U-6-85a through U-6-85c face this page)

## EXHIBIT U-6-86

INTERVIEWS AND COMMITMENTS AFFECTING LOANS OFFICIAL INSTRUCTIONS  
TO CREDIT DEPARTMENT, COMMENTS ON FINANCIAL STATEMENTS, ESSENTIAL  
CREDIT INFORMATION

Oscar L. Cox, Conservator. For exclusive use of Credit Department.

MAY 16, 1933.

BASCOM LITTLE, Director, 1600 Shares.

Mr. Little's attorney, John A. Hadden, called today at the above's request, stating that Mr. Little is seriously ill and greatly concerned about his obligations. His total debt is somewhere in excess of \$450,000, and with his endorsements will exceed a half million dollars. It is understood that all of his securities are pledged, with no income at the present time other than his securities. It is also understood that he has two pieces of encumbered property, with values undetermined at the moment. It is our understanding that Mrs. Little has an income of \$24,000 per year, in addition to owning some real estate.

Mr. HADDEN is preparing a report for us of the above's entire debt, together with his assets, and will submit them to us. The whole matter will be delayed until June 1, during which time Mr. Hadden will have further conference with Mr. Little as soon as he is able to discuss his business affairs with him.

It appears that he is owing The Cleveland Trust Company some \$57,000 secured by Union Trust stock and life insurance. Mr. Hadden is endeavoring to obtain Mrs. Little's endorsement or collateral; otherwise it will no doubt mean a compromise or bankruptcy.

H. F. BURMESTER.

Noted: Mr. Tonks, W. T., Mr. WILLIAMS, Wm.

(Exhibits U-6-87a through U-6-87b face this page)



EXHIBIT U-6-88a

Liability of officers & directors

Examiner's Report, Dept. of Banks, State of Ohio, January 20, 1933.

Shares	Director's name	Meetings	Address	Unsecured	Collateraled	Indirect	Occupation
248	Barkwill, E. S.	23	Cleveland, O.		\$8,000.00		Secy. Cleve. Bldrs. Supply Co.
860	Bartel, George	26	"				Ch. of Ex. Com., Otis Steel Co.
105	Belden, W. P.	11	"		12,600.00		Belden, Young & Veach.
420	Comey, George P.	8	"		82,000.00		
88	Corning, Henry W.	12	"				
700	Dalton, H. G.	6	"		2,936.64		Pickands, Mather & Co.
586	Fretter, F. S.	15	"				Pres. Natl. Refining Co.
100	Gerhauser, W. H.	24	"		1,000.00		Pres. Amer. Ship Bldg. Co.
1,100	Ginn, F. H.	17	"			\$10,000.00	Telles, Hogsett & Ginn.
100	Gurdler, T. M.	15	"		10,000.00		Ch. of Bd. & Pres. Republic Steel.
1,700	Gordon, George C.	13	"				Pres. Park Drop Forge Co.
500	Grandin, G. W.	24	"		312,000.00		Secy. Missouri Lumbering & Mining Co.
196	Grasselli, E. R.	21	"				Dir. Grasselli Chemical Co.
1,196	Grasselli, Thos. S.	17	"		421,336.95		Pres. " "
6,450	Gund, George	5	"			1,981.75	Gund Realty Co.
25	Hadden, John A.	16	"		15,345.00		Andrews, Hadden & Burton.
1,000	Hannah, H. M.	"	"				Ch. of Bd. M. A. Hanna Co.
550	Harshaw, W. A.	19	"		33,900.00	7,400.00 2,500.00	Beatrice C. Walsh United Restaurant Inc.
3,660	Haserot, F. H.	20	"				Pres. Harshaw Chemical Co.
2,010	Hayden, W. S.	12	"				Pres. Haserot Co.
	Partner Hayden, Miller & Co.	12	"		89,000.00	20,956.40	Hayden, Miller & Co.
4,000	Hodgson, Geo. H.	21	"				Ch. of Bd. Cleve. Worsted Mills Co.
3,312	Joseph, Emil	27	"				
825	Joyce, Adrian D.	19	"		709,500.00		Pres. Glidden Co.
1,588	King, Ralph T.	14	"		36,205.71		V. P. The Realty Inv. Co.
	Do Hunting Valley Syndicate.			\$6,775.00			
1,510	Kling, John A.	9	"			6,105.00 1,089.25	Bergen Lithonia Granite Co.
483	Kulas, E. J.	19	"				Pres. Midland Steel Prod. Co.
1,000	Lenihan, E. P.	25	"		20,000.00		Lenihan & Co.
1,600	Little, Bascom	14	"		61,843.44	42,000.00 110,000.00	Crowell & Little Constr. Co.
250	Mather, Philip R.	23	"		39,926.30	350.00	Pickands Mather & Co.
2,500	Mather, Wm. G.	11	"		838,435.82		Pres. Cleve. Cliffs Iron Co.

3,630	Miller, Otto	14	"	830,000.00	68,500.00	Miller, Elsa	Hayden Miller & Co.
	Do. Partner Hayden Miller & Co.		"	89,000.00	20,956.40*	Discounts	
2,000	Miller, T. W.	6	"				Ch. of Bd. Faultless Rubber Co.
170	Moss, Herman	24	"	17,500.00	6,136.12	Z. A. Moss	Gen. Agt. Equit. Life Ass. Soc.
					998.44	Wm. Klarsfeld	
					7,248.78	R. B. Hunter	
					876.74	J. D. Shepherd	
					6,057.51	Stalney H. Watson	
20	Norton, Laurence H.	20	"	100,000.00			Oglebay, Norton & Co.
1,200	Norton, Robert G.	20	"				
6,700	Nutt, J. R.	20	"		3,850.00	Starr	
120	Osborne, Carl N.	19	"	90,000.00			Treas. M. A. Hanna Co.
23,440	Painter, Kenyon, V.	15	"	2,930,000.00			
160	Richman, N. G.	0	"				The Richman Bros. Co.
800	Robbins, Thomas P.	26	"		370.00	Travelers check	Pres. Cleveland Hardware Co.
510	Rogers, Jos. E.	6	"				Pres. Addressograph Multigraph Co.
600	Root, F. P.	26	"		17,511.63	F. P. Root Co.	Pres. F. P. Root Co.
1,350	Squire, Andrew	12	"	290,000.00	2,000.00	Odenkirk	Squire, Sanders & Dempsey.
1,405	Trammel, Henry G.	17	"	3,680.00			Pres. North American Fibre Co.
6,572	Wade, J. H., Jr.	0	"	350,000.00			Wade Realty Co.
20	Warner, Whitney	18	"	775.00	9,925.20	Ohio River Edison Coal Co.	W. H. Warner & Co.
						Warner Collieries Co.	
						Whiteworth	
						20,000.00	
						103,980.00	
						Smith	
						W. H. Warner Coal Co.	
	Do. Partner W. H. Warner & Co.		"	35,452.49			
1,290	White, Fred R.	26	"	110,050.00			Baker, R. & L. Co.
40	White, Thomas H.	21	"				
2,272	White, Windsor T.	19	"		8,700.00	Laitinen	
	Do. Hunting Valley Syndicate.		"	54,200.00			
				61,750.00	7,549,637.55	899,443.02	
	Less Duplications *				89,000.00	20,956.40	
				61,750.00	7,460,637.55	878,486.62	

EXHIBIT U-6-88c

Liability of officers & directors

[Examiners Reports, Dept. of Banks State of Ohio, January 20, 1933]

Shares	Officers	Title	Meet-ings	Address	Unsecured	Collateraled	Indirect	Occupation
2, 200	Kraus, J. R.	Ch. of Board (D) of Di-rectors.	25	Cleveland, Ohio.				Ch. of Bd Union Tr. Co.
2, 500	Coulton, Geo. A.	Vice Chairman of Bd. of Dir. (D).	23	"				Vice Ch. of Bd. Union Tr.
1, 000	Baldwin, W. M.	President (D)	19	"				President Union Tr. Co.
366	Smith, Alard	Exec. Vice-President (D)	27	"		\$15, 300. 00		Exec. V.P. Union Tr. Co.
	Farnsworth, C. E.	Exec. Vice Pres.		"		3, 400. 00		None
	Steele, Geo. P.	Exec. Vice Pres.		"				"
	Crawford, R. S.	Exec. Vice Pres. & Secy.		"				"
	Anderson, C. B.	Vice President.		"		150. 00		"
	Anderson, J. C.	"		"		11, 575. 00		"
	Armstrong, J. C.	"		"		2, 000. 00		"
	Carlson, C. W.	"		"		24, 750. 00		"
	Champion, T. J.	"		"				"
	Clark, J. H.	"		"		2, 280. 00		"
	Freswell, E. E.	"		"		12, 000. 00	\$100 00 Travelers check	"
	Fisher, L. H.	"		"		13, 607. 51		"
	Geddes, J. G.	"		"		1, 200. 00		"
	Halliday, M. S.	"		"		21, 393. 00		"
	Hills, H. E.	"		"		2, 750. 00		"
	Hull, Grover, H.	"		"		*14, 250. 00	\$18,500 00 Hull, Elz.	"
	Lewis, A. W.	"		"				"
	Messick, H. D.	"		"				"
	O'Neill, W. J.	"		"		*84, 225. 00	\$850 00 Nolan	"
	Paton, James L.	"		"				"
	Piwonka, Charles	"		"		500. 00		"
	Royon, J. C.	"		"		7, 690. 00		"
	Sherwin, Geo. N.	"		"				"
	Slach, P. J.	"		"				"
	Stuber, W. G.	"		"		*8, 450. 00		"
	Tonks, Wm.	" & Cr. Mgr.		"				"
	Williams, R. I.	"		"		3, 870. 00		"
	Pettit, R. B.	Treasurer		"		7, 400. 00		"
	Bechberger, C. S.	Asst. Vice President.		"		1, 900. 00		"
	Brown, H. L.	"		"		5, 680. 00		"
	Caswell, J. H.	"		"		15, 000. 00		"
	Freytag, W. H.	"		"		200. 00		"
	Hance, J. P.	"		"		15, 520. 00		"

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STOCK EXCHANGE PRACTICES

Heil, C. F.	Asst. Vice President	Cleveland, O.	6,190 00		None.
Herbert, H. H.	" " "	"	11,770 00		"
Hodous, Chas. J.	" " "	"	27,000 00		"
Jindra, C. J.	" " "	"			"
Koelliker, M. B.	" " "	"			"
Kovachy, G. M.	" " "	"			"
Lackamp, J. H.	" " "	"	7,715 00		"
LaFever, D. Y.	" " "	"	19,250 00		"
Pfeffer, W. A.	" " "	"	1,280 00		"
Purdy, Van R.	" " "	"	14,530 00		"
Stromberg, W. O.	" " "	"	6,660 00		"
Wagley, E. N.	" " "	"			"
Armstrong, J. C.	Asst. Secretary	"	1,460 00		"
Chimo, Arnold	" " "	"	3,755 00		"
Fairbanks, C. J.	" " "	"	8,540 00	\$800 00 Brockwood Co.	"
Forsythe, W. M.	" " "	"	5,900 00		"
Genee, E. C.	" " "	"	7,050 00		"
Gibson, W. A.	" " "	"	5,790 00		"
Gilger, L. C.	" " "	"	6,300 00		"
Hiles, W. A.	" " "	"	1,350 00		"
Holecek, John V.	" " "	"	28,500 00		"
Kakes, Joseph	" " "	"			"
Kinsey, W. H.	" " "	"	6,000 00		"
Mason, A. E.	" " "	"	9,770 00		"
Mazach, J. E.	" " "	"	2,350 00		"
Mickey, R. Z.	" " "	"	3,720 00		"
Morgan, C. A.	" " "	"			"
Piwonka, H.	" " "	"			"
Rozman, G.	" " "	"	5,450 00		"
Bastel, T. V.	Asst Treasurer	"	10,135 00	55 00	"
Bauknet, W. J.	" " "	"			"
Benes, J. H.	" " "	"	23,565 00		"
Bethel, C. L.	" " "	"	4,252 50		"
Black, H. W.	" " "	"	1,640 00		"
Boethelt, A. R.	" " "	"			"
Chappel, H. B.	" " "	"	1,490 00		"
Ehne, T. J.	" " "	"	3,550 00		"
Glove, Paul	" " "	"	3,330 00		"
Grigor, D. D.	" " "	"			"
Grow, E. F.	" " "	"			"
Hart, Fred A.	" " "	"			"
Hartford, W. A.	" " "	"	4,575 00		"
Irwin, W. R.	" " "	"	980 00		"
James, S. D.	" " "	"	4,200 00	269 93	"
Kowallek, Paul	" " "	"	5,643 00		"
Lackamp, J. B.	" " "	"			"
Lang, Henry	" " "	"		440 00	"
Lewis, Dave	" " "	"			"
Lustig, Ladimer	" " "	"	3,540 00		"
McGuinness, H. J.	" " "	"	10,280 00		"

## Liability of officers &amp; directors—Continued

Shares	Officers	Title	Meet-ings	Address	Unsecured	Collateraled	Indirect	Occupation
	Monda, J. B.	Asst. Treasurer		Cleveland, O.				None.
	Morgan, C. C.	"		"		\$9,650.00		"
	Orlikowski, Carl	"		"		1,700.00		"
	Park, W. R.	"		"		4,705.00		"
	Peter, B. L.	"		"		6,200.00		"
	Schacht, E. W.	"		"		3,890.00		"
	Scott, D. D.	"		"				"
	Simak, E. J.	"		"				"
	Spear, G. A.	"		"				"
	Zdara, H. E.	"		"		8,900.00		"
	Pratt, Harry F.	Mgr. Safe Deposit Dept.		"				"
	Culver, G. H.	Asst. Estates Trust off.		"		5,705.00		"
	Knowlton, D. S.	Publicity Mgr.		"		16,710.00		"
	Hoyer, F. W.	Purchasing Agent		"		1,000.00		"
	Cordrey, L. A.	Asst. Credit Mgr.		"		5,040.00		"
	Ginther, P. C.	"		"				"
	Brauer, George	Tax consultant		"		2,400.00		"
	Stofer, L. H.	Real Estate Officer		"		8,230.00		"
	Hollander, J. R.	Asst. Real Estate Off.		"				"
	Bosworth, R. W.	Mgr. Statistical Dept.		"		6,880.00		"
	61 employees					132,207.00		"
	Less Duplications				\$1,964.93	756,788.01	\$20,250.00	
						14,200.00		
						742,588.01	20,250.00	

## EXHIBIT U-6-89a

(Copy of a longhand statement taken from the personal files of Joseph R. Nutt)

*Loans to directors of the Union Trust Company*

	Collateral Value
Barkwill, Ernest S.—\$10,000.00	
100 shares Canfield Oil Co. Pfd.....	\$7,500.00
100 " Midland Steel Products, Pfd.....	3,200.00
51 " M. A. Hanna Co., Pfd.....	1,887.00
	<hr/>
	12,587.00
Belden, William P.—\$13,400.00	
5 shares First National Bank of Newark Valley, N.Y.---	
5 " Gwinn State Springs Bank, Gwinn, State Mich..	
10 " Youngstown Sheet & Tube, Pfd.....	250.00
274 " Alabastine Co., Pfd.....	1,096.00
64 " Cliffs Corp., Com.....	448.00
80 " Cleveland Cliffs Iron, Pfd.....	2,000.00
15 " M. A. Hanna Co., Pfd.....	555.00
10 " Calumet & Arizona Mining Co., Cap.....	150.00
35 " Republic Steel Co., Pfd.....	280.00
	<hr/>
	4,779.00
Comey, Geo. P.—\$32,000.00	
360 shares National Refining Co., Com.....	1,440.00
25 " Triton Steamship Co. of Del., Cap.....	
75 " Pioneer Steamship Co. of Del., Cap.....	9,000.00
82 " National Refining Co., Pfd.....	5,740.00
400 " Union Trust Co.....	5,600.00
	<hr/>
	21,780.00
Crawford, W. J. Jr.—\$59,100.00	
76 shares Degnon Contracting Co.	
53 " Degnon Realty & Terminal Imp. Co.	
85 " Jordan Motor Car In., Pfd.	
50 " Cleveland Realization Co., Cap.	
925 " Crawford Realty Co., Com.	
300 " Union Carbide & Carbon Corp., Cap.....	5,100.00
100 " Union Oil Co.....	900.00
20 " Equity Savings & Loan Co.....	8,000.00
35000 Crawford Realty Co. 6s—31	
	<hr/>
	14,000.00
Gershauser, W. H.—\$1,000.00	
2000 Trumbull Cliffs Furnace 6—43.....	1,760.00
Girdler, T. M.—\$10,000.00	
400 shares Goodyear Tire & Rubber Co., Com.....	3,200.00
80 " Union Trust Co., Cap.....	1,120.00
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	4,320.00
Gordon, Geo. C.—\$13,000.00	
38000 U.S.A. 3½ L.L.....	38,000.00

## EXHIBIT U-6-89b

Grandin, G. W.—\$345,000.00	
500 shares Standard Oil of N.J.....	\$11,500.00
10000 Tokyo Elec. Lt. 6s—53.....	3,600.00
500 shares Arthur G. McKee & Co.....	14,000.00
98 " Richman Bros. Co., Cap.....	17,658.00
6299 " Glidden Co., Com.....	25,196.00
1531 " White Motor Co., Cap.....	12,248.00
950 " Louisiana Central Lumber Co.	
600 " United Milk Products, Pfd.....	9,000.00
25000 Clark Randolph Bldg. Site.....	11,250.00
30000 Northwestern Bldg. Site.....	21,900.00
1400 units Western Reserve Investing Corp.....	14,000.00
1400 shares Western Reserve Investing Corp. Com.	
865 " Grandin Coast Lumber Co., Cap.....	
	<hr/>
	140,352.00

*Loans to directors of the Union Trust Company—Continued*

	Collateral Value
<b>Grasselli, T. S.—\$372,630.70</b>	
7700 shares E. I. DuPont de Nemours & Co.....	\$207, 900. 00
600 " Ohio Oil Co., Cap.....	4, 200. 00
20000 Federal Land Bank Bonds 4½—55.....	17, 200. 00
25000 Federal Land Bank Bonds 5s—41.....	23, 000. 00
420 shares American Rolling Mill Co., Com.....	2, 100. 00
300 " F. E. Myers Co., Com.....	3, 600. 00
200 " Ohio Brass "B".....	1, 200. 00
180 " Youngstown Sheet & Tube Co., Com.....	1, 440. 00
1176 " Union Trust Co., Cleveland, Cap.....	17, 640. 00
100 " Proctor & Gamble Co., Pfd.....	9, 200. 00
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	287, 480. 00
<b>Hadden, Jno. A.—\$18,440.00</b>	
40 shares General Electric Co., Com.....	520. 00
10 " Atchison Topeka Santa Fe Rwy, Com.....	280. 00
200 " White Motor Co., Cap.....	1, 600. 00
10 " U.S. Steel Corp., Com.....	270. 00
400 " Missouri Kansas Texas, Com.....	1, 000. 00
20 " Alleghany Corp., Pfd.....	40. 00
80 " Marshall Mortgage Co., Cap.....	
2000 European Elec. Corp. Ltd. 6½.....	840. 00
32 shares Cleveland Builders Realty Co.....	192. 00
16 " Cleveland Builders Supply Co.....	240. 00
17 " Lamson & Sessions Co., Com.....	68. 00
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	5, 050. 00
<b>Harshaw, W. A.—\$15,000.00</b>	
700 shares Harshaw Chemical Co., Pfd.....	
<b>Hayden, W. S.—\$45,000.00</b>	
200 shares Halle Bros. Co., Pfd.....	9, 800. 00
150 " Cleveland Elec. Illum. Co., Pfd.....	14, 100. 00
150 " White Motor Securities.....	11, 100. 00
50 " Chase Brass & Copper Co., Pfd.....	3, 150. 00
10/1350ths Interest Land Trust Ctf. Northwestern Bldg. Site.....	7, 000. 00
10/5750ths Interest Land Trust Ctf. Cleveland Terminal Tower.....	5, 000. 00
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	50, 150. 00
EXHIBIT U-6-89c	
<b>Herrick, Parmely W.—\$808,800.00</b>	
Option Warrant to Purchase 1,000 Atlas Utilities Com.....	1, 500. 00
1000 shares Atlas Utilities Corp., Pfd.....	34, 000. 00
10525 " Union Carbide & Carbon Corp., Cap.....	178, 925. 00
800 " Harriman National Bank, N.Y.....	1, 040, 000. 00
58000 " National Hotel of Cuba 6s—59.....	
500 " International Products Corp., Pfd.....	
600 " New York Joint Stock Land Bank.....	18, 000. 00
50 " Sun Investing Co., Pfd.....	950. 00
1350 " Headley Emulsified Products "A".....	
6000 " Missouri Pacific R.R. 5-77.....	1, 560. 00
40/900ths Int. L/H Ctf. Property at Euclid & E. 105.....	8, 000. 00
105,387.52 Ctf. of Deposit Winters National Bank, Dayton, Ohio.....	105, 387. 00
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	1, 388, 322. 00

*Loans to directors of the Union Trust Company—Continued*

		Collateral Value
Joyce, Adrian D.—\$711,500.00		
100 shares	Bank of America .....	\$3, 100. 00
200 "	Halle Bros., Com .....	800. 00
80 "	Mullins Mfg., Pfd .....	1, 120. 00
100 "	Cleveland Graphite Bronze .....	1, 400. 00
32 "	Commonwealth Securities, Pfd.	
104 "	Commonwealth Securities, Com.	
500 "	National Acme Co., Com .....	1, 000. 00
750 "	Standard Oil of Indiana .....	13, 500. 00
343 "	Glidden Co., Prior Pfd .....	13, 720. 00
120 "	Cleveland Quarries .....	6, 480. 00
Assignment of Real Estate held by Chicago Title & Trust ..		100, 000. 00
10 shares	Midland Bank, Cap.	
500 "	Hanover Fire Insurance .....	10, 000. 00
300 "	Standard Textile Prod., Pfd .....	1, 500. 00
300 "	Bac Ohio Corp .....	4, 500. 00
900 "	Richman Bros. Co., Com .....	16, 200. 00
350 "	Interstate Equities Corp., Pfd .....	4, 200. 00
300 "	Interstate Equities Corp., Com.	
5940 "	Wood Chemical Prod., "B" .....	5, 940. 00
10000 "	Shell Union Oil Corp., 5 .....	7, 000. 00
7000 "	Glidden Co., Com .....	28, 000. 00
1000 "	U.S. Elec. St. & Pr. Shares "A" .....	12, 000. 00
3400 "	Glidden Co., Com .....	13, 600. 00
1000 units	Western Reserve Investing Co .....	10, 000. 00
14000	Chemical & Pigment 6s .....	13, 300. 00
5000	Cleveland Discount Co. 6s .....	3, 000. 00
5000	Denver & Rio Grande Western 5s .....	1, 600. 00
11000	M. A. Hanna 6s .....	9, 680. 00
2400	Industrial Fibre 8s .....	2, 304. 00
10000	Loew's Ohio Theatres 6s .....	3, 800. 00
2000	Sinclair Cons. Oil 7s .....	1, 600. 00
300 shares	Ahumada Lead	
100 "	American Multigraph, Com .....	1, 800. 00
100 "	Chemical Prod. Co., Cap.	
200 "	The Fair .....	1, 200. 00
1839 "	Glidden Co., Com .....	7, 336. 00
410 "	Glidden Co., Com .....	16, 400. 00
100 "	Joyce Realty Co .....	200, 000. 00
8519 "	National Radiator & Mfg.	
15 "	Otis Steel Co., Com .....	60. 00
200 "	Standard Textile Prod., Com.	
100 "	Standard Textile Prod., Pfd .....	500. 00

## EXHIBIT U-6-89d

100 shares	State Street Investing .....	3, 600. 00
100 sub shares	Texas Pacific Land Trust .....	500. 00
85 shares	United Milk Prod., Pfd .....	850. 00
(\$150,000.00 Life Insurance)		

521, 590. 00

## Ralph T. King—\$77,000.00

100 shares	Guardian Savings & Trust Co., Cap .....	11, 000. 00
200 "	F. W. Woolworth Co., Cap .....	6, 000. 00
100 "	American Tel. & Tel. Co., Cap .....	9, 500. 00
200 "	General Elec. Co., Com .....	2, 600. 00
200 "	Proctor & Gamble, Com .....	5, 600. 00
200 "	Union Carbide & Carbon, Cap .....	3, 400. 00

38, 100. 00

Lenihan, E. P.—\$40,000.00  
Trust Agreement.



*Loans to directors of the Union Trust Company—Continued*

<b>Little, Bascom—\$43,000.00</b>		
378 shares	Wyoming Pocahontas Coal & Coke Co., Pfd.	
910 "	Wyoming Pocahontas Coal & Coke Co., Com.	
1000	Women's City Club 6s-37	Collateral Value
121/1920th	Euclid E. 13th Chester L/H Trust Ctf.....	\$24, 200. 00
25000	Associated Gas & Elec. 5s-50.....	5, 000. 00
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		29, 200. 00
<b>Mather, Philip R.—\$47,000.00</b>		
700 shares	Cleveland Cliffs Iron Co., Pfd.....	17, 500. 00
165 "	Standard Tool Co., Cap.	
1300 "	Youngstown Sheet & Tube Co., Com.....	11, 700. 00
2080 "	Interlake Iron Corp., Com.....	5, 720. 00
682 "	Interlake Steamship Co., Cap.....	9, 268. 00
70 "	Linde Air Products Co., Pfd.....	4, 200. 00
		<hr/>
		48, 388. 00
<b>Mather, Wm. G.—\$800,000.00</b>		
31,253 shares	Cleveland Cliffs Iron Co., Pfd.....	781, 325. 00
8,000 "	Cliffs Corp., Com.....	56, 000. 00
		<hr/>
		837, 325. 00
<b>Miller, Otto—\$805,000.00</b>		
1000 shares	Sparks Withington Co., Com.....	1, 500. 00
1578 "	Malvern Land Co., Com.	
3299 "	Iroquois Securities Inc., Cap.	
1000 "	Bucyrus Erie Co., Com.....	2, 000. 00
200 "	Kansas City Southern, Com.....	1, 000. 00
1000 "	Bucyrus Erie Co., Conv., Pfd.....	4, 000. 00
300 "	Midland Steel Prod., Com.....	900. 00
3000 "	Sparks Withington Co., Com.....	4, 500. 00
12000	Chicago & Eastern Ill. Co. 5s-51.....	1, 440. 00
1200 shares	Alleghany Corp., Pfd., \$40 Warrant.....	2, 400. 00
2250 "	Alleghany Corp., Pfd., \$30 Warrant.....	4, 500. 00
600 "	Alleghany Corp., Pfd.....	1, 200. 00
		<hr/>
		EXHIBIT U-6-89e
1900 shares	Richman Bros. Co., Com.....	36, 100. 00
5500 "	Chesapeake Corp., Com.....	44, 000. 00
1100 "	Firestone Tire & Rubber Co., Pfd.....	52, 800. 00
1000 "	Chesapeake & Ohio Rwy., Com.....	14, 000. 00
500 "	Union Carbide & Carbon, Com.....	8, 500. 00
1000 "	White Motor Co., Com.....	7, 000. 00
3000 "	Glidden Co., Com.....	12, 000. 00
700 "	Otis Steel Co., Pfd.....	2, 800. 00
533 "	Faultless, Com.....	10, 127. 00
		<hr/>
		210, 767. 00
<b>Mitchell, R. V.—\$15,400.00</b>		
3340 shares	Harris Seybold Potter, Com.....	
105 "	R. V. Mitchell & Co., Com.....	
<b>Norton, Lawrence H.—\$100,000.00</b>		
5400 shares	Union Carbide & Carbon Corp., Cap. (Has 1/3 Int. in Trust Account that will cover).....	91, 800. 00
<b>Osborne, C. N.—\$90,000.00</b>		
200 shares	M. A. Hanna, Pfd.....	7, 400. 00
4350 "	M. A. Hanna, Com.....	
500 "	National Steel Corp., Cap.....	7, 500. 00
		<hr/>
		14, 900. 00

*Loans to directors of the Union Trust Company—Continued*

<b>Painter, K. V.—\$2,930,000.00</b>	Collateral Value
1747 shares Union Trust Co.....	\$24,458.00
Title to Real Estate Agreement dated July 13, 1931.....	
10000 Note of State Road Land Co.....	
8000 shares Akeley Camera Inc., Com.....	
750 Note of A. R. Corlett.....	
700 Note of Chas. H. Clark.....	
200 shares Niagara Shore Corp.....	200.00
Warrants to subscribe for 20 shares Niagara Shore Corp.....	
258,130.48 Note of the Van Sweringen Co.....	
9300 shares Manufacturers Trust Co., N.Y.....	186,000.00
9300 " Huron Holding Corp., Cap.....	
	<hr/>
	210,658.00

**Smith, Allard—\$16,250.00**

35 shares Owners Apartment Co., Cap.....

**Smith, Samuel Lewis—\$65,378.75**

30000 U.S.A. Treas. Bonds 3½—49.....	27,900.00
5000 U.S.A. 1st 3½ L.L.....	5,000.00
10000 Dodge Bros. 6s—40.....	7,000.00
5000 Nugent Realty 6s—44.....	2,750.00
5000 B. F. Keith 6s—46.....	2,000.00
50 shares New York, Chicago & St. Louis R.R., Pfd.....	150.00
300 " Cleveland Elec. Illum. Co., Com.....	7,200.00
270 " Union Carbide & Carbon Co., Cap.....	4,590.00
50 " Ohio Public Service Co., Pfd.....	3,400.00
5000 Twin City Rapid Transit 5s—52.....	1,500.00

## EXHIBIT U-6-89f

50 shares Commonwealth & Southern, Pfd.....	2,150.00
5000 International Match 5s—41.....	
5000 Missouri Pacific 5—81.....	1,300.00
5000 American Tel. & Tel. 5s—65.....	4,900.00
5000 White Motor 6s—34.....	4,600.00
10000 Baltimore & Ohio R.R. 6s—95.....	3,900.00
	<hr/>
	78,340.00

**Squire, Andrew—\$290,000.00**

15500 shares Union Carbide & Carbon, Cap.....	263,500.00
200 " Guardian Trust Co., Cap.....	20,000.00
2000 " Kelley Island Lime & Transport Co.....	20,000.00
500 " Wellman Seaver Morgan, Pfd.....	37,000.00
500 " W. S. Tyler Co.....	
	<hr/>
	340,500.00

**Wade, J. H. Jr.—\$350,000.00**

2968 shares Medusa Portland Cement, Com.....	23,744.00
9007 " Cliffs Corp., Com.....	63,049.00
500 " American Tel. & Tel. Co., Cap.....	47,500.00
2000 " Goodyear Tire & Rubber Co., Com.....	18,000.00
1000 " U.S. Steel Corp., Com.....	27,000.00
1500 " Cleveland Cliffs Iron, Pfd.....	37,500.00
90 " Sherwin Williams Co., Pfd.....	7,470.00
600 " Great Lakes Towing Co., Com.....	30,000.00
171 " Guardian Trust Co., Cap.....	17,100.00
1000 " Lehigh Portland Cement, Com.....	4,000.00
1400 " National Refining Co., Com.....	5,600.00
241 " National Refining, Pfd.....	16,870.00
200 " American Ship Bldg., Com.....	3,000.00
1000 " Chrysler Corp., Com.....	8,000.00
2000 " Eaton Mfg.....	8,000.00
300 " General Motors Corp., Com.....	3,000.00
1680 " Addressograph Multigraph, Com.....	16,800.00
1000 " Standard Oil of Calif.....	18,000.00
600 " Republic Steel, Pfd.....	4,200.00
1000 " Montreal Mining Co., Cap.....	125,000.00

*Loans to directors of the Union Trust Company—Continued*

Wade, J. H. Jr.,—\$350,000.00—Continued.	
1500 " Ohio Chemical & Mfg. Co.....	Collateral Value
500 " International Nickel.....	\$2, 500. 00
120 " Guarantee Title & Trust Co., Cap.....	8, 400. 00
90 " Canadian Oil Companies, Pfd.....	
	494, 733. 00
Warner, Whitney—\$9,925.20	
300 shares Warner Collieries Co., Com.....	
98 " Dragon Coal Co., Cap.....	
White, Fred R.—\$157,292.50	
1000 shares Drug Inc., Cap.....	34, 000. 00
2050 " Standard Oil of Indiana.....	34, 850. 00
1809 " E. I. DuPont de Nemours & Co.....	48, 843. 00
30000 U.S.A. 3% Trea. Bonds.....	27, 600. 00
10000 Note of The Van Sweringen.....	
	145, 293. 00
Total loans to directors.....	\$8, 291, 117. 15

## EXHIBIT U-6-89g

(Copy of a longhand statement taken from the personal files of Joseph R. Nutt)

## LIABILITY OF DIRECTORS OF THE UNION TRUST COMPANY

*Commercial loans*

Ginn, F. H.: Guarantor 28,500 note of The Cleveland Orchestra.	
Hayden, W. S.: Hayden Miller & Co., \$91,265.00.	
Herrick, Parmely W.: Endorser note of Thos. Young Nurseries for \$4,000.00.	
Kling, John A.: Endorser \$1,380.27 note of Lithonia Granite.	
Little, Bascom: Endorser \$45,000.00 Note of Euclid Apartments; Guarantor \$130,000.00 Note of Crowell & Little Const. Co.	
Mather, Philip R.: Joint with T. E. Borton note of \$200.00; Guarantor \$375.00 note of Florence P. Kane.	
Moss, Herman: Guarantor:	
R. B. Hunter.....	\$7, 047. 14
J. D. Shepherd.....	1, 180. 88
S. H. Watson.....	6, 268. 84
W. Klansfield.....	975. 66
P. A. Moss.....	5, 157. 50
Myers, P. A.: Guarantor C. C. and D. B. Cahoun for \$3,500.00.	
Root, F. P.: Endorser \$19,879.17 note of F. P. Root Co.	
Warner, Whitney: W. H. Warner & Co., \$136,773.39.	
Miller, Otto: Hayden Miller Co., \$91,265.00 (duplication, see W. S. Hayden).	
Total liability of directors, commercial loans, \$481,502.85.	

## EXHIBIT U-6-89h

*Collateral loans*

Ginn, Frank H.: \$10,000.00 Guarantee on loan of Maurice Bernon.	
Kling, John A.: Endorsement on \$6,105.00 note of Edna M. Bergen.	
Miller, Otto: Endorsement on \$100,000.00 note of Edsa W. Miller.	
Nutt, J. R.: Guarantor \$4,000.00 note of Ella M. Starr.	
Warner, Whitney: Endorsement on \$20,000.00 note of Ralston Fox Smith; Endorsement on 9,875.00 note of K. B. Whitworth; W. H. Warner & Co., \$59,380.29; W. H. Warner Coal Co., \$103,980.00; Warner Collieries, \$300,000.00.	
White, Windsor T.: Guarantor \$35,000.00 note of James A. Harris, Jr.	
Total liability of directors, collateral loans, \$648,340.29.	
Direct Collateral Loans.....	\$8, 291, 117. 15
Endorsers or Guarantor on Collateral Loans.....	648, 340. 29
Endorsers or Guarantor on Commercial Loans.....	481, 502. 85

9, 420, 960. 29

## EXHIBIT U-6-90

## DIRECTORS' LOANS—THOMAS S. GRASSELLI

On January 20, 1933, date of last examination by Ohio State Banking Department, Mr. Grasselli was indebted to the bank in the amount of \$371,530.70. In commenting on the loan the examiner stated:

"*T. S. Grasselli—\$371,530.70.* Collateraled by various listed securities having a present estimated market value of \$375,000.00. Collateral includes 1,176 shares of Union Trust Company stock, which was appraised at \$10.00 per share.

On February 25, 1933, Mr. Grasselli owed \$371,530.70:

Paid as follows:

March 22, 1933.....	\$8, 516. 40
April 12, 1933.....	3, 983. 20
April 14, 1933.....	8, 066. 40
April 19, 1933.....	28, 582. 40
April 21, 1933.....	12, 399. 60
April 22, 1933.....	129, 096. 00
	<hr/>
	\$290, 644. 00
May 9, 1933.....	180, 886. 70
	<hr/>
	\$371, 530. 70
December 31, 1933, Loan Paid. _____	

## EXHIBIT U-6-91

## DIRECTORS' LOANS—J. H. WADE, JR.

On January 20, 1933, the date of the last examination by Ohio State Banking Department, J. H. Wade, Jr., was indebted in amount of \$350,000.00. We quote from the bank examiner's report:

"*J. H. Wade, Jr.—\$350,000.00* Collateraled by listed stocks worth \$265,000.00 together with 1,000 shares Montreal Mining Co. and 1,500 shares Ohio Chemical & Mfg. Co. It is believed that the latter stocks have sufficient value to protect loan."

On February 25, 1933, Mr. Wade owed \$350,000.00, and on December 31, 1933, \$11,736.83, this amount was paid on February 2, 1934.

## EXHIBIT U-6-92

## DIRECTORS' LOANS—LAURENCE H. NORTON

On January 20, 1933, the date of the last examination by Ohio State Banking Department, Laurence H. Norton was indebted in amount of \$100,000.00. We quote from the bank examiner's report:

"*Laurence H. Norton.—\$100,000.00* Amply collateraled."

## EXHIBIT U-6-93

## DIRECTORS' LOANS—ANDREW SQUIRE

On January 20, 1933, the date of the last examination by Ohio State Banking Department, Andrew Squire was indebted in amount of \$290,000.00. We quote from the bank examiner's report:

"*Andrew Squire.—\$290,000.00* Loan is amply collateraled by marketable stocks which include 15,500 shares Union Carbide & Carbon Company, which have a present market value of \$418,000.00.

## EXHIBIT U-6-94

## LOANS TO DIRECTORS—UNDER-SECURED

		Feb 25, 1934
Wm P Belden.....	\$12,700 00	Open
Geo P Comey.....	82,000 00	"
T M Girdler.....	10,000 00	Paid
G W Grandin.....	313,000 00	Open
T S Grasselli.....	371,530 70	Paid
John A Hadden.....	16,839 00	Open
W S Hayden.....	90,900 00	Paid
Adrian D Joyce.....	709,500 00	Open
Ralph T King.....	38,743 64	"
Bascom Little.....	37,343 44	"
R V Mitchell.....	15,400 00	"
C N Osborne.....	90,000 00	Paid
Whitney Warner.....	149,143 20	Open
Total.....	\$1,037,099 98	

THE UNION TRUST COMPANY LOANS TO OFFICERS & DIRECTORS OTHER BANKS—  
WALTER H. SEYMOUR

## EXHIBIT U-11-1

*Schedule of loans to officers, directors and employees of The Union Trust Company  
and other banks as of January 20, 1933*

Inform. obtained from Exhibits.	Total Loans of Every Nature.....	\$95,825,231.22
	Loans to Officers, Directors and Employees of The Union Trust Company.....	\$8,266,940.49
U-5-3 Page 16	Liability as Endorser Union Trust Co.....	898,736 62
	Total Union Trust Company.....	9,165,677.11
	Per cent to total loans.....	.096
U-5-3 Page 15	Loans to Companies in which Officers or Directors are interested Union Trust Co.	
	Secured Loans.....	15,467,431 03
	Unsecured Loans.....	5,043,189 40
	Total Union Trust Company.....	20,510,620.43
	Per cent to total loans.....	.214
	Loans to Officers, Directors and Employees of other Cleveland Banks:	
	Guardian Trust Company.....	1,845,725 26
	Cleveland Trust Company.....	2,374,495 18
	Federal Reserve Bank.....	154,395 00
	Society for Savings.....	239,200 00
	National City Bank.....	200,000 00
	Morris Plan Bank.....	49,000 00
	Central United National Bank.....	287,650 00
	Lorain Street Savings & Trust Co.....	43,150 00
	Total other Cleveland banks.....	5,193,615.44
	Percent to total loans.....	.054
	Loans to Officers, Directors and Employees of Out-of- Town Banks.....	1,318,499 54
	Per cent to total loans.....	.013
	Total All Loans to Officers, Directors and Employees of Banks or to Companies in which they are interested.....	36,188,412 52
	Per cent to total loans.....	.377
	Total All Other Loans.....	59,636,818 70
	Per cent to total loans.....	.623
	Grand total loans.....	95,825,231.22
	Per cent to total loans.....	100 0

EXHIBIT U-11-2

Loans to Officers & Directors of Other Banks

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
Chas. E. Adams.....	\$5,700.00	Director, Cleveland Tr. Co., Cleveland, O.	0	Amply collateralized.
Chas. K. Arter.....	136,464.60	Director, Guardian Trust Co., Cleveland, O.	0	Listed stock, value \$240 M.
A. L. Assmus.....	14,200.00	Vice President, Cleveland Trust Co., Cleveland, O.	16	Quoted stocks worth \$900.00. 120 sh. Cleve Punch & Shear, P 100 " Crane & Engineering. Believed covered
Wm. Bailey.....	7,000.00	Vice President, Farmers Bank, Spencer-ville, O.	0	7 M U. S. Treasury 4 3/4 % - 52.
R. H. Bishop, Jr.....	1,180,184.80	Director, Guardian Trust Co., Cleveland, O.	0	Samuel Mather signs joint on all loans. 918 M is a participation in loan of \$3,274 M held by Guardian Trust Co., Trustee. Balance in unsecured form. See comments in "Loan Schedule"
I. C. Bolton.....	93,750.00	Director, Guardian Trust Co., Cleveland, O.	0	Jt. P. E. Bliss & C. J. Stillwell. (25 sh Warner & Swasey Co. Guar by " "
R. J. Bulkley.....	32,500.00	Director, Morris Plan Bank, Cleveland, O.	100	Other collateral worth \$1,800.00. Reducing.
E. S. Burke, Jr.....	40,000.00	Director, Central United N/B, Cleveland, O.	0	\$10 M note F. L. Swetland secured by agreement covering sale of real estate.
	* 13,550.00			* Represents proportionate liability in Hunting Valley Syndicate.
F. B. Black.....	160,000.00	Director, Mansfield Sav. Bk & Tr. Co., Mansfield, O.	0	Amply collateralized.
H. S. Black.....	50,000.00	Pres. & Director, Farmers Sav. & Tr. Co., Mansfield, O.	0	Amply collateralized.
G. C. Beck.....	1,300.00	Asst. Vice President, Cleveland Trust Co., Cleveland, O.	7	Collateral sufficient.
C. F. Buchwalter.....	575.00	Cashier, First National Bank, Dalton, O.	30	Book value \$180.00.
F. E. Burdett.....	1,000.00	Asst. Secy. & Treas., Society for Savings, Cleveland, O.		Collateral value \$2,700.00.
A. Carlin.....	92,000.00	Director, Central United N/Bk, Cleveland, O.	0	Collateral value \$160 M
Geo. S. Case.....	11,400.00	Director, Guardian Trust Co., Cleveland, O.	216	Last sale \$50.00.

(Examiners Report, Dept of Banks, State of Ohio, January 20, 1933.)

EXHIBIT U-11-2a

H. T. Clark.....	\$10,000.00	Trustee, Society for Savings, Cleveland, O.	0	Amply collateralized.
Carl E. & Maud B. Congdon.	12,250.00	Vice Pres. & Pres. respectively, Orrville Savings Bank, Orrville, O.	130	Various quoted securities estimated market value \$13,000.00.
Ben R. Conner.....	1,000.00	Pres. First Nat. Bank, Ada, O., & Director Federal Reserve Bank.	0	Unsecured.
B. G. Cope.....	7,500.00	Director, Orrville Savings Bank, Orrville, Ohio.	0	10 M U. S. Treasury 3 3/8%.
Edward M. Coan.....	1,825.00	Asst. Auditor, Cleveland Trust Co., Cleveland, O.	7	Other collateral worth \$300.

## Loans to Officers &amp; Directors of Other Banks—Continued

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
R. H. Cowdery.....	\$9,400.00	Director, Geneva Sav. & Tr. Co., Geneva, Ohio.	0	Collateral value \$10 M.
Homer D. Cozad.....	8,400.00	Asst. Vice President, Cleveland Trust Co., Cleveland, O.	40	Also \$5 M life insurance, no cash value
J. S. Crider.....	200,000.00	Director, National City Bank, Cleveland, Ohio.	50	4,200 sh. Union Carbide 1,265 " Dow Chemical Present market value insufficient to cover. Believe will work out.
E. S. Curtiss.....	20,650.00	Vice President, Cleveland Trust Co., Cleveland, O.	40	11 M market value various quoted stocks. Estimated shortage \$5 M. Reducing regularly.
Robert C. Dougherty..	120.00	Employee, Federal Reserve Bank, Cleveland, O.	-----	Unsecured
H. A. Daniels.....	1,650.00	Lorain Co. Sav. & Trust Co., Elyria, Ohio.	48	Other collateral worth \$100.
Ernest C. Dempsey....	84,750.00	Trustee, Society for Savings, Cleveland, Ohio.	-----	Amply collateralized.
S. D. Dodge.....	13,450.00	Trustee, Society for Savings, Cleveland, O.	-----	Stocks worth \$2,300.00 and \$7 M second mortgage.
G. B. Durell.....	180,000.00	Director, Guardian Trust Co., Cleveland, O.	0	American Fork & Hoe Co. stocks, value sufficient.
John T. Feighan.....	34,600.00	Vice President, Cleveland Trust Co., Cleveland, Ohio.	166	Other collateral worth 1 M. Estimated 15 M short. Reducing.
Horatio Ford.....	19,500.00	Director, Cleveland Trust Co., Cleveland, Ohio.	110	Other collateral worth \$8,200. Believed covered.
B. A. Foskett.....	3,500.00	Cashier, Central Bank Co., Lorain, Ohio.	0	Collateral value \$4,600.00.
Examiners Report, Dept of Banks, State of Ohio, January 20, 1933.				

## EXHIBIT U-11-2b

I. F. Freiburger.....	\$15,000.00	Vice President, Cleveland Trust Co., Cleveland, O.	120	Collateral covers.
J. E. Galvin.....	40,000.00	Director, Federal Reserve Bank, Cleveland, O.	-----	20 sh. Nivlag Corp. Holding Company for personal assets. See loan schedule.
W. R. Green.....	6,350.00	Vice President, Guardian Trust Co., Cleveland, O.	0	Collateral value \$6,300.00.
E. B. Greene.....	219,000.00	Chairman of Board, Cleveland Trust Co., Cleveland, O.	183	Various listed & unlisted securities, value sufficient.
John M. Gundry.....	271,210.00	Vice Pres. & Director, Cleveland Trust Co., Cleveland, O.	946	Total collateral value estimated at \$150 M. See loan schedule.
F. J. Hefner.....	1,525.00	Asst. Trust Officer, Cleveland Trust Co., Cleveland, O.	0	Collateral value nominal. Pays \$50.00 per month.
D. R. Hanna, Jr.....	31,906.86	Director, Guardian Trust Co., Cleveland, O.	50	Other unlisted collateral, value believed sufficient.
Chas. G. Heer.....	12,950.00	Director, Guardian Trust Co.	5	Other collateral worth \$5 M. Reducing.
Donald D. Held.....	32,936.08	Vice Pres. & Director, Exchange Bank, Canal Fulton, O.	18	Collateral value nominal. Very doubtful loan.
H. E. Held.....	33,289.17	Director, Exchange Bank Canal, Fulton, O.	23	Same comments.
F. H. Hobson.....	55,100.00	Vice President, Cleveland Trust Co., Cleveland, O.	147	Other collateral worth \$3 M. Estimated 35 M short. See loan schedule.
F. H. Houghton.....	1,800.00	Vice President, Cleveland Trust Co., Cleveland, O.	0	Collateral worth \$3 M.

## Loans to Officers &amp; Directors of Other Banks—Continued

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
J. A. House.....	\$68,000.00	President & Director, Guardian Trust Co., Cleveland, O.	0	Listed stocks worth \$13 M together with 500 sh. M. A. Hanna Co. common, book value \$30 00. See loan schedule
A. F. Humel.....	7,900 00	Vice President, Cleveland Trust Co., Cleveland, O.	45	No other collateral.
Peter Janicki.....	155 00	Asst Treasurer, Guardian Trust Co., Cleveland, O.	2	Collateral sufficient.
Jos. Jettinghoff.....	6,000.00	President & Director, Commercial Bank, Delphos, Ohio	0	Collateral sufficient.
Thos. H. Jones.....	58,000.00	Director, Cleveland Trust Co., Cleveland, O.	25	Collateral value about \$45 M. Reduced.
Examiners Report, Dept. of Banks, State of Ohio, January 20, 1933.				

## EXHIBIT U-11-2c

Geo. Q. Keeley.....	\$36,800.00	Director, Cleveland Trust Co., Cleveland, O.	49	Other listed stocks worth 12 M and 24 M life insurance. Reducing
Carl R. Kimball.....	5,400.00	Cashier & Director, Exchange Bank Madison, O.	60	Other listed stocks worth \$1 M.
H. D. King, Trustee (Syndicate of Cleveland Trust Officers & employees)	71,127.50		300	Making regular reductions. O/a \$115 M.
M. J. Ludwig.....	6,900.00	Asst. Secretary, Cleveland Trust Co., Cleveland, O.	25	Other collateral worth \$1 M. Makes monthly reductions.
J. J. Luthi.....	3,350.00	Asst Secretary, Guardian Trust Co., Cleveland, O.	20	Other collateral worth \$1 M. Pays \$40 00 per month.
A. A. McCaslin.....	17,700.00	Vice President, Cleveland Trust Co., Cleveland, Ohio	77	Other unlisted stock, value believed sufficient
H. P. McIntosh III....	850.00	Asst. Treasurer, Guardian Trust Co., Cleveland, O.	15	Other collateral, value sufficient.
R. A. Malm.....	5,050 00	Vice President, Cleveland Trust Co., Cleveland, O.	5	Other collateral worth \$900. Reduces regularly.
M. J. Mandelbaum....	109,812.68	Director, Cleveland Trust Co., Cleveland, O.	0	Estimated value of collateral is \$32 M Has no additional collateral to pledge. Doubtful.
G. A. Martin.....	50,000 00	Director, Cleveland Trust Co., Cleveland, O.	0	Collateral worthless President of Sherwin Williams Co. Good earning capacity.
S. L. Mather.....	112,000 00	Director, Cleveland Trust Co., Cleveland, O.	600	Various unlisted stocks value believed sufficient.
E. B. Merrell.....	6,700 00	Vice President, Cleveland Trust Co., Cleveland, Ohio	25	Other collateral, value sufficient.
Severance A. Milliken.	40,000 00	Director, Cleveland Trust Co., Cleveland, O.	56	Various other listed and unlisted securities, value believed sufficient
W. S. Miller.....	19,162 19	Director, Lorain Co Sav. & Tr. Co., Elyria, Ohio.	360	Book value \$60 per share
T. E. Monks.....	18,000 00	Vice Pres & Director, Guardian Trust Co., Cleveland, O.	0	Unlisted stock and 1st mortgage on real estate.
M. W. Mountcastle....	550 00	Asst. Treasurer, Cleveland Trust Co., Cleveland, O.	11	Collateral covers.
J. D. Myer..... (Examiner's Report, Dept. of Banks, State of Ohio, January 20, 1933.)	5,870.00	Asst. Mgr. Invest Dept. Cleveland Trust Co., Cleveland, O.	0	Collateral value \$1,900 00. Can't reduce. Doubtful.



## EXHIBIT U-11-2d

## Loans to Officers &amp; Directors of Other Banks—Continued

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
Guy C. Myers.....	\$50,000.00	Director, First National Bank, Ashland, O.	0	100 M U S. Treas. 4½%.
J. C. Myers.....	185,000.00	Director, First National Bank, Ashland, O.	0	213 M First L L. Bonds.
Percy Neubrand.....	28,349.50	President & Director, Bank of Berea Co., Berea, O.	0	Collateral value \$8,500.00. Balance doubtful.
Harry Nicholl.....	43,445.00	Vice, Pres & Director, National Bank of Commerce, Lorain, O.	0	Collateral covers.
L. H. Norton.....	100,000.00	Trustee, Society for Savings, Cleveland, O.	0	Collateral covers.
J. W. O'Leary.....	84,500.00	Vice Chairman, Central Rep. Bk. & Tr. Co., Chicago, Ill.	126	Other listed and unlisted stocks, Value insufficient. Doubtful loan.
Stanley J. Olstyn.....	4,100.00	Vice President, Guardian Trust Co., Cleveland, O.	30	\$10 M life insurance, C.V. \$900. Reducing.
A. J. Perfler.....	775.00	Asst. Trust Officers, Cleveland Trust Co., Cleveland, O.	0	First mortgage.
Henry Pirtle.....	400.00	Asst Trust Officer, Cleveland Trust Co., Cleveland, O.	1	Other collateral. Value sufficient.
A. J. Plocher.....	1,675.00	Vice Pres & Tr. Officer, Lorain Co Sav. & Tr. Co., Elyria, O.	36	Book value \$60.
E. Rice.....	6,550.00	Vice Pres & Director, Lorain St Sav & Tr. Co., Cleveland, O.	50	No other collateral. 2 months delinquent in interest.
Edward B. Roberts.....	20,250.00	Trust Officer, Cleveland Trust Co., Cleveland, O.	100	5 M life insurance. Reducing regularly.
T. R. Roberts.....	715.00	Asst Secretary, Guardian Trust Co., Cleveland, O.	5	1 M life insurance.
T. C. Rose.....	2,300.00	Cashier & Director, Farmers Nat. Bank, Canfield, O.	55	Other collateral worth \$250.
W. L. Robinson.....	34,500.00	Director, Cleveland Trust Co., Cleveland, O.	141	Other collateral worth \$16 M. Under-collateraled \$2 M.
W. T. Rossiter.....	68,864.00	Director, Guardian Trust Co., Cleveland, O.	0	Collateral value \$25 M. Has no other worth. Doubtful.
F. B. Russell.....	5,100.00	Cashier, Farmers Nat. Bk. & Tr Co., Ash-tabula, O.	40	Other collateral worth \$1,500. Reducing.

(Examiners Report, Dept. of Banks, State of Ohio, January 20, 1933)

## EXHIBIT U-11-2e

Carl W. Schaefer.....	\$36,600.00	Trust Officer & Dtr, Lorain St Sav & Tr. Co., Cleveland, O.	80	Other listed and unlisted stocks, value probably sufficient.
O. A. Schuele.....	35,500.00	Director, Cleveland Trust Co., Cleveland, O.	163	Other collateral worth \$1,500.00, Reducing regularly.
F. A. Scott.....	26,980.00	Director, Cleveland Trust Co., Cleveland, O.	165	Other collateral worth 1 M. Additional collateral coming.
A. A. Searle.....	2,500.00	Secy-Treas. & Director, Geneva Savings Bank Co., Geneva, O.	50	No other collateral.
A. H. Seibig.....	37,500.00	President & Director, Central United Nat Bk, Cleveland, O.	1,700	No other collateral. Market value \$20,400.00.

Loans to Officers & Directors of Other Banks—Continued

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
J. L. Severance.....	\$1,000,000 00	Director, Cleveland Trust Co., Cleveland, O	2,199	Other listed and unlisted stocks, estimated value \$367 M and title to real estate. See loan schedules
Belden Seymour.....	37,320.00	Director, Cleveland Trust Company, Cleveland, O	90	Other collateral worth \$1,600.00. Estimated shortage 25 M. Depends on collateral
H. E. Small.....	16,500 00	Vice Pres & Director, Morris Plan Bank, Cleveland, Ohio	28	Other collateral worth \$5 M. Estimated shortage \$6 M. Depends on collateral.
E. B Spitzer.....	8,975.00	Pres & Director, Sav. Deposit Bank Co, Medina, O.	91	No other collateral.
S. H. Squire.....	5,500.00	V P & Director, Loran Co Sav & Tr Co., Elyria, O	100	No other collateral.
C. W. Stansbury.....	17,050 00	Vice President, Cleveland Trust Co., Cleveland, O	60	Other collateral worth \$5 M. Reducing.
Wm. H. Stevens.....	14,700 00	Vice Pres & Director, Dollar Sav Bank Co, Niles, O	0	Collateral value \$13 M.
C. E. Sullivan.....	39,000.00	Ch of Board, Central United Nat BK, Cleveland, O.	1,050	Other unlisted stocks and securities, value undetermined.
A. B. Taylor.....	212,000 00	Pres & Director, Loran Co Sav & Tr Co., Elyria, O.	800	Other collateral worth \$55 M. Estimated \$120 M short Very doubtful loan. See loan schedules.
E. G. Tillotson.....	14,500.00	Director, Guardian Trust Co., Cleveland, O.	21	Other collateral worth \$1,700. Reducing each renewal.
O. C. Topky.....	5,000.00	Director, Marine Sav Bank Co, Ashtabula, O	0	\$6 M.L.L. Bonds.
(Examiners Report, Dept of Banks, State of Ohio, January 20, 1933)				

EXHIBIT U-11-2f

Jos. H. Thompson.....	\$3,500.00	Vice President, Cleveland Trust Co., Cleveland, O	0	Collateral covers.
L. H. Wallace & J. L. Wallace.....	65,600 00	Both Directors, Central United Nat. Bk Cleveland, O.	0	Collateral \$60 M. Reducing.
L. B. Walters.....	7,275 00	Vice Pres & Director, Fainesville N/B & Tr Co, Fainesville, O.	0	Collateral value \$2,700 00 Balance doubtful.
Myron A. Wick.....	296,000.00	Director, Union National Bank, Youngstown, O	0	Collateral worth \$231 M plus second mortgage.
K. Brice Wiggins.....	685.00	Asst Treasurer, Guardian Trust Co., Cleveland, O	6	Other collateral worth \$350
Harry Williams.....	12,000.00	Ch of Board, First Central Tr. Co., Akron, O.	200	Other collateral worth \$7,600.00. Reducing.
L. B. Williams.....	101,775.00	Vice Chairman, Federal Reserve Bank, Cleveland, O.	-----	Personal..... \$6,000 Liab. in Hunting Valley Syndicate..... 6,775 Liab. as partner in Hayden Miller & Co..... 89,000 ----- 101,775
John Williams.....	5,517.60	Pres & Director, Citizens Banking Co, Salineville, O.	75	No other collateral. Has worth in real estate.
A. F. Young.....	13,500.00	Vice President, Guardian Trust Co., Cleveland, O.	119	Other collateral nominal value. Reducing.

## Loans to Officers &amp; Directors of Other Banks—Continued

Name	Amount	Bank Connection	Shares of own bank pledged	Other Collateral & comments
J. B. Zerbe.....	\$30,000 00	Trustee, Society for Savings, Cleveland, O	-----	Unlisted stock, value believed sufficient.
F. J. Zurlinden.....	11,500.00	Deputy Governor, Federal Reserve Bank, Cleveland, O	-----	Listed and unlisted stocks value sufficient.
(Examiners Report, Dept of Banks, State of Ohio, January 20, 1933)	6,512,114.98			

(Exhibits U-11-3a through U-11-3c face this page)

## EXHIBIT U-11-4

## INTERVIEWS AND COMMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL CREDIT INFORMATION

For exclusive use of Credit Department.

JANUARY 8, 1934.

J. A. HOUSE

The list of Guardian Trust Co. stockholders published in the newspapers in the fall of last year indicated that the subject held three thousand eight hundred sixty-six (3,866) shares of Guardian Trust Co. stock, which would mean a double liability of \$386,600.

G. R. HERZOG.

GRH:M

Noted:

LAC LAC.

J. A. HOUSE

1-25-34.

Loan:	Principal	Interest	Value
Collateral	62,840.40	3,259.80 (1-1)	15,100 (1-22)

Comments:

Mr. House 'phoned me today relative to my letter of recent date regarding an insurance premium that is due and he would like very much if we would cancel the insurance and allow the amount we are deducting from his dividends to carry it to be applied against the principal of his loan.

He is rather indignant about our having sold the Industrial Rayon stock, which he claims caused him a loss of approximately \$5,000 and asked that in the future before we sold any of his securities to get in touch with him at Main 4047.

He made it very plain that he expects the collateral we hold to pay his obligation but is afraid if we continue to sell at distress prices, there will be nothing left for us to do but take judgment against him, in which event he would be forced to go into bankruptcy, as he states the liability in connection with his holdings of Guardian Trust stock is more than he can ever pay.

I told Mr. House that we would be glad to cooperate as far as we are able but that he could not expect us to go as far with him as a bank that was not in liquidation. He said that the Cleveland Trust loan to him is secured entirely by Guardian stock and that his loan in New York with the Chemical is also under-collateralled, but that institution permitted him to make a switch in his securities in order that he could buy some Industrial, inasmuch as he was a member of the Executive Committee of the latter company. Our action in selling the Industrial Rayon caused him considerable embarrassment. The Chemical bank cancelled \$20,000 of a total of \$50,000 insurance they were carrying on his life. I told Mr. House I would discuss his insurance feature with our Committee and advise him accordingly.

L. A. CORDREY.

Noted by: HFB HFB

LAC:A



DATE	PAYABLE SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	80shs	The First National Bank of Boston. #16185	OC 32	2560
	80shs	The Stone & Webster Inc. Cap. #T01549 #E074638 n/o Jason Grain	NY 10	800
	400shs	The Inland Investors, Inc. Cap. #C1241/43 #C321-100shs #C1606/9-100shs ea n/o Jason Grain	OC 10	4000
	100shs	The M.A. Hanna Co. \$7 Cum Prfd. #CFC1 #CF939 n/o Jason Grain	NY 39	8900
	100shs	The Industrial Rayon Corp. Cap. #C839		
	500shs	The M.A. Hanna Co. Com. #C67-300shs #C68-110shs #C463 at 390shs #C464 at 110shs n/o Jason Grain		X
	100shs	The Cities Service Co. Com. #M22175 #NE25696 n/o Jason Grain	Aut. 3	300
	20,000	Life Insurance Policy. The Home Life Ins. Co. #405894		X
		RECEIVED <i>Industrial Rayon Corp. 100 shares</i> <i>Industrial Rayon Corp. 110 shares</i> <i>Industrial Rayon Corp. 300 shares</i>		16560

Received from THE UNION TRUST COMPANY Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.

DATE

EXHIBIT U-11-3c

For WALTER H. SEYMOUR, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX,  
*Deputy Superintendent of Banks, State of Ohio.*

EXHIBIT U-11-5

LIQUIDATION OF THE UNION TRUST CO.

CLEVELAND, OHIO, *January 23, 1934.*

Mr. J. A. HOUSE,  
*1801 Terminal Tower Bldg.,  
Cleveland, Ohio.*

DEAR SIR: We have received notice from the Home Life Insurance Company of New York that there is premium of \$207.40 due January 19th on policy #405 894.

Will you kindly advise whether or not you will be in a position to pay this premium before the grace period expires?

Very truly yours,

O. L. COX,  
*Special Deputy Superintendent of Banks.*  
By L. A. CORDREY.

LAC:A

MY DEAR MR. CORDREY: I regret to advise that I am at present unable to pay the premium due on the policy in question. I have heretofore explained my situation to you, namely that I am unemployed. All of my securities are pledged to various loans at different banks, and all dividends and income are impounded. On my loans at your bank you are collecting dividends on all dividend paying stocks.

I thank you for your continued consideration & remain  
Sincerely

J. A. HOUSE.

1/25/34.

EXHIBIT U-11-6a

Mr. CORDREY  
Loan of J. A. House Amount—\$62,885.  
*Interest—Paid to February 1, 1933. Accrued to August 1, 1933—\$1,653.15*

Secured by	Marketable	Market 8-24-33	Value	Rate	Income
80 Shs. ....	First National Bank of Boston .....	27	\$2,160	2	\$160
80 " .....	Stone & Webster, Inc, Capital .....	12	960		
400 " .....	Inland Investors, Inc, Capital .....	11	4,400	.50	200
100 " .....	M. A. Hanna Company \$7 Cum Pfd .....	82	8,200	7	700
100 " .....	Cities Service Company, Common .....	3	300		
			\$16,020		\$1,080

UNMARKETABLE

500 Shs. M. A. Hanna Company, Common  
1,000 " Continental Shares, Inc.  
\$20,000 " Home Life Insurance Co. life insurance policy  
Ratio of Marketable Collateral to Amount of Loan (Prin. & Int.)  
25%  
Deficiency—Basis of Marketable Collateral only—\$48,517

*Status of Borrower:*

Mr. House, formerly president of The Guardian Trust Company, appears to be in a hopeless financial condition. His obligations are in excess of \$800,000,

and all of his assets are pledged thereunder. He is not able to make interest payments, nor even to keep up insurance premiums on policies pledged with various institutions.

*Recommendations:*

We recommend no sales at this time. The two most doubtful items are Stone & Webster capital and Cities Service common, but so little could be realized from the sale of either or both of these that we fail to see the desirability of disposing of them at this time. We are suggesting that the Hanna preferred be sold at a price of 95-100, and that the position of Inland Investors be reviewed again when and if the stock reaches a price of 15-18. The Hanna common, while unmarketable, has a real value of at least \$10 per share. *It would be of considerable assistance to us in following this holding if Mr. House could obtain for us an up-to-date list of the company's investments.*

EXHIBIT U-11-6b

*Comments on Securities:*

*First National Bank of Boston—Capital*

This is the largest bank in Boston, with total assets of \$647,000,000 at the year end. Cash, governments securities and acceptances of other banks totaled \$276,000,000, as against a deposit liability of \$551,000,000. The capital stock (\$20 par) is outstanding in the amount of \$44,500,000, and has a book value of about \$34 per share. Dividends of \$3.20 were paid on the \$20 par-shares from the time of their issuance in 1929, through April 1, 1932. They were reduced to \$2 annual rate beginning with the following payment. The stock ranged from 19 to 42 in 1932, 32 to 86 in 1931, and 65 to 132 in 1930. The bank enjoys an excellent reputation for good management, and probably has been less affected by recent banking difficulties than institutions in most other sections of the country. We do not believe the shares should be sold now.

For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX,

*Deputy Superintendent of Banks, State of Ohio.*

*Stone & Webster, Inc.—Capital*

Earnings	Per Share	Dividends	Price Range
1930.....	\$3 06	\$5 00	113 - 37
1931.....	1 56	3 00	54½ - 9¾
1932.....	.72	.37½	17¾ - 4¾
1933 (1st 6 Mos).....	.14 Def.	None.	19¼ - 5¼ (To date)

The company functions primarily as a consulting engineer, manager financing medium, and holding company and investment trust for the public utility industry. Its principal asset consists of 91% of Engineers Public Service Company stock, which is a public utility holding concern. Stone & Webster's capitalization consists solely of 2,104,500 shares of no-par-capital stock. However, its balance sheet, on a consolidated basis, shows prior obligations consisting of subsidiary funded debt, preferred stocks and minority interests in the aggregate amount of \$282,000,000. Consequently, it is probable that the shares of Stone & Webster represent an extremely thin equity at the present time. Engineers Public Service recently passed its common dividend, so that earnings of the parent company will be less than in 1932. Its other principal sources of income consist of that derived from its construction business and its investment business. The building industry has been slow to respond to the general improvement in business conditions, while activities of security houses—particularly in the underwriting end—have been almost at a standstill, due in no small part to the recently enacted Federal Securities Law. These several factors do not make a particularly bright picture; at the same time, the stock has a tremendous leverage and could respond readily to favorable developments, while the shareholders stand to lose relatively little at these prices.

For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX,

*Deputy Superintendent of Banks, State of Ohio.*

*Inland Investors, Inc.—Capital*

Earnings*	Net Profit	Per Share	Dividends	Liquidating Value
1932.....	\$62,294	\$0 62	\$0 70	\$9 01
1931.....	195,959	1 95	2 20	14 24
1930.....	245,266	2 45	2 55	34 22
1929.....	885,851	8 85	2 65	52 27
1928.....	297,032	2 97	1 50	57 29

EXHIBIT U-11-6c

This locally managed investment trust has a well diversified list of common stocks, many of which are of very good quality. Capitalization is simple, consisting solely of 100,000 shares of no-par common stock. Thus, there is no leverage and the shares should move pretty closely with the general market. In view of the fact that they are selling well under their liquidating value—which was \$14.40 per share as of June 30, 1933—we recommend holding for a better price.

M. A. HANNA COMPANY \$7 CUMULATIVE PREFERRED & COMMON

Capitalization:

6% Debentures, due August 1, 1934.....	\$4,200,000
\$7 Cumulative Preferred (136,422 Shs.).....	13,642,200
No-Par Common (1,016,961 Shs.).....	12,712,012
Surplus.....	19,311,687

For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX,

*Deputy Superintendent of Banks, State of Ohio.*

Earnings:	Net Income	Earnings per Sh.		Price Range—Pfd
		Pfd.	Com	
1928.....	\$2,231,221	\$19 92	\$2 20	-----
1929.....	3,698,524	26 03	2 66	-----
1930.....	2,226,814	16 20	1 26	98 -85
1931.....	1,377,925	9 96	.40	94 -67
1932.....	722,892	5 30	1 24	70 -33
1933 (1st 6 Mos).....	394,910	2 92	1 08	283¼-45½

<sup>1</sup> Deficit.

<sup>2</sup> To date

NOTE —Present preferred not issued until 1930.

Income of this company is derived from dividends on its investments, from earnings of subsidiary companies, and from the ore and coal management and brokerage enterprises. In 1929 it transferred certain of its iron ore reserves and blast furnaces properties to National Steel Company, receiving in exchange therefor 542,250 shares of National Steel stock, most of which is believed to be still in the company's treasury. Its investment account also includes substantial blocks of high-grade common stocks, shares of Standard Oil and tobacco companies, although the extent and nature of these holdings have not been publicly divulged. The common is closely held, and has no open market. However, on June 1st the company, itself, offered to take over up to 50,000 shares of its own stock at \$10 per share. Book value of this stock at the year end was around \$17 per share, taking investment account at the market. Since then a very substantial appreciation has occurred in the market value of its investments, this amounting to about \$16 per share on Hanna common. This calculation is somewhat

<sup>1</sup> Includes 10,322 shares of Preferred held in the Treasury.



conjectural, inasmuch as we do not know what changes may have occurred in the company's investment account since our last information concerning it. Assuming, however, that the holdings have been kept intact, their present value would be in excess of \$32,000,000, which, together with net working capital, would be sufficient to pay off all funded debt and preferred stock at par and leave a balance of about \$18 per share on the common. Income from investments alone this year is not likely to vary greatly from last year's total. National Steel has increased its dividend from 50¢ to \$1, but total payments for the year will probably be only 87½¢, as against 75¢ in 1932. The Company, however, is

EXHIBIT U-11-6d

probably earning more through its operating subsidiaries, net for the first six months of this year being \$395,000 as against \$292,000 in the like period of 1932. On an earnings basis, the preferred has never looked particularly attractive, nevertheless, because of its substantial equity in marketable investments, it is well protected and might conceivably sell at a better price than it ever has heretofore. In our opinion, position of the company is much superior to what it was prior to 1929, but because of the unmarketable nature of the common, we will probably never be able to sell it for what might appear to be its full value. Nevertheless, we think there is a reasonably good chance of realizing as much as 20-25 a share for it within the next year or so.

J. D. T. .  
8-25-33.

MFK

FOR WALTER H. SEYMOUR,  
*Representative of U.S. Senate Committee on Banking & Currency:*

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OSCAR L. COX,  
*Deputy Superintendent of Banks, State of Ohio.*

(Exhibit U-11-7a faces this page)

EXHIBIT U-11-7b

Date	Par or shares	Description of collateral	Market	Basis	Amount
		Continued. Parcel #9. S/L #10 in The Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga.			
		Parcel #10 S L #11 in Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga.			
		Parcel #11: S/L #12 in The Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga.			
		Parcel #12 S/L #13 in The Seltzer Round Co's Proposed Monticello Subd #2 City of Cleveland Heights County of Cuyahoga.			
2/23/33		No appraised value.			

Appraised land bldgs, no.  
Assignment Recorded, yes  
Insurance Held, no.  
Ctf. of Title Held.  
Ctf. of Title Examined.  
Notify to Pay Here.

Received.

By

Received from THE UNION TRUST COMPANY CLEVELAND, Collateral Securities and all other papers in connection with above described loan.

DATE \_\_\_\_\_

NAME *H.C.* ADDRESS *Monks, Thos. E. 523 Euclid Ave.*

R.F.C. *LIV* TIME LOAN *III*

No. 6 *8416* DUE *1-18-33* No. 9 DUE *11-4-31*

No. 7 *1068* DUE *4-18-33* No. 10 DUE *11-4-31*

No. 8 DUE *4-18-33* No. 11 DUE *4-29-32*

MEMO. *LA=4868*

*Ratner*

INTEREST OR DISCOUNT				INT.		PRINCIPAL		BALANCE	
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DEBIT	CREDIT	
							<i>18 000 + 24</i>		<i>18 000</i>
<i>773</i>	<i>7-1-31</i>			<i>JUL 1 1931</i>	<i>1931</i>	<i>6</i>		<i>18 000</i>	<i>0</i>
<i>108</i>	<i>8-6-31</i>			<i>AUG 7 1931</i>	<i>1931</i>	<i>6</i>	<i>18 000 + 24</i>		<i>18 000</i>
<i>360</i>	<i>DEC 11 1931</i>			<i>DEC 11 1931</i>	<i>1931</i>	<i>1</i>		<i>18 000</i>	<i>0</i>
<i>770</i>	<i>Mars. 1932</i>			<i>MAR 22 1932</i>	<i>1932</i>	<i>4</i>	<i>18 000 + 24</i>		<i>18 000</i>
<i>360</i>	<i>JUL 1 1932</i>			<i>JUL 1 1932</i>	<i>1932</i>	<i>3</i>	<i>18 100 + 24</i>		<i>18 100</i>
<i>333</i>	<i>OCT 20 1932</i>			<i>OCT 20 1932</i>	<i>1932</i>	<i>6</i>	<i>18 000 + 24</i>		<i>18 000</i>
				<i>NOV 20 1932</i>	<i>1932</i>	<i>6</i>	<i>18 000 + 24</i>		<i>18 000</i>
<i>270</i>	<i>4-18-33</i>			<i>APR 18 1933</i>	<i>1933</i>	<i>6</i>	<i>18 000 + 24</i>		<i>18 000</i>
<i>492</i>	<i>7-1-33</i>			<i>JUL 1 1933</i>	<i>1933</i>	<i>6</i>		<i>18 000</i>	<i>0</i>
<i>767.97</i>	<i>8-9-33</i>			<i>AUG 9 1933</i>	<i>1933</i>	<i>6</i>		<i>18 000</i>	<i>0</i>
<i>1043.73</i>	<i>10-10-33</i>			<i>OCT 10 1933</i>	<i>1933</i>	<i>6</i>		<i>18 000</i>	<i>0</i>
	<i>1-1-34</i>			<i>JAN 1 1934</i>	<i>1934</i>	<i>6</i>		<i>18 000</i>	<i>0</i>
				<i>JUN 30 1934</i>	<i>1934</i>	<i>6</i>		<i>179 17 998 31</i>	<i>0</i>

492- 222 302  
186 833 7-1-33  
186 833 7-1-33  
767.97 8-9-33  
1043.73 10-10-33  
106655 1-1-34

Retention of Interest and Property Taken June 15, 1933, 1934

Exhibit U-11-7a

EXHIBIT U-11-7c

Date	Par or shares	Description of collateral	Market	Basis	Amount
FB 28 1931	165 shs. 38, 812	The Detroit and Warren Road Co Cap #26 n/o Allen Holding Co Note & 1 Mtge Jos A Ward to The Seltzer Round Co. dated 11-29-29. Parcel #1: S/L #2 in The Seltzer Round Co's proposed Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. part of Orig Euclid Twps. Lot #52. Parcel #2: S/L #3 in The Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #3: S/L #4 in Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #4: S/L #5 in The Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #5: S/L #6 in The Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #6 S/L #7 in the Seltzer Round Co.'s Proposed Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #7 S/L #8 in The Seltzer Round Co's Proposed Monticello Subd #2 City of Cleveland Heights County of Cuyahoga. Parcel #8 S/L #9 in Seltzer Round Co's Monticello Subd #2 City of Cleveland Heights County of Cuyahoga (Continued). Received.			

Received from THE UNION TRUST COMPANY CLEVELAND, Collateral Securities and all other papers in connection with above described loan.

DATE \_\_\_\_\_

EXHIBIT U-11-8

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL CREDIT INFORMATION

For exclusive use of Credit Department.

OCTOBER 9, 1933

THOS. E. MONKS

Collateral Loan \$17,998.21—Interest to 10/1/33 \$778.84  
Secured by 165 shs The Detroit and Warren Road Co. Cap.  
\$38,812. Note and 1st Mtge. Jos. A. Ward to  
The Seltzer Round Company

Mr. Monks, former Vice President of The Guardian Trust Company, called in response to our demand for discussion of his loan.

He states he is without immediate funds to make payments at this time as he has been without employment since the closing of the bank, and income from his real estate investments is practically nil.

His attention was called to the necessity for filing financial statement which was requested under date of August 26. He has taken additional blank forms and promised to file these statements within the next several days.

Besides our loan, he is owing a considerable sum to The Guardian Trust Company and the Society for Savings which, he stated, will be paid within a reasonable length of time. He has every reason to believe that we may anticipate payment in full of his loan on or about February 1. He did not care to divulge the source of the funds to be used. He says all of his obligations will be paid with the exception of the double liability assessment on 391 shares The Guardian Trust Company stock.

Mr. Monks states further that he hopes to complete arrangements for a new connection within the next several weeks which will afford a remuneration enabling him to make payments on the delinquent interest.

R. H. KASTNER

RHK:LMF

(Exhibits U-11-9a through U-11-9i face this page)

For WALTER H. SEYMOUR,  
*Representative of U.S. Senate Committee on Banking & Currency*

This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX  
*Deputy Superintendent of Banks, State of Ohio*

EXHIBIT U-11-10

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS  
TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSEN-  
TIAL CREDIT INFORMATION

For exclusive use of Credit Department.

AUGUST 4, 1933.

BELDEN SEYMOUR

Loan—\$36,813.09 Market value—\$10,450.00

Mr. Seymour is in the real estate and general insurance business, and stated there was nothing he could do at this time. Hopes that increase in business by fall will enable him to start paying on the loan. The interest has been delinquent since April, 1932. His attention was called to this, and he will make every endeavor to pay something each 30 days, beginning October 1st.

When questioned as to pledging life insurance, he refused, stating this is primarily for his wife.

Inquiries made as to the status of the Gates Mills property—he stated the Cleveland Trust Company were holding first mortgage and that due to obligations with relatives, a second mortgage was given them, there remaining very little, if any, equities. Title in wife's name.

He was given financial statement to file supporting the above.

R. H. KASTNER, *Agent.*

OCTOBER 10, 1933

Collateral Loan \$36,813.09—Interest to October 1, \$3,410.64  
Collateral Value \$8,370.00.

Mr. Seymour called at our request. He stated he is still unable to make payments, but his insurance business has picked up considerably and he has hopes of selling three unencumbered lots within the next short while and that we will receive our proportionate share of the net amount realized. He has previously refused to give us mortgages on these lots or the assignment of any life insurance.

Request for individual financial statement is being made in order that we may aid Mr. Crane of the Insurance Department in determining the advisability of placing some of our insurance with Mr. Seymour, applying the commissions for credit of his note.

R. H. KASTNER

RHK:LMF

NAME: R.F.C. Seymour, Belden  
 ADDRESS: 620 Cuyahoga Bldg  
 MA: 1079

DEMAND LOAN III  
 NO. 1197  
 U-11-9a

INTEREST				PRINCIPAL						
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			435							2900
			435							3100
			468.34							3400
			510							3700
			518.33							3900
			562.50							4100
			562.50							4300
			562.50							4500
			562.50							4700
			562.50							4900
			562.50							5100
			562.50							5300
			562.50							5500
			562.50							5700
			562.50							5900
			562.50							6100
			562.50							6300
			562.50							6500
			562.50							6700
			562.50							6900
			562.50							7100
			562.50							7300
			562.50							7500
			562.50							7700
			562.50							7900
			562.50							8100
			562.50							8300
			562.50							8500
			562.50							8700
			562.50							8900
			562.50							9100
			562.50							9300
			562.50							9500
			562.50							9700
			562.50							9900
			562.50							10100
			562.50							10300
			562.50							10500
			562.50							10700
			562.50							10900
			562.50							11100
			562.50							11300
			562.50							11500
			562.50							11700
			562.50							11900
			562.50							12100
			562.50							12300
			562.50							12500
			562.50							12700
			562.50							12900
			562.50							13100
			562.50							13300
			562.50							13500
			562.50							13700
			562.50							13900
			562.50							14100
			562.50							14300
			562.50							14500
			562.50							14700
			562.50							14900
			562.50							15100
			562.50							15300
			562.50							15500
			562.50							15700
			562.50							15900
			562.50							16100
			562.50							16300
			562.50							16500
			562.50							16700
			562.50							16900
			562.50							17100
			562.50							17300
			562.50							17500
			562.50							17700
			562.50							17900
			562.50							18100
			562.50							18300
			562.50							18500
			562.50							18700
			562.50							18900
			562.50							19100
			562.50							19300
			562.50							19500
			562.50							19700
			562.50							19900
			562.50							20100
			562.50							20300
			562.50							20500
			562.50							20700
			562.50							20900
			562.50							21100
			562.50							21300
			562.50							21500
			562.50							21700
			562.50							21900
			562.50							22100
			562.50							22300
			562.50							22500
			562.50							22700
			562.50							22900
			562.50							23100
			562.50							23300
			562.50							23500
			562.50							23700
			562.50							23900
			562.50							24100
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			562.50							30300
			562.50							30500
			562.50							30700
			562.50							30900
			562.50							31100
			562.50							31300
			562.50							31500
			562.50							31700
			562.50							31900
			562.50							32100
			562.50							32300
			562.50							32500
			562.50							32700
			562.50							32900
			562.50							33100
			562.50							33300
			562.50							33500
			562.50							33700
			562.50							33900
			562.50							34100
			562.50							34300
			562.50							34500
			562.50							34700
			562.50							34900
			562.50							35100
			562.50							35300
			562.50							





DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS		AMOUNT
		<i>See Loan # 41977 for balance</i>			
		RECEIVED			
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.					
DATE _____					

EXHIBIT U-11-9g

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS		AMOUNT
		<i>See Loan # 41977 for balance</i>			
		RECEIVED			
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.					
DATE _____					

EXHIBIT U-11-9h



DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET VALUE	AMOUNT
6/1	60shs	The Cleveland Trust Co #3005-60shs #5446-30shs	0.2 75	63.00
6/1	3,500	The Tru-bull /Steel Co 15yr 1st S/F due 11-1-40 #M178/9 12277 at 1,000 ea #D2033500	88 92	3080
		<i>Do Not use in the office.</i>		93.00
		<i>36813 09</i>		<i>1.31</i>
		<i>115 90</i>		<i>8</i>
			<i>3/12</i>	<i>9970</i>
			<i>2</i>	

THIS COLLATERAL SECURES LOANS AGREED TO BY THE BORROWER.

RECEIVED

Receipts from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.

DATE

EXHIBIT U-11-9i

NAME *Account* Mandelbaum, M. J. R.F.C. TIME LOAN # 11

ADDRESS 1105 Swetland Bldg. No. 1 1070 DUE 9-27-32  
 No. 2 7812 DUE 1-31-33  
 No. 3 DUE  
 No. 4 0-11a DUE  
 No. 5 DUE  
 No. 6 DUE  
 No. 7 DUE  
 No. 8 DUE  
 No. 9 DUE  
 No. 10 DUE  
 No. 11 DUE

MEMO. NA 5/3/33 U. J. FULTON NOTICE SENT BY R. H. K... 8-1-33

INTEREST OR DISCOUNT		INTEREST TO		DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE
						6 JUL 1 1933	10281268 + 84d		10281268
	212474					NOV 2 - 1933		10281268	
	154218	1-31-33				NOV 2 - 1933	10281268		10281268
12/33	89218	1-31-33							
	147030	4-1-33							
	347763	7-1-33							
	106200	9-1-33							
	505604	10-1-33							
	663254	1-1-34							

Form No. 103, 12-1-32

EXHIBIT U-11-11a

NAME Mandelbaum, M. J. R.F.C. #5 38441 TIME LOAN # 11

ADDRESS 1105 Swetland Bldg. No. 1 7500 DUE 9-27-32  
 No. 2 7500 DUE 1-31-33  
 No. 3 6030 DUE 3-27-33  
 No. 4 9365 DUE 9-27-33

MEMO. CR 5927 U. J. FULTON NOTICE SENT BY R. H. K... 8-1-33

INTEREST OR DISCOUNT		INTEREST TO		DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE
	22757	9-27-30		6 JUL 2 1930	6-23-30	15 100		15 000	15 000
	11375	10-27-31		6 SEP 22 1931		7 500	15 000		7 500
	11375	3-27-31		6 SEP 22 1931		7 500	7 500		7 500
	11375	6-27-31		6 SEP 22 1931		7 500	7 500		7 500
	11375	9-27-31		6 JUN 22 1931		7 500	7 500		7 500
	10617	12-21-31		6 SEP 21 1931		7 100	7 500		7 100
	10617	3-21-32		6 DEC 21 1931		7 000	7 100		7 000
	11617	6-20-32		6 MAR 21 1932		7 000	7 000		7 000
	10617	9-14-32		6 JUN 20 1932		7 000	7 000		7 000
	10617	12-19-32		6 SEP 19 1932		7 000	7 000		7 000
	10617	3-20-33		6 DEC 19 1932		7 000	7 000		7 000
	12014	14-4-1-33							
	32758	12038	7-1-33						
	33414	14396	9-1-33						
		22956	10-1-33						
		34038	1-1-34						

Form No. 103, 12-1-32

EXHIBIT U-11-11b



(Exhibits U-11-11a through U-11-11d face this page)

FOR WALTER H. SEYMOUR,  
*Representative of U.S. Senate Committee on Banking & Currency*

This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX  
*Deputy Superintendent of Banks, State of Ohio*

EXHIBIT U-11-12

MAY 31, 1932.

Mr. G. B. BLISS,  
*Manager, Credit Department, The Canadian Bank of Commerce,  
 New York, N. Y.*

DEAR SIR: Moses J. Mandelbaum, subject of your letter of May 26, has been known to this institution and its predecessors for many years. In years past Mr. Mandelbaum and his firm, Mandelbaum-Wolf & Lang, were extensively interested in financing chiefly public utility operations. He is a director of The Cleveland Trust Company and a man of high moral standing. Such loans as we have extended Mr. Mandelbaum have been on a collateral basis, consequently we are not closely informed regarding his financial affairs. Confidentially, we are of the opinion that he, like other large investors, has felt very keenly the present condition of the securities market.

Inasmuch as you did not mention the purpose of your inquiry, our reply must necessarily be general in character.

Very truly yours,

\_\_\_\_\_  
*Vice President*

WT:E-6

EXHIBIT U-11-13

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO  
 CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
 CREDIT INFORMATION

For exclusive use of Credit Department.

AUGUST 2, 1933.

M. J. MANDELBAUM

Loan: \$102,812.68 Market—\$23,205.00 Int. delinquent since November 2,  
 1932

Loan: \$7,000.00 Market—plus value Int. delinquent since March 20, 1933.

Mr. Mandelbaum reported that there is no change in the status of affairs since our last memo of April 10, 1933. He is broke, but in spite of his age has determination for staging a come back through a partnership, the nature of the business being investment and business analysis service. He is unable to do anything at this time, and this loan will be a slow workout. I believe our only salvation is through enhancement on 273 shs. of Cleveland Trust Company capital stock pledged.

R. H. KASTNER, *Agent.*

WT

Burmester WM

M. J. Mandelbaum owed Standard Tr when it closed 28 M on Weinburger  
 Drug & Gabriel Snubber Stocks.

For Walter H. Seymour, Representative of U.S. Senate Committee on Banking  
 & Currency.

This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.

OSCAR L. COX  
*Deputy Superintendent of Banks, State of Ohio*

## EXHIBIT U-22-1

Minutes of a meeting of the Finance Committee of The Union Trust Company held on Friday December 19, 1930, at twelve 'clock noon at the main office. The following were present:

Messrs. Otto Miller	W. M. Baldwin	J. G. Geddes
Thos. P. Robbins	Allard Smith	R. S. Crawford
F. P. Root		

Mr. W. M. Baldwin acted as Chairman and Mr. R. S. Crawford as Secretary. Minutes of the meeting of December 18, 1930, were read and approved.

Current loans submitted were approved.

Loans made at the main office under date of December 18, 1930, as described below, were approved:

Commercial Loans Nos. 22547 to 22589 inclusive, aggregating	----	\$186,299.68
Bills of Exchange Nos. 72545 to 72600	“ “	96,438.08
Collateral Loans (Banks and Brokers)		
Nos. B 5217 to B 5223	“ “	148,170.00
Collateral Loans Nos. 80419 to 80477	“ “	250,489.85
Real Estate Loans Nos. 21652 and 21653	-----	10,980.00

A schedule showing real estate loans approved by the Real Estate Loan Committee under date of December 19, 1930, aggregating \$8,000.00 was submitted and the loan appearing thereon approved.

A schedule showing our Acceptances sold and outstanding, Acceptances of other banks sold and outstanding, and Acceptances of other banks held by us for account of Banking Department under date of December 18, 1930, identified by the signature of J. G. Geddes, Vice President, was approved.

A schedule showing securities bought by the Securities and Investments [R.s.c.] Department under date of December 18, 1930, aggregating \$188,327.50, and securities

## EXHIBIT U-22-1a

sold aggregating \$284,125.00, certified correct by the signature of Van R. Purdy, Assistant Vice President, was submitted for information.

It was agreed to loan J. P. Harris \$263,000.00 secured by collateral.

ADJOURNED.

W. M. BALDWIN, *Chairman*  
R. S. CRAWFORD, *Secretary*

## EXHIBIT U-22-2

Minutes of a meeting of the Finance Committee of The Union Trust Company held on Tuesday December 23, 1930, at twelve thirty o'clock p.m. at the main office. The following were present:

Messrs. E. R. Grasselli, Otto Miller, Thos. P. Robbins, F. P. Root, George A. Coulton, J. R. Kraus, W. M. Baldwin, C. E. Farnsworth, Geo. P. Steele, R. S. Crawford.

Mr. J. R. Kraus acted as Chairman and Mr. R. S. Crawford as Secretary.

Minutes of the meeting of December 22, 1930, were read and approved.

Current loans submitted were approved.

Loans made at the main office under date of December 22, 1930, as described below, were approved:

Commercial Loans Nos. 22657 to 22728 inclusive, aggregating	--	\$4,084,257.94
Bills of Exchange Nos. 72688 to 72735	“ “	283,119.12
Collateral Loans (Banks and Brokers)		
Nos. B 5241 to B 5249	“ “	296,570.00
Collateral Loans Nos. 80553 to 80635	“ “	1,643,036.49
Real Estate Loans Nos. 21656 to 21658	“ “	20,128.15
19677	“ “	

A schedule showing Real Estate Loans approved by the Real Estate Loan Committee under date of December 23, 1930, aggregating \$7,540.00 was submitted and the loans appearing thereon approved.

A schedule showing Commercial Letters of Credit issued, Acceptances against Letters of Credit and our Acceptances held by us under date of December 22, 1930, identified by the signature of J. G. Geddes, Vice President, was approved.

DEMAND COLLATERAL LOAN REGISTER  
THE UNION TRUST COMPANY—CLEVELAND, OHIO

12-22-30

U-22-3

MAKER	ENDORSE OR COLLATERAL	INTEREST FROM	DATE OF PAPER	NUMBER	AMOUNT	RATE	RATE DAILY EARNINGS	ADJUSTMENTS		DEBT INTEREST RECEIVABLE	
								+	-	AMOUNT	DAYS
K V PAINTER ADDL MMB	16059 95 LAND TRUST CTF. IN PROPERTY LEASE'D TO TERMINAL BLDG CO 22807 78 NOTE STATE ROAD LAND CO SEC BY 1ST MTG DEED 8M SHS ✓ AKELEY CAMERA INC COM 2200 NOTE W M GREEN 750 NOTE A R CORLETT 700 NOTE CHARLES H CLARK TITLE TO REAL ESTATE UNDER AGREEMENT 200SHS NIAGARA SHARE CORP MARYLAND COM TEMP CTF WARR TO SUBSCRIBE FOR 20SHS NIAGARA SHARE CORP MARYLAND COM		12-22 12-22	80574 73308	20 000 00	5	✓				
K V PAINTER N MMB	SAME AS ABOVE		12-22 12-22	80575	20 000 00	5	✓				
EUGENE F HACKMAN ADDL CMC	150SHS FIRESTONE T&R CO A PFD 100SHS ✓ RICHMAN BROS 100SHS ANACONDA COPPER MINING 100SHS INCLAIR CONSOL OIL CO COM N/D T/L 12600 ✓		12-22 12-22	80600 72460	3 000 00	6	✓				
J P HARRIS N JRN	6200 F E MYERS & BROS CO COM 600SHS ✓ HATCHER MFD CO COM 500SHS ✓ INSURAHSHARES & GENL MANAGEMENT CO V/T CTF 100SHS ✓ UNITED FRUIT CO CAP 2M SHS ✓ PENNA DIXIE CEMENT CORP COM 1M ✓ SHS ✓ UNITED STATES FIDELITY & QUARANTY CO CAP 10SHS ✓ GLIDDEN CO PRIOR PFD		12-22 12-22	80609	263 000 00	5	✓				
UNION CLAY MFG CO N JRN	30M PAR VALUE FEDERAL LAND BANK 4 1/2% BONDS		12-22 12-20	80626	20 000 00	4 1/2	✓				
W E TELLING N JRK	1357SHS LABORATORY PROD CO 2M SHS ✓ RICHMAN BROS CO COM		12-22 12-22	80632	109 238 50	5	✓				
					435 238 50						
	CALL RATE										
	CALL MONEY OPENED & RENEWED AT 2% TODAY THE CHASE NATIONAL BANK NEW YORK ✓										
	CALL RATE 12-15-30 AS OF 2% SHOULD HAVE BEEN 2% ✓										
	SUBSTITUTIONS										
R W WOODRUFF 62567	500SHS COCO COLA CO COM ADDL COLL ✓										
HENRY A TAYLOR 76597	RELEASED 88SHS VACUUM OIL CAP FREE ✓										
D A WILLIAMS 72594	5M NEW ENGLAND POWER ASSOCIATION 5% ADDL COLL ✓										
C A WILLIAMS 72611	10M UNINT STOCK LAND BANK SAN ANTONIO TEXAS 5% ADDL COLL ✓										
ARTHUR C NEWBERRY	100SHS MEDUSA PORTLAND CEMENT CO CAP ADDL COLL ✓										
DON RAYMOND	25SHS RICHMAN BROS CO COM ADDL COLL ✓										
J A MELCHER	775SHS UNITED SCREW & BOLT CORP CLASS A AD EL COLL ✓										
HELEN RENTON	58SHS CALUMET & HECLA CONS COPPER CO CAP N/D GEORGE A FORSYTH ADDL COLL ✓										
ARTHUR TREVETT	100SHS ALLEGHANY COPP COM ADDL COLL ✓										
HERBERT B SMITH 56992	35SHS FORD MOTOR CO LTD ADDL COLL ✓										
GEORGE QJND	400SHS KELLOGG CO COM ADDL COLL ✓										

I hereby certify that this sheet was submitted to the Finance Committee on DEC 23 1930  
J. P. P.  
Member of Finance Committee

CLEVELAND, OHIO

19

26,000<sup>00</sup> 26,000<sup>00</sup>

On Demand, FOR VALUE RECEIVED PROMISE TO PAY TO THE ORDER OF

U-22-4

THE UNION TRUST COMPANY

Two hundred sixty three thousand <sup>no/100</sup> DOLLARS

AT ITS OFFICE IN THE CITY OF CLEVELAND, OHIO, WITH INTEREST AT THE RATE OF Five PER CENT PER ANNUM, PAYABLE QUARTERLY ON THE 1st DAYS OF JANUARY, APRIL, JULY AND OCTOBER, UNTIL PRINCIPAL IS PAID.

The undersigned has deposited with and hereby pledges and assigns to said company as collateral security for the payment of this and any and every liability or liabilities of the undersigned to said company direct or contingent, due to or to become due, or which may hereafter be contracted or existing, and whether the same may have been or shall be participated in whole or part to others by trust agreement or otherwise, or in any manner acquired by or accruing to said company whether by agreement with the undersigned or by assignment or by endorsement to it by any one whomsoever, the following property, viz:

- 6200 shs The T E Myers + Bro Co Bond
- 600 shs Fletcher Mfg. Co Bond
- 500 shs Insurance and General Management Co V Trust Cert.
- 100 shs United Trust Co Bond
- 2000 shs Perry - White Cement Corp Bond
- 1000 shs United States Fidelity + Guaranty Co Bond
- 10 shs ...

together with all other securities in the possession of said Company, belonging to the undersigned or in which the undersigned has an interest, hereby agreeing to deliver to said Company additional securities to its satisfaction upon its demand; also hereby giving the said Company a lien for the amount of all said liabilities of the undersigned to said Company upon all property or securities which now are or may hereafter be pledged with said Company by the undersigned, or in the possession of said Company in which the undersigned has any interest. On the non-performance of said promise or upon the non-payment of any of said liabilities, or upon the failure of the undersigned forthwith to furnish satisfactory additional security on demand, at the option of said Company, this obligation shall become immediately due and payable, and said Company is hereby given full power to collect, sell, assign and deliver the whole of said securities or any part thereof or any substitutes therefor, or additions thereto, through any stock exchange, broker's board, or broker or at private sale without advertisement or notice, the same being hereby expressly waived; or said Company at its option may sell the whole or any part of said securities or property at public sale, upon notice published once in any newspaper printed in the City of Cleveland not less than ten (10) days prior to such sale, at which public sale said Company may purchase said securities or property or any part thereof, free from any right of redemption on the part of the undersigned, which is hereby expressly waived and released. Upon any such sale, after deducting all costs and expenses of every kind, said Company may apply the residue of the proceeds of such sale as it shall deem proper toward the payment of any one or more or all of the liabilities of the undersigned to said Company whether due or not due, retaining the overplus to the undersigned. Any holder of this note shall likewise have all of the aforesaid rights and powers with respect to security and additional security for this note and the sale and disposition of the such security and the proceeds thereof.

The undersigned hereby authorizes any attorney-at-law in the State of Ohio or any other State or Territory of the United States, at any time after the above sum becomes due to appear for the undersigned in any Court in the State of Ohio or any other State or Territory of the United States, and to waive the hearing and service of process and confess judgment against the undersigned in favor of the payee or any holder of this note for the amount appearing due and the costs of suit and thereupon to release all errors and waive all rights of appeal and stay of execution. The makers of this note, when more than one, shall be jointly and severally liable hereon.

No. U-22-4  
O.K. [Signature]

Form No. O-226 5M 6-30 ADDRESS U-22-4

EXHIBIT U-22-4



## EXHIBIT U-22-2a

A schedule showing securities bought by the Securities and Investments Department under date of December 22, 1930, aggregating \$22,190.00, certified correct by the signature of Van R. Purdy, Assistant Vice President, was submitted for information.

It was agreed to loan Messrs. J. L. Laird, Frank M. Laird, O. C. Topky, W. S. Dudley, E. H. Burrill, E. S. Miller, and Robert Locke, \$65,000.00 secured by 1000 shares of stock of the Marine Savings Bank Company of Ashtabula, Ohio.

It was agreed to loan the Conewango Refining Company \$10,000.00, which is our portion of a total of \$25,000.00 of which the Guardian Trust Company is taking \$10,000.00 and the Midland Bank \$5,000.00.

ADJOURNED.

J. R. KRAUS,  
*Chairman.*  
R. S. CRAWFORD,  
*Secretary.*

(Exhibits U-22-3 and U-22-4 face this page)

## EXHIBIT U-22-4a

For valuable consideration, all persons, firms and corporations, whose names now appear or are hereafter written below, (who, if two or more in number, shall be jointly and severally bound), absolutely and unconditionally guarantee the payment in full of the within note and any extension thereof, in whole or any part, when due, and hereby waive presentment, demand, protest and notice of protest and non-payment, and consent by any extension or extensions in whole or in part, without notice thereof.

The persons, firms and corporations, whose names are written below, hereby authorize any attorney-at-law in the State of Ohio or any other State or Territory in the United States at any time after the sum of the within note becomes due, to appear for the undersigned, in any court of record in the State of Ohio, or any other State or Territory of the United States, and to waive the issuing and service of process and confess judgment against the undersigned in favor of the payee or any holder of this note for the amount appearing due and the costs of suit, and thereupon to release all errors and waive all right of appeal and stay of execution.

I. J. FULTON, Superintendent of Banks,  
in charge of the liquidation of  
THE UNION TRUST CO.  
Cleveland, Ohio.

By T. J. Eline,  
Special Deputy Superintendent of Banks.  
THE UNION TRUST CO.,  
R. S. Crawford, Secretary.

Date	Payment	Balance
JAN 2 - 1931.....	2,000	261,000
INTEREST PAID TO ----- 1 1931.....		
INTEREST PAID TO ----- 1 1931.....		
INTEREST PAID TO JUL 1 1931.....		
INTEREST PAID TO ----- 1 1931.....		
Interest 6% as of 1-1-32.....		
INTEREST PAID TO ----- 1 1932.....		
INTEREST PAID TO APR 1 1932.....		
INTEREST PAID TO JUL 1 1932.....		
INTEREST PAID TO OCT 1 1932.....		
Interest paid to Jan 1 - 1933.....		
Interest paid to Apr 1 - 1933.....		



EXHIBIT U-22-5

DEPOSIT TICKET

THE UNION TRUST COMPANY

CLEVELAND, OHIO, 12-22, 1930

Credit: J. P. Harris

Checks on this office will be credited conditionally. If not found good at close of business they may be charged back to depositors. Checks on other city banks and other offices of this Bank may be carried over for presentation through the Clearing House, Federal Reserve Bank, or direct on the following day and charged back if not found good.

In receiving and forwarding items payable elsewhere than in Cleveland, this bank assumes no responsibility for the negligence or default of any direct or indirect collecting agents, and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its possession, otherwise, items previously credited may be charged back to depositors. Items lost in transit may be charged back to depositor's account pending receipt of duplicates. Unless otherwise instructed, items may be mailed to drawee banks.

Unpaid items may be returned by mail at depositor's risk. In making deposits the depositor hereby assents to the foregoing conditions.

Amount			Interest	Discount	Exchange
263	000	00			

Bennett  
(The Union Trust Co, Coll Loan Dec. 22, 1930, Main Officer)

EXHIBIT U-22-5a

THE UNION TRUST COMPANY, CLEVELAND

Name..... J. P. Harris

Address

Savings No.

Checks in detail	Date	Deposits	Date	Balance
	1930			
1,421.35-	Dec 16 '30	90.00	Dec 16 '30	2,081.05
	Dec 16 '30		Dec 16 '30	659.70
	Dec 17 '30	35.00	Dec 17 '30	694.70
15.00-	Dec 18 '30		Dec 18 '30	679.70
	Dec 22 '30	800.00	Dec 22 '30	1,479.70
	Dec 22 '30	263,000.00	Dec 22 '30	264,479.70
264,344.52-	Dec 22 '30		Dec 22 '30	135.18
15.00-	Dec 23 '30		Dec 23 '30	120.18
50.00-	Dec 24 '30		Dec 24 '30	70.18
15.00-	Dec 26 '30		Dec 26 '30	55.18
	Dec 29 '30	800.00	Dec 29 '30	855.8
365.28-	Dec 29 '30		Dec 29 '30	144.90
345.00-	Dec 29 '30		Dec 29 '30	129.90
15.00-	Dec 30 '30		Dec 30 '30	128.20
1.70-	Dec 31 '30		Dec 31 '30	108.20
20.00-				
	1931			
750.00-	Jan 2 '31	240.00		
150.00-	Jan 2 '31	2,902.50	Jan 2 '31	2,350.70
	Jan 2 '31		Jan 2 '31	350.70
2,000.09-	Jan 2 '31		Jan 2 '31	233.20
100.00-	Jan 2 '31		Jan 2 '31	218.20
15.00-	Jan 3 '31		Jan 3 '31	214.20
4.00-	Jan 5 '31		Jan 5 '31	203.70
10.50-	Jan 5 '31		Jan 5 '31	191.70
12.00-	Jan 6 '31		Jan 6 '31	183.00
8.70-	Jan 6 '31		Jan 6 '31	175.50
7.50-	Jan 6 '31		Jan 6 '31	159.50
10.00-	Jan 7 '31		Jan 7 '31	143.50
6.00-	Jan 8 '31		Jan 8 '31	138.50
16.00-	Jan 8 '31			
5.00-	Jan 8 '31			

(Exhibit U-22-5 faces this page)

DEPOSITED WITH  
**THE UNION TRUST COMPANY**  
 CLEVELAND, OHIO  
 FOR CREDIT TO THE ACCOUNT OF

U-22-6

HORNBLOWER & WEEKS

DEC 22 1930

19

CHECKS ON THIS OFFICE WILL BE CREDITED CONDITIONALLY, IF NOT FOUND GOOD AT CLOSE OF BUSINESS, THEY MAY BE CHARGED BACK TO DEPOSITORS. CHECKS ON OTHER CITY BANKS AND OTHER OFFICES OF THIS BANK MAY BE CARRIED OVER FOR PRESENTATION THROUGH THE CLEARING HOUSE, FEDERAL RESERVE BANK, OR DIRECT ON THE FOLLOWING DAY, AND CHARGED BACK IF NOT FOUND GOOD.  
 IN RECEIVING AND FORWARDING ITEMS PAYABLE ELSEWHERE THAN IN CLEVELAND, THIS BANK ASSUMES NO RESPONSIBILITY FOR THE NEGLIGENCE OR DEFAULT OF ANY DIRECT OR INDIRECT COLLECTING AGENTS, AND SHALL BE HELD LIABLE ONLY WHEN PROCEEDS IN ACTUAL FUNDS OR SOLVENT CREDITS SHALL HAVE COME INTO ITS POSSESSION. OTHERWISE, ITEMS PREVIOUSLY CREDITED MAY BE CHARGED BACK TO DEPOSITORS. ITEMS LOST IN TRANSIT MAY BE CHARGED BACK TO DEPOSITORS' ACCOUNT PENDING RECEIPT OF DUPLICATES. UNLESS OTHERWISE INSTRUCTED, ITEMS MAY BE MAILED TO DRAWEE BANKS.  
 UNPAID ITEMS MAY BE RETURNED BY MAIL AT DEPOSITORS' RISK. IN MAKING DEPOSITS THE DEPOSITOR HEREBY ASSENTS TO THE FOREGOING CONDITIONS.

PLEASE LIST EACH ITEM SEPARATELY

OUT OF TOWN CHECKS			CLEVELAND CHECKS			CHECKS ON THIS BANK		
DOLLARS	CENTS	✓	DOLLARS	CENTS	✓	DOLLARS	CENTS	✓
						264	34	52
<b>TOTALS</b>								
OUT OF TOWN			CLEVELAND			ON THIS BANK		
						264	34	52
CURRENCY			SILVER			COUPONS		
TOTAL			TOTAL			TOTAL		
						264	34	52

DEC 22 1930  
 UNION TRUST CO.  
 MAIL ROOM  
 OFFICE

FORM NO. 8-2

FOR CREDIT AT

OFFICE

## EXHIBIT U-22-7

11/7/33

Memorandum—*Re: Loan to J. P. Harris*

On October 30, 1929 I personally loaned to Mr. J. P. Harris one thousand shares of F. E. Myers & Bro. Company common stock, with permission to use this as collateral to his personal loans, Mr. Harris stating to me that he had a life insurance trust at The Union Trust Company that would amply protect me.

On June 19, 1930 I loaned Mr. Harris an additional five hundred shares Myers stock, making a total of 1,500 shares, and at that time he made a formal assignment of his life insurance trust at Union Trust Company for my protection.

On December 22, 1930 I loaned Mr. Harris an additional five hundred shares of Myers stock, making a total of 2,000 shares F. E. Myers & Bro. Company common stock, at that time selling on the market at about 41½. In other words, a market value of about \$83,000.

Dec. 22, 1930 Mr. Harris used this stock as part of his collateral for a loan at The Union Trust Company, this loan having been first approved by the Finance Committee at its meeting on December 19th. According to statement furnished me at the time, the market value of the collateral was \$304,850 against a loan of \$263,000, it being understood that a payment of \$2,000 would be made on Jan. 1st, 1931, reducing the loan to \$261,000. This was done.

In addition to assignment of Mr. Harris' life insurance trust, I took also an assignment from him of his equity in the collateral in his loan at The Union Trust Company.

I never directly or indirectly received a dollar of the proceeds from Mr. Harris' loan nor guaranteed it in any way. The only thing I did was to lend Mr. Harris, my friend, the above stock.

In addition to the above I loaned Mr. Harris on May 1, 1929 \$10,000.00 on his demand note unsecured.

All of the above loans are still outstanding at this date.

This memorandum obtained from Mr. J. R. Nutt.

WALTER HUPNOW.

Feby. 13, 1934.

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 EXHIBIT U-22-8

JOSEPH PORTER HARRIS,  
12546 CEDAR ROAD,  
Cleveland, May 1, 1933.

Mr. OSCAR L. COX,  
Conservator The Union Trust Company  
Cleveland, Ohio.

DEAR MR. COX: In line with our conversation this morning, and in obedience to your request, I am very glad to jot down a few comments in regard to my loans at the Union Trust Company.

As I now recall the situation, I believe the larger of these loans originated with the United Milk deal some years ago. I happened to be the unfortunate purchaser of some 1,500 shares of United Milk Common and 500 shares of Preferred, which originally were taken up through loans at the Cleveland Trust, although, perhaps, a portion was carried in one or another of my brokerage accounts. When United Milk stock suffered severe declines in market value I let go the most of my Common stock at a severe loss, but still carried a unit of 500 Preferred and 500 Common, in the hope of recouping at least its original cost. In this, of course, we were all disappointed, and when my loan at the Cleveland Trust became impaired I had it transferred to my brokerage account at Hornblower & Weeks, where I had sufficient equity to take care of it by combining the two accounts, and thus the entire liability became lodged with Hornblower & Weeks, who carried it for a period of time. When values began to suffer after the crash of 1929, Mr. Nutt very kindly loaned me additional Common stock of F. E. Myers & Bro. Company, and later when values still continued to decline, and the account became a source of deep concern to me, Mr. Nutt very kindly suggested that the loan be taken over by the bank, and in order to have it fully covered he loaned me additional Myers stock in an aggregate amount, all told, of 2,000 shares.

As I told you this morning, I have no certain knowledge as to the thoughts of the bank officers and directors in taking this action in my behalf, but I have always had a feeling that they may have been mindful of certain services which

it had been my privilege to render, not only to the Union Trust but to the Cleveland Trust and the Guardian, as well, in connection with the salvage of upwards of \$5,000,000 invested in various interurban properties in Northern Ohio, including also the Fox River Division of the Aurora, Elgin & Chicago. These very large investments tied up in interurban properties had been regarded as all but worthless, but it was my good fortune to recover for the three banks in

## EXHIBIT U-22-8a

question substantially the entire investment involved, including back interest, and while I dislike to evaluate my own services, it may not be improper to remark that in a conversation, a few months ago, with Mr. Howard Hopson, head of the Associated Gas & Electric Company, Mr. Hopson stated that he was personally familiar with every major public utility deal in America during the last two decades, and that he wanted to say to me that what I had been able to accomplish for the Cleveland banks had not been duplicated anywhere in America in the last ten years. As I say, I do not know that these considerations motivated the directors in any way, but I have always thought that possibly they might have done so, or, perhaps, the directors may have had in mind, also, the fact that my department in the bank had for a period of nearly fifteen years contributed consistently between 15% and 20% of the total earnings of the institution.

These considerations, however, in no way affect my own attitude toward the loans in question. It is my determination to pay the loans in full, and I ask only due consideration at the hands of the Conservator in order that I may work to that end. It is inevitable, of course, that the collateral securing the loans will in due time give me a measure of assistance in accomplishing this result, but in my own calculations I am not taking account of that possibility at all, but rather am I setting my program to liquidate the loans out of my earnings, regardless of the collateral. My profession, of course, for the last twenty-five years or more has been the handling of securities, and I have every expectation that whereas I have met with a measure of success in the past I shall be able to accomplish in operations for my own account a proportionate success. Indeed, it is my hope that I shall be able to place the loans on a current basis, so far as interest is concerned, in the not distant future, and with the return of better conditions in the market, supported, as I hope, by a reviving industry, I would expect, within a reasonable time, to begin making substantial reductions in principal also. As I stated to you, all my own resources are pledged against the loans, but I have been handling an account for Mrs. Harris, out of which I have every reason to believe that sufficient profits will accrue in due time to accomplish the purpose I have in mind, and in the meantime if I am fortunate enough to find a new job, of course, the process will be speeded accordingly. In this latter connection I may say that my numerous friends in New York, as well as here, are actively on the lookout for a suitable opening which, they assure me, must certainly be found in due time.

In closing this brief statement, let me express to you my great appreciation of the very courteous treatment which you showed me in our conference this morning, and also my great pleasure in meeting you personally.

Very truly yours,

J. P. HARRIS.

JPH:LRA

## EXHIBIT U-22-9

STATE OF OHIO, *Cuyahoga County, ss.*

In the court of common pleas. No. —, Equity.  
State of Ohio, ex rel., I. J. Fulton, Superintendent of Banks of the State of Ohio, in charge of the liquidation of The Union Trust Company, Plaintiff, vs. Joseph R. Nutt, 2285 Coventry Road, Cleveland Heights, Ohio, Defendant. Petition.

Now comes the plaintiff and says that he is the duly appointed, qualified and acting Superintendent of Banks of the State of Ohio, and as such he did, on the 15th day of June, 1933, take possession, for the purpose of liquidation, of the business and property of The Union Trust Company, a bank theretofore organized under the laws of Ohio and engaged in transacting a general banking business with its principal place of business in Cleveland, Ohio; that in the property and assets of the said The Union Trust Company (hereinafter styled the "bank"), there is included the claim against the defendant hereinafter described.

The plaintiff, for his cause of action against the defendant, says: that, continuously, from about October 1, 1928, until the 30th day of June, 1932, the defendant was the chairman of the board of directors of the bank and one of its principal executive and loaning officers; that one Joseph P. Harris was a vice-president of the bank from its organization until about May 2, 1932; that, at the time the loan hereinafter described was made by the bank to the said Harris, and for many years prior thereto, the established and recognized practice, custom and routine of the bank in making loans to individual borrowers in any substantial

## EXHIBIT U-22-9b

amount was as follows: upon the application for the loan being made by the prospective borrower to the bank, it was, in the first instance, if considered satisfactory, approved by one of the bank's principal executive and loaning officers; if the loan was approved by such officer, it was then presented to the finance committee of the bank for its action thereon, such committee being advised that the loan had, in the first instance, been approved by one of the bank's principal loaning officers; if the committee was favorable to making the loan, it, as a matter of general practice, expressed first its agreement so to do, and later its approval thereof, and, in some instances, some time thereafter, the action of the finance committee was approved by the executive committee of the bank, and the action of that committee, at a still later date, was called to the attention of the bank's board of directors; it was a well established and almost universal practice and custom of the bank's finance committee to agree to make and approve any loan which was in the first instance approved by one of the bank's principal loaning officers, and in many instances, the promissory note of the borrower was actually accepted by the bank and the proceeds of the loan paid to him before any final action was taken by the finance committee, the action of that committee, in agreeing to make or approving the loan, and any subsequent action by the executive committee or by the board of directors, respectively, of the bank being wholly perfunctory in character, with the result that the act of the principal loaning officer, who approved the loan in the first instance, was, in fact, the act of the bank itself and binding upon it; that the defendant was thoroughly familiar with the custom and practice of the bank as hereinbefore described, and was fully aware of the fact that any loan approved by him in the first instance would be made by the bank; that on December 22, 1930, and for some time prior thereto, the said Harris had been carrying an account with the brokerage firm of Hornblower & Weeks of Cleveland, which account he used for the purpose of buying and selling stocks and other securities, the account being secured by the deposit by the said Harris of various securities as collateral thereto; that, among

## EXHIBIT U-22-9a

the securities so deposited, and as a part of the said collateral, were fifteen hundred (1500) shares of the common capital stock of the F. E. Myers & Bros. Company, which was the property of the defendant, and which he had loaned to the said Harris; that, shortly before the 22nd day of December, 1930, the firm of Hornblower & Weeks, believing that the account of the said Harris was not sufficiently secured by collateral, and in fear that it was about to sustain a loss thereon, advised the said Harris, that, unless he forthwith paid and closed his said account in full, it would be compelled to close the account and to sell the collateral deposited as security thereto, including the shares of the common capital stock of the F. E. Myers & Bros. Company, which, as hereinbefore averred, were the property of the defendant; that, if such sale had been made, the defendant would have sustained a substantial pecuniary loss to himself in that the securities belonging to him, as aforesaid, would have been sold at a sacrifice; that, thereupon, the defendant, with full knowledge of all the facts aforesaid, and with an intent and purpose upon his part to protect his own securities against being sold at a loss to himself, suggested to the said Harris the plan of having the bank loan to him, the said Harris, a sum sufficient to take up and pay his account with Hornblower & Weeks and thus prevent the sale of the collateral deposited with said firm, including the securities which were owned by the defendant, as hereinbefore described; that in carrying such plan into effect, the defendant, acting as a principal executive and loaning officer of the bank, and intending to firmly bind the bank, approved, in behalf of the bank, a loan to the said Harris in the sum of Two Hundred and Sixty-Three Thousand Dollars (\$263,000.00) secured by all, or substantially all, of the collateral which had theretofore been deposited by the said Harris with Hornblower & Weeks, and five hundred (500) additional shares

of the common capital stock of the F. E. Myers & Bros. Company which was owned by the defendant; that thereafter, said loan approved by the defendant, as hereinbefore set forth, was caused to be presented by him to the bank's finance committee, which, on or about the 19th day of December, 1930, agreed to the

## EXHIBIT U-22-9c

making of said loan as a collateral loan; that, on the 22nd day of December, 1930, the demand note of the said Harris in the sum of Two Hundred and Sixty Three Thousand Dollars (\$263,000.00), was accepted by the bank and the proceeds thereof were delivered to him, and immediately applied by him in payment of his account with Hornblower & Weeks; that, on the 23rd day of December, 1930, the finance committee took action expressing its approval of the loan aforesaid, this being done after the proceeds thereof had been paid by the bank to the said Harris and by him applied upon his account with Hornblower & Weeks, as hereinbefore set forth; that the action of the bank in making the loan to said Harris was caused and induced by the defendant himself for his own use, benefit and profit, and in order to protect himself against the pecuniary loss which he would have suffered if Hornblower & Weeks had closed the account it was carrying for the said Harris and sold the securities deposited as collateral thereto; that the action of the bank's finance committee in agreeing to make the loan, and in expressing its approval thereof, was wholly perfunctory in character and was induced and controlled by the fact that the defendant had, in the first instance, as a principal loaning officer of the bank, approved the loan; that the defendant at no time disclosed to the bank that he had a direct personal and pecuniary interest in the loan aforesaid to the said Harris, or that Hornblower & Weeks were about to close the account of the said Harris and sell the securities deposited as collateral thereto, including securities belonging to the defendant, or that his object and purpose in approving and causing the bank to make the said loan was to protect himself against the loss which he would have suffered had the proceeds of the loan made by the bank to Harris not been made available for the purpose of paying his account with Hornblower & Weeks; that the said Harris was not of sufficient financial worth or responsibility to pay said note, and the collateral securing the same was insufficient and inadequate, having a market value, at that time, so slightly in excess of the amount of the loan itself, as to put the collectibility of said note in continuous jeopardy, all of which the defendant well knew; that the loan made by the

## EXHIBIT U-22-9d

bank to the said Harris, as hereinbefore alleged and described, was loan made indirectly to the defendant, who, at the time it was made, was an officer of the bank, to-wit, chairman of its board of directors, and said loan, so indirectly made to the defendant, was not authorized or approved by the bank's directors, nor was such authorization or approval recorded in the records of the proceedings of such board of directors, all of which the defendant well knew; that, after due demand upon the said Harris for the payment of his note and his failure to pay the same, and, after duly selling the collateral securing said note at public sale in accordance with the provisions of said note, and crediting the net amount realized from said sale as a payment thereon, the plaintiff obtained a judgment against said Harris in the Court of Common Pleas of Cuyahoga County, Ohio, on the 20th day of January, 1934, for the sum of \$165,056.61 as the balance due on said note, said amount being the unpaid principal thereof plus interest to the date of said judgment; that the plaintiff caused an execution to be issued on said judgment, which execution has been duly returned by the sheriff of said county endorsed, "no money made"; that the said Harris has filed a voluntary petition in bankruptcy in the United States District Court for the Northern District of Ohio, Eastern Division, same being numbered 30745, in bankruptcy, in which he asserts that his liabilities are far in excess of his assets; that the action of the defendant in causing or permitting said loan of \$263,000.00 to be made by it bank to the said Harris, as hereinbefore described, was wrongful, and in breach of the trust and duties imposed upon him by reason of his relation to the bank as chairman of its board of directors and one of its principal executive and loaning officers, and constituted a fraud upon the bank; that, by reason of the facts aforesaid, the bank has lost the sum of \$165,056.61 less whatever amount is paid to it out of the estate of said Harris now being administered by the bankruptcy court and which amount is not now known or ascertainable; that the defendant has refused, upon demand, to pay to the bank the amount it has lost by reason of the transactions hereinbefore described; that, by reason of the premises, the defendant should account to the plaintiff for the amount of the loss suffered by

## EXHIBIT U-22-9e

the bank as and when the same is fixed and ascertained.

Wherefore, the plaintiff, I. J. Fulton, as Superintendent of Banks of the State of Ohio, prays the Court to make and enter a judgment and decree fixing and determining the amount of money which the bank has lost by reason of the wrongful acts of the defendant, Joseph R. Nutt, as hereinbefore described; and that, upon the amount of such loss being determined, judgment be rendered by this Court in said amount in favor of the plaintiff and against the defendant herein; and the plaintiff prays for such other and further relief as may be just and equitable in the premises.

\_\_\_\_\_  
*Attorney General of the State of Ohio.*

\_\_\_\_\_  
*Special Counsel for the Attorney General.*

No verification required by the provisions of Section 348 of the General Code of Ohio.

## EXHIBIT U-22-9f

IN THE COURT OF COMMON PLEAS.

No. Equity.

STATE OF OHIO

*Cuyahoga County, ss:*

STATE OF OHIO, ex rel. I. J. FULTON, Superintendent of Banks of the State of Ohio, in charge of the liquidation of The Union Trust Company, Plaintiff, vs. JOSEPH R. NUTT, 2285 Coventry Road, Cleveland Heights, Ohio, Defendant. *Precipe*

To the Clerk:

Please issue summons, directed to the sheriff of Cuyahoga County, Ohio, for the defendant, Joseph R. Nutt, 2285 Coventry Road, Cleveland Heights, Ohio; endorse same, "Action for Accounting and Money Judgment; Equitable Relief Prayed for".

\_\_\_\_\_  
*Attorney General of the State of Ohio.*

\_\_\_\_\_  
*Special Counsel for the Attorney General.*

## EXHIBIT U-22-10

\_\_\_\_\_  
 THE UNION TRUST COMPANY,  
*Cleveland, Ohio, January 11th 1928.*

Mr. J. R. NUTT,  
*The Union Trust Company,  
 Main Office.*

DEAR MR. NUTT: I hereby acknowledge receipt from you of your check for \$10,000, which is to be used in our joint account as discussed in our conversation this morning.

Very truly yours,

J. P. HARRIS.

(Taken from J. R. Nutt's personal files. ———, 2/16/34.)

## EXHIBIT U-22-11

JOSEPH PORTER HARRIS

CLEVELAND

\_\_\_\_\_  
 BLUE HILL, ME., *July 22, 1928.*

DEAR MR. NUTT: Wagley writes me that you are eager to sell some of our securities and has sent me a list of suggestions for my comment or recommendation. Of course, if we are pressed for funds we must sell, but I earnestly hope

that we shall not be called upon to liquidate anything in this market. In my judgment it would be very foolish to do so, for I am sure that this money flurry is only a temporary affair and that inside of 60 or 90 days we shall see cheaper money reflected in substantially better prices for bonds. You, of course, are the Doctor, but my opinion is that we should not sell a thing, even though we have

EXHIBIT U-22-11a

plenty of stuff that shows a profit.

Wagely tells me that he has placed a selling order on \$300,000 Chesapeake's @ 98. I wouldn't do this if it were left to me for it is certain that in a reasonably short time you'll get 99 or better for this block. What does that mean? A 1 point rise on this 5% bond in 90 days means 9% (per annum) on your money and you can't hope to get that in the call market. That's only an example, and I earnestly hope that nothing will be done with our list at least until my return.

I am planning to leave here on the morning of July 31st and shall be at my

EXHIBIT U-22-11b

cesk on Monday, August 6th, if not on Saturday, the 4th. In the meantime I have been in close touch with market conditions and I think my perspective is much better than when I was so close to it.

My vacation has given me a good rest and I feel much improved as a result. All the family are very well and having a good time.

I have written to Mr. Copley and am quite sure that he will come through.

Margaret joins me in warmest greetings and best wishes, as ever.

JOE.

Taken from J. R. Nutt's personal file. MMM, 2/16/34.



EXHIBIT U-12-12

IN RE J. P. HARRIS LOAN

	Did any members of the committee have any knowledge that Mr. Nutt was interested in the collateral?	If the members of the committee had known Mr. Nutt was interested in the loan, would they have made further inquiry as to the nature of that interest before approving the loan, and might the question of their approval or disapproval of the loan have been affected by the fact that Mr. Nutt was interested therein?	The memorandum I have recites the fact that the loan was made on December 22, 1930, in the sum of \$263,000.00 to J. P. Harris "upon the O.K. of Mr. Nutt". I would like to know what effect upon the action of the Finance Committee, in passing on loans of this character, the approval in advance of any officer of the bank such as was Mr. Nutt, generally had.
Otto Miller.....	Mr. Miller feels it was a matter of common knowledge that Mr. Nutt had supplied Mr. Harris with considerable collateral, but he does not remember whether the matter was or was not known to him or other members of the committee at the time the loan was made.	Did not know Mr. Nutt already had collateral at risk prior to making of the loan, and cannot say what the effect on his judgment would have been if he had known, as it would depend upon other collateral facts.	The committee gave weight to the approval of the recommending officer in considering a loan, but was not governed thereby.
Thos. P. Robbins..	Mr. Robbins' memory is that it was known to the committee a substantial part of the collateral was F. E. Myers Common Stock supplied by Mr. Nutt.		Where a loan was recommended by a senior officer, the committee's action was confirmatory, rather than investigational.
F. P. Root.....	Not to his knowledge or memory.	Do not think they would. It would not have been of any interest if the collateral was there.	If any officer recommended a loan and said the collateral was all right, we would be very apt to pass it, although we might inquire as to what the collateral was. Do not remember what was done in this case.
W. M. Baldwin.....	Knew he had supplied some (on letter) F. E. Myers & Bro. Com. Stock.	The loan was passed upon the value of the collateral, not the question of who owned it.	Considered on basis of collateral. Of course, the recommendation of senior officers would carry weight.

J. G. Geddes.....	Mr. Geddes attended the Finance Committee meetings as a member without portfolio, that is, no vote. His memory is that no mention was made at the time that Nutt was interested in the collateral.	It would be purely supposition..	It was not the policy of the committee to examine closely in all cases the details of loans that were recommended by senior officers.
R. S. Crawford.....	That I do not know. Nothing on my records to indicate he had any interest in it.	I would rather not express an opinion.	Loans were usually presented at the officers' meetings in the morning and approved there. When the loan was presented to the Finance Committee with the approval of the officers, very seldom such a loan was declined by the committee. My records of the officers' meetings do not indicate that this was ever submitted to the officers' committee.

## EXHIBIT U-22-13

ANNUAL REPORT OF THE F. E. MYERS & BRO. COMPANY, ASHLAND, OHIO, FOR  
THE YEAR ENDED OCTOBER 31ST, 1933

DECEMBER 15TH, 1933.

*To the Stockholders:*

Your Directors submit herewith a condensed balance sheet showing the financial condition of The F. E. Myers & Bro Company, with a statement of the operating results and an analysis of Income and Surplus Account at the close of the fiscal year, October 31st, 1933.

During the fiscal year, the Board of Directors voted to retire \$500,000 of the Preferred Stock, thus reducing the outstanding Preferred Stock to 10,000 shares which is shown in the accompanying statement

The Company's deposit in the Union Trust Company, Cleveland, amounted to \$93,195.39 at October 31, 1933. The amount that will ultimately be realized on this deposit cannot be determined at this time; however, in order to be conservative, your management has provided a reserve of \$70,000.00 by a charge against operations for the last quarter of the year ended October 31, 1933.

Effect has been given in the annexed balance sheet to an appraisal of the Company's permanent assets by independent appraisers as of February 1, 1933. It has been the policy of your Company to provide for depreciation on a liberal scale each year; however, changes affecting economic and other conditions have made it advisable to revalue the plant assets to conform more nearly with current conditions. The appraisal disclosed that conservative utility values were \$372,443.83 less than book values and the Board of Directors have authorized a charge of that amount to capital surplus

Depreciation has been provided for at the same rates as heretofore, but the reduced valuations have been used as a basis subsequent to February 1, 1933. The provision for depreciation decreased from \$131,994.79 in the preceding year to \$90,944.80 in the current fiscal year as a result of the revaluation of plant assets.

Because of the continuance of the depression during the current year, this has been another difficult year for our industry due to disturbed and uncertain market conditions, curtailment in the volume of business, increased burden of sales and overhead expenses and unsatisfactory operating results.

Problems confronting us have been squarely met and adjustments and plans made to meet existing and probable conditions and requirements so that we may continue to improve and change our line of products in harmony with present day needs and still hold our position of outstanding quality and service.

All of our employees have shown a wonderful spirit of loyalty and co-operation, thus exhibiting an appreciation of the difficulties encountered for which they have earned the grateful recognition of the Board of Directors.

Respectfully submitted.

JOHN C. MYERS, *President.*

BALANCE SHEET THE F. E. MYERS & BRO COMPANY, ASHLAND, OHIO, AS OF  
THE CLOSE OF BUSINESS OCTOBER 31, 1933

ASSETS		
Current:		
Cash on Hand and on Deposit		\$466, 946. 68
U.S. Government Securities (at cost)	\$920, 250. 00	
(Indicated Market Value \$918,562.50)		
Accrued Interest	11, 812. 50	
Notes Receivable--customers	\$38, 778. 66	932, 062. 50
Accounts Receivable--customers	245, 682. 13	
	\$284, 460. 79	
Less: Reserve	47, 578. 60	236, 882. 19
Inventory (Valued at lower of cost or market)		797, 454. 60
		\$2, 433, 345. 97

BALANCE SHEET THE F. E. MYERS & BRO. COMPANY, ASHLAND, OHIO, AS OF  
THE CLOSE OF BUSINESS OCTOBER 31, 1933—Continued

## ASSETS—continued

Other Assets:			
Deposit in liquidating bank	\$93, 195. 39		
Less: Reserve	70, 000. 00		
			\$23, 195. 39
Real Estate not used in operations, Gas Wells, Pipe Lines			5, 609. 56
Miscellaneous Notes & Acc'ts. Receivable, etc.			4, 912. 54
			<u>\$33, 717. 49</u>
Permanent:			
As appraised by West Brothers, Inc. as of Feb- ruary 1, 1933 with subse- quent additions at cost and less allowance for Depreciation to October 31, 1933:			
Land		\$107, 854. 25	
Buildings, Machinery, Equipment, etc.	\$1, 649, 326. 04		
Less: Reserve for De- preciation	531, 037. 14	1, 118, 288. 90	
			1, 226, 143. 15
Deferred:			
Inventory of Supplies and Prepaid Expenses			30, 988. 19
			<u>\$3, 724, 194. 80</u>

## LIABILITIES

Current:			
Accounts Payable for Purchases, Expenses, Unpaid Pay Roll, etc.	\$61, 936. 66		
Accrued Taxes	61, 250. 00		
			\$123, 186. 66
Reserve:			
For Contingencies			15, 000. 00
Nominal:			
Capital Stock:			
Preferred—6% Cumulative:			
Authorized and Issued 10,000 Shares		\$1, 000, 000. 00	
Common—without Par Value:			
Authorized 300,000 Shares			
Issued 200,000 Shares			
Stated Capital	\$200, 000. 00		
Capital Surplus	430, 930. 14		
Profit & Loss Surplus	1, 955, 078. 00	2, 586, 008. 14	3, 586, 008. 14
			<u>\$3, 724, 194. 80</u>

NOTE A.—The Company was reported contingently liable at October 31, 1933 on Foreign Drafts discounted in the amount of \$5,474.26.

NOTE B.—This balance sheet is subject to the comments contained in the annexed "Certificate".

INCOME AND EXPENSE AND SURPLUS ACCOUNTS, THE F. E. MYERS & BRO. COMPANY, ASHLAND, OHIO, FOR THE YEAR ENDED OCTOBER 31, 1933

## INCOME AND EXPENSE

Manufacturing profit after deducting Cost of Sales, including Materials, Labor and Manufacturing Expenses, but exclusive of Depreciation.....		\$933, 370. 60
Administrative, Selling and General Expenses.....		496, 688. 86
Operating Profit before depreciation.....		\$436, 681. 74
Depreciation on Plant and Equipment.....	\$90, 944. 80	
Reserve provided for deposit in liquidating bank.....	70, 000. 00	
Other charges.....	36, 945. 49	
	\$197, 890. 29	
Less: Interest Earned and Other income.....	52, 484. 80	145, 405. 49
Profit Before Providing For Federal Income Taxes.....		\$291, 276. 25
Provision for Federal income Taxes.....		48, 500. 00
Net Profit.....		<u>\$242, 776. 25</u>

NOTE.—Depreciation subsequent to February 1, 1933 is based upon revised plant values as of that date.

## SURPLUS

Capital Surplus:		
Balance October 31, 1932.....	\$803, 373. 97	
Less: Adjustment of value of plant and equipment to independent appraisal by West Brothers, Inc., as of February 1, 1933.....	372, 443. 83	
Balance October 31, 1933.....		\$430, 930. 14
Profit and loss surplus:		
Balance October 31, 1932.....	\$1, 912, 301. 75	
Net Profit for the year ended October 31, 1933.....	242, 776. 25	
	\$2, 155, 078. 00	
Less: Dividends Paid:		
Preferred, 6%..	\$75, 000. 00	
Common, 50 cents per share	100, 000. 00	\$175, 000. 00
Premium on 5,000 shares of Preferred Stock retired.....	25, 000. 00	200, 000. 00
Balance October 31, 1933.....		<u>\$1, 955, 078. 00</u>
Total.....		<u>\$2, 386, 008. 14</u>

DECEMBER 7, 1934.

The F. E. MYERS & BRO. Co.,  
Ashland, Ohio.

GENTLEMEN: We submit the annexed balance sheet of The F. E. Myers & Bro. Co., Ashland, Ohio, as of the close of business October 31, 1933, and statement of income and expense and surplus account for the fiscal year then ended.

Cash funds, U.S. Government securities, and notes receivable were accounted for by us. U.S. Government securities, consisting of first 3½% liberty bonds, are stated at cost which was \$1,687.50 in excess of the indicated market value at October 31, 1933. Accounts receivable were proved as to total by trial balance but we did not verify the accounts by direct correspondence. Based upon our analysis of certain of the accounts and other information obtained, it is our opinion that the reserve provided for doubtful notes and accounts, rebates, etc., is sufficient. Merchandise inventory is valued at the lower of approximate cost

or market value, and was certified to us by officials of the Company as to quantities, salability and prices used. The mathematical accuracy of computations and method of valuation were tested by us, but we made no verification of quantities.

Deposit in liquidating bank was confirmed by the liquidator and a reserve for possible loss in realization has been provided by the management.

Permanent assets are shown as appraised by West Brothers, Inc., as of February 1, 1933, with subsequent additions at cost and less allowance for depreciation to the date of this balance sheet.

Provision has been made for all obligations of the Company at October 31, 1933, disclosed by the records examined and information obtained by us.

Subject to the foregoing, we hereby certify, that we have examined the books of account and record of The F. E. Myers & Bro. Co., Ashland, Ohio, as of the close of business October 31, 1933, and that, in our opinion, based upon the records examined and information obtained by us, the accompanying balance sheet sets forth the financial position of the Company as of the close of business October 31, 1933, and the relative statement of income and expense reflects the results from operations for the year then ended.

Very truly yours,

ERNST & ERNST,  
*Certified Public Accountants.*

OFFICERS AND DIRECTORS, THE F. E. MYERS & BRO. COMPANY, ASHLAND,  
OHIO, OCTOBER 31, 1933

OFFICERS

J. C. Myers, Ashland, Ohio, President; Guy C. Myers, Ashland, Ohio, First Vice President; A. N. Myers, Ashland, Ohio, Second Vice President; G. D. Myers, Ashland, Ohio, Third Vice President; F. B. Kellogg, Ashland, Ohio, Secretary and Treasurer; J. C. Frentz, Ashland, Ohio, Assistant Secretary; M. G. Miller, Ashland, Ohio, Assistant Treasurer.

DIRECTORS

J. C. Myers, Ashland, Ohio; Guy C. Myers, Ashland, Ohio; A. N. Myers, Ashland, Ohio; G. D. Myers, Ashland, Ohio; T. W. Miller, Ashland, Ohio; F. B. Kellogg, Ashland, Ohio; E. A. McDowell, Ashland, Ohio; J. R. Nutt, Cleveland, Ohio. (One vacancy at October 31, 1933.)

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EXHIBIT U-22-14

EXCERPT TAKEN FROM THE STATE BANK EXAMINER'S REPORT DATED JANUARY  
20, 1933

*J. P. Harris, \$284,000.00.*—Maker a former vice president of the bank and is now unemployed. The loan is collateralized by various listed stocks worth \$54,000.00 at the present market prices. Other collateral held is 356 shares of the Georgian Apartment Company. Value undetermined. Payment depends entirely on the collateral held and on the future ability of the borrower to earn. For the purpose of this investigation \$100,000.00 has been classed as a loss and an additional \$120,000.00 has been classed as doubtful.

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EXHIBIT U-22-15

MAY 16th, 1933.

In re: J. R. Nutt and J. P. Harris.

At my request, Mr. Nutt called today.

1. I referred to his letter of April 13th to R. S. Crawford in reply to a reference in the report of the Audit Committee of the Board of Directors, and told him we had investigated the matter, as he requested, and had not found evidence of his guarantee, as he said did not exist.

2. This investigation had disclosed that the loan when made had little if any actual realizable margin;

3. That the making of the loan protected the sale of the collateral by Hornblower and Weeks, including 1,500 shares of the F. E. Meyers & Brother stock in Mr. Nutt's name and said both by Mr. Nutt and Mr. Harris to belong to Mr. Nutt.

4. Accordingly, the loan appeared to have been unwarranted by banking practice, and as one in the making of which he had substantial interest in the protection of his own securities. Therefore, it appeared a proper request, and I was now so making, that he should take up the obligation. This he declined to do.

Mr. Nutt stated definitely today that the pledge on life insurance was given to him by Mr. Harris at the time this loan was made. He did not say who had handled the making of the loan for the bank, but mentioned that Mr. Harris had pressed him to see that it was made. I told Mr. Nutt no more than is specified in Nos 1, 2, and 3, above.

Mr. Nutt said the F. E. Meyers & Brother company is in splendid shape and plans to pay dividends this fall. It should accordingly be tickled up by the loan clerk for inquiry and transfer thirty days ahead of the quarterly dividend dates of June 30th, September 30th, December 31st and March 31st, and the transfer effected if dividends are to be paid.

OSCAR L. COX, *Conservator.*

OLC M

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EXHIBIT U-22-16

SEPTEMBER 12th, 1933.

Mr. J. R. NUTT,  
2512 Terminal Tower, Cleveland, O.

Re: J. P. Harris Loan in the approximate amount of \$284,000.00.

DEAR MR. NUTT: On May 16th the writer expressed to you the opinion that the circumstances surrounding this loan were such that he felt it proper to ask you to pay the item in full, which you declined to do.

In the ordinary course of business we have submitted the matter to our counsel, and are now in receipt of advices of concurrence in the view that you are properly liable for any loss which we may sustain in connection with this obligation.

Accordingly this will constitute confirmation and renewal of our request that you take up the obligation, and advice that if you still continue your declination to do so, we will take such steps as we deem necessary for the adequate protection of the bank.

If you or your counsel feel further negotiations in the matter should be had, we shall be glad to meet your convenience, and will await your advices in that connection at some early day, addressed either to the writer, or to our counsel in this transaction, Mr. Luther Day.

Very truly yours,

OSCAR L. COX,  
*Special Deputy Superintendent of Banks.*

OLC.S

Dictated in Mr. Day's presence and copy sent to Mr. Luther Day before mailing.

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THE UNION TRUST COMPANY—LOANS TO DIRECTORS, WILLIAM G. MATHER—  
M. J. LA PADULA AND T. A. DONALDSON

EXHIBIT U-6-1

COLLATERAL TRUST INDENTURE

Dated for convenience the 7th day of July, 1932, but

*This indenture*, √ (Sgd. W. G. M. 10/4/32) made this 21st day of July, 1932, between WILLIAM G. MATHER, of Bratenahl, Cuyahoga County, Ohio, Party of the First Part, (hereinafter called "First Party"), and THE UNION TRUST COMPANY, an Ohio corporation, of Cleveland, Ohio, (hereinafter sometimes called the "Trustee"), Party of the Second Part;

Whereas, First Party has borrowed money from banks, trust companies and others, and to evidence the indebtedness thereby incurred, has executed his promissory notes to the payees, in the principal amounts, drawing interest at the rates per annum, bearing the dates, having the maturities, and being secured, respectively, as follows:

*Type A indebtedness*

Payee	Principal amount	Interest rate	Date	Maturity
The Union Trust Company-----	\$450,000 350,000	6% quarterly----- 6% quarterly-----	March 9, 1932 March 9, 1932	Demand. Demand.

secured by promissory note of The Cleveland-Cliffs Iron Company in the amount of \$200,000 issued under, and secured by, Trust Agreement dated March 23, 1932, between said Company and The Union Trust Company, and Collateral Trust Indenture of the same date between the same parties; promissory note of The Cleveland-Cliffs Iron Company in the amount of \$2,000 secured by Pledge Agreement dated June 23, 1932; 31,253 Preferred shares of The Cleveland-Cliffs Iron Company and 8,000 Common Shares Voting Trust Certificates of The Cliffs Corporation.

The Cleveland Trust Company-----	\$125,000	6% quarterly in advance.	July 5, 1932	October 3, 1932
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secured by promissory note of The Cleveland-Cliffs Iron Company for \$125,000 issued under, and secured by, Collateral Trust Indenture between said Company and The Union Trust Company, dated March 23, 1932; promissory note of The Cleveland-Cliffs Iron Company in the amount of \$1,250 secured by Pledge Agreement dated June 23, 1932; 2,000 Preferred shares of The Cleveland-Cliffs Iron Company, 2,208 Common shares of The Union Trust Company, and 550 shares of The Guardian Trust Company.

Central United National Bank of Cleveland.	\$250,000	6% quarterly-----	May 29, 1931	Demand
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secured by 10,000 Preferred shares of The Cleveland-Cliffs Iron Company.

The Guardian Trust Company....	\$348,031.39	6% quarterly-----	March 15, 1932	Demand
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secured by 10,000 Preferred shares of The Cleveland-Cliffs Iron Company, 11,219 Common shares Voting Trust Certificates of The Cliffs Corporation, 1,000 shares of Common stock of Lake Superior & Ishpeming Railroad Company, 1,934 Preferred shares of The Kelley Island Lime & Transport Company, 476 shares of Common stock of The Interlake Steamship Company, 390 Common shares of The Great Lakes Towing Company.

Payee	Principal amount	Interest rate	Date	Maturity
Miners National Bank, Ishpeming, Michigan.	\$5,000	5% quarterly-----	August 1, 1931-----	Demand
	7,500	5% quarterly-----	September 1, 1931-----	Demand
	5,000	5% quarterly-----	October 1, 1931-----	Demand
	2,500	5% quarterly-----	October 1, 1931-----	Demand
	10,000	5% quarterly-----	November 1, 1931-----	Demand
	10,000	5% quarterly-----	December 1, 1931-----	Demand
Irving Trust Company, New York.	10,000	5% quarterly-----	January 1, 1932-----	Demand
	9,000	5% quarterly-----	June 4, 1932-----	September 2, 1932
The Cleveland Cliffs Iron Company.	4,250	5% quarterly-----	October 20, 1896-----	Demand

Also joint and several note of First Party and M. C. Rosenfeld to The Guardian Trust Company in the amount of \$100,000, bearing interest at 6% per annum, payable quarterly, dated October 1, 1926, due on demand, secured by 959 shares of Preferred stock of Interstate Foundries, Inc., pledged by First Party and 45 shares of capital stock of The Pioneer Steamship Company and 1010 common shares of The Grabler Manufacturing Company, pledged by M. C. Rosenfeld.



And whereas, First Party is liable either contingently or with others upon obligations represented by notes or instruments in the manner and to the extent stated below:

TYPE B INDEBTEDNESS

Promissory note of Trinity Cathedral to The Guardian Trust Company in the principal amount originally of \$30,000 and now of \$16,576.80, bearing interest at 5½% per annum, payable quarterly, dated January 18, 1925, due on demand, endorsed by First Party and C. F. Brush.

Promissory note of Wisconsin Shale Products Company to The Guardian Trust Company in the principal amount of \$10,000, bearing interest at 6% per annum, payable quarterly, dated April 10, 1931, due April 10, 1932, endorsed by First Party and Ethel S. Gregg and Wells K. Gregg.

Promissory note of T. J. Sullivan to First National Bank, Alger County, Michigan, in the principal amount of \$12,500, bearing interest at 7% per annum, payable quarterly, dated August 9, 1931, due February 9, 1932, payment of which is guaranteed by First Party, and which note is secured by the mortgage of certain timber lands in Alger County, Michigan.

Contract between The Union Trust Company and William G. Mather, et al., dated November 26, 1921, on which there is due the sum of \$22,164.09, and which bears interest from June 1, 1932 at 6% per annum, payable quarterly, for the payment and performance of which First Party and fourteen other individuals are jointly and severally liable.

And whereas, First Party has executed the following secured note for a benevolent purpose, but represents that the same was upon a valid consideration, so that it has become a legal obligation of First Party:

TYPE C INDEBTEDNESS

Payee	Principal amount	Interest rate	Date	Maturity
Trinity College.....	\$60,000	6% quarterly.....	April 4, 1932...	Demand.

secured by 5,000 Preferred shares of The Cleveland-Cliffs Iron Company.

And whereas, First Party has executed notes to colleges and institutions for educational, charitable or benevolent purposes, but represents that the same were upon valid considerations, so that they have become legal obligations, as follows:

TYPE D INDEBTEDNESS

Payee	Principal amount	Interest rate	Date	Maturity
Trinity College.....	\$75,000	6% quarterly.....	June Jan 1, 1925....	July 1, 1948, <sup>1</sup> 1943.
Kenyon College.....	50,000	6% quarterly.....	July 1, 1925.....	July 1, 1945.
	25,000	5% quarterly.....	June 11, 1929.....	June 1, 1932
Diocese of Marquette, Mich.....	21,000	6% quarterly.....	October 1, 1924.....	January 1, 1934.
Musical Arts Association.....	200,000	5% quarterly.....	February 23, 1929.....	March 1, 1933, <sup>1</sup> 1932.
Western Reserve University.....	16,000	6% quarterly.....	October 1, 1926.....	Demand.
Cleveland Museum of Art.....	3,265	6% quarterly.....	July 12, 1922.....	Demand.

<sup>1</sup> (Sgd. W G. M. 9/22/32)

And whereas, First Party has also executed his promissory notes to individuals and corporations in the manner and to the extent listed below:

TYPE E INDEBTEDNESS

Payee	Principal amount	Interest rate	Date	Maturity
Katharine L. Mather.....	\$7,000	6% quarterly.....	March , 1894.....	Demand
	4,000	6% quarterly.....	October 8, 1898.....	Demand.
	15,000	6% quarterly.....	June 6, 1903.....	Demand.
	10,000	6% quarterly.....	July 1, 1909.....	Demand
Marian S. Bower.....	100,000	6% quarterly.....	May 1, 1929.....	May 1, 1949.
The Union Trust Company..	10,000	7% quarterly.....	March 14, 1923.....	March 14, 1943.

And whereas, said William G. Mather is desirous of borrowing during the term of this Collateral Trust Indenture additional sums which shall be secured by, and constitute a first lien upon, all the stocks and securities pledged under this instrument, (including, but subject to the prior pledges thereof, stocks and securities heretofore pledged to secure Type A and Type C Indebtedness), and The Union Trust Company, The Cleveland Trust Company, The Guardian Trust Company and Central United National Bank of Cleveland, all of Cleveland, Ohio, have agreed, subject to the condition that there shall then be no default under this Indenture, to make such new loans to First Party at such times and in such amounts as required by First Party, doing so in the proportion which their respective existing loans hereinbefore set forth and included in Type A Indebtedness respectively bear to the total of their said existing loans, to-wit: The Union Trust Company 49.29%, The Cleveland Trust Company 7.70%, The Guardian Trust Company 27.61%, Central United National Bank of Cleveland 15.40%, such new loans being hereinafter referred to as "New Indebtedness" and being in each year not in excess of the following aggregate amounts:

During the calendar year 1932 \$50,000;  
 During the calendar year 1933 \$85,000;  
 During the calendar year 1934 \$85,000;  
 During the calendar year 1935 \$85,000;

such New Indebtedness to be evidenced by notes of First Party executed to the respective loaning banks at the time of each such new loan, bearing interest at the rate of 6% per annum, payable quarterly, the principal thereof to be payable on or before January 1, 1936, and such notes to be in substantially the following form:

PROMISSORY NOTE

\$----- 19--  
 On or before January 1, 1936, I promise to pay to the order of -----  
 ----- at its office  
 ----- Dollars,  
 for value received, with interest at the rate of six (6) per cent. per annum, payable quarterly on the 1st days of January, April, July, October in each year, unpaid installments of interest to draw interest at the same rate as the principal.  
 -----

Now, therefore, this indenture witnesseth:

That said William G. Mather, Party of the First Part, in consideration of the premises and for the benefit of the holders of the Indebtedness to be incurred and the holders of indebtedness now existing as hereinabove set forth, who shall become parties hereto and entitled to the benefits hereof as hereinafter provided, hereby pledges, assigns, transfers and sets over unto the Trustee, and its successors in trust, and its and their assigns, the following fully-paid and non-assessable shares of stock and the following securities and property:

FREE STOCKS AND SECURITIES

65,756 Preferred shares of The Cleveland-Cliffs Iron Company;  
 81,386 Common shares Voting Trust Certificates of The Cliffs Corporation;  
 151 Common shares The Guardian Trust Company;  
 292 Common shares The Union Trust Company;  
 58 Common shares Union National Bank, Marquette, Michigan;  
 60 Common shares First National Bank, Negaunee, Michigan;  
 25 Common shares Miners National Bank, Ishpeming, Michigan;  
 281 Common shares First National Bank, Alger County, Michigan;  
 55 Common shares Gwinn State Savings Bank;  
 388 Common shares Irving Trust Company;  
 388 Common shares Presque Isle Transportation Company;  
 620 Common shares Lake Superior & Ishpeming Railroad Company;  
 381 Preferred shares The Munising Paper Company;  
 717 Common shares Commercial Investment Trust Corporation;  
 180 Common shares Republic Steel Corporation;  
 300 Preferred shares Republic Steel Corporation;  
 417 Preferred shares Vichok Tool Company;  
 250 ~~Common~~ Preferred (Sgd. W. G. M. 9/30/32) shares The Youngstown Steel Company;  
 80 Common shares White Motor Company;  
 6,000 Common shares The Otis Steel Company;

- 3,219 Preferred shares The Otis Steel Company;  
(65,000 shares thereof represented by Voting Trust Certificates)
- √74,053 Common shares Continental Shares, Inc.; √(Sgd. W. G. M. 9/22/32)
- 442 Common shares Medusa Cement Company;
- 68 Preferred Shares Wheeling Steel Corporation;
- \$4,000 First Mortgage 6% Gold Bonds The Piqua Handle & Mfg. Co., due  
October 1, 1931;
- 5,000 Second Mortgage Series "A" 6% Bonds Troop A Armory Company,  
due September 30, 1943;
- 15,000 First Mortgage Sinking Fund 6% Bonds The Otis Steel Company.

## SPECIAL PROPERTY

All right, title and interest of First Party in, to and under a certain memorandum dated July, 1923, initialed by M. C. Rosenfeld, relative to the obligation of said Rosenfeld to pay 67.112% of the principal and interest of the obligation later represented by the above mentioned note of First Party and M. C. Rosenfeld to The Guardian Trust Company in the amount of \$100,000, dated October 1, 1926, together with all right, title and interest of First Party in and to 500 shares of the capital stock of The Grabler Manufacturing Company, pledged by M. C. Rosenfeld to First Party as security for said obligation of said Rosenfeld.

All rights of exoneration or contribution now or hereafter existing in favor of First Party against any or all other parties to the Type B Indebtedness.

## STOCKS AND SECURITIES SUBJECT TO SENIOR PLEDGE

Promissory note of The Cleveland-Cliffs Iron Company in the amount of \$200,000 issued under, and secured by, Trust Agreement dated March 23, 1932, between said Company and The Union Trust Company, and Collateral Trust Indenture of the same date between the same parties;

Promissory note of The Cleveland-Cliffs Iron Company in the amount of \$2,000, secured by Pledge Agreement dated June 23, 1932;

31,253 Preferred shares of The Cleveland-Cliffs Iron Company;

8,000 Common shares Voting Trust Certificates of The Cliffs Corporation;  
all subject to the prior pledge thereof to The Union Trust Company to secure the Type A Indebtedness of First Party to said Trust Company above listed.

Promissory note of The Cleveland-Cliffs Iron Company for \$125,000 issued under, and secured by, Collateral Trust Indenture between said Company and The Union Trust Company, dated March 23, 1932;

Promissory note of The Cleveland-Cliffs Iron Company in the amount of \$1,250, secured by Pledge Agreement dated June 23, 1932.

2,000 Preferred Shares of The Cleveland-Cliffs Iron Company;

2,208 Common shares of The Union Trust Company;

550 shares of The Guardian Trust Company;

all subject to the prior pledge thereof to The Cleveland Trust Company to secure the Type A Indebtedness of First Party to said Trust Company above listed.

10,000 Preferred shares of The Cleveland-Cliffs Iron Company, subject to the prior pledge thereof to Central United National Bank of Cleveland to secure the Type A Indebtedness of First Party to said bank above listed.

10,000 Preferred shares of The Cleveland-Cliffs Iron Company;

11,219 Common shares Voting Trust Certificates of The Cliffs Corporation;

1,000 shares of Common stock of Lake Superior & Ishpeming Railroad Company;

1,934 Preferred shares of The Kelley Island Lime & Transport Company;

476 shares of Common stock of The Interlake Steamship Company;

390 Common shares of The Great Lakes Towing Company;

all subject to the prior pledge thereof to The Guardian Trust Company to secure the Type A Indebtedness of First Party to said Trust Company above listed.

5,000 Preferred shares of The Cleveland-Cliffs Iron Company, subject to the prior pledge thereof to Trinity College to secure the Type C Indebtedness of First Party to said College above listed.

*To have and to hold* all said shares of stock and securities (subject, however, to any senior pledges thereof hereinabove specified) and also all other property of any kind, including cash, which, by virtue of any of the provisions of this Indenture, shall hereafter become subject hereto, to the Trustee and to its successors in trust and assigns, *but in trust nevertheless*:

*First.* For the equal and proportionate benefit and security of all holders of notes representing New Indebtedness, prior to any benefit or security to holders

of other Indebtedness hereinbefore set forth (without intending by this clause to limit the rights of any holders of Types A and C Indebtedness in the stocks and securities heretofore pledged therefor).

*Second.* For the benefit and security, subject to the limitations hereinafter set forth, of all present and future holders of Types A, B, C, D and E Indebtedness hereinabove listed; provided, however, that the share of the respective holders of Type A, Type B and Type C Indebtedness in such benefit and security shall be only with respect to the deficiency upon such Indebtedness, held by them respectively, after the due application thereon of all the security specifically pledged, mortgaged or held in trust therefor.

*It is agreed* that the Trustee shall have the rights, powers, privileges and immunities, and that the property pledged hereunder is so pledged upon the terms, conditions and covenants, hereinafter set forth:

**SECTION 1.** The holders of all the Indebtedness hereinabove listed who become parties hereto agree, subject to the provisions of this Indenture, to extend the time of payment of the principal of the Indebtedness held by them until January 1, 1936 (in event the same matures prior to that date), and the holders of Type D and Type E Indebtedness becoming parties hereto agree, subject to the provisions of this Indenture, to postpone and defer until January 1, 1936, the payment of interest on the notes held by them respectively.

**SECTION 2.** First Party will duly and punctually pay, or cause to be paid, interest on each of the notes representing New Indebtedness and Type A Indebtedness, at the rates and times thereby provided, and will duly comply with his obligations with respect to interest and taxes under the terms of the Type B Indebtedness, and on or before January 1, 1936, or on any earlier date on which this agreement may be terminated, First Party will duly pay, or cause to be paid, all accrued and unpaid interest on the Types C, D and E Indebtedness.

On or before January 1, 1936 First Party will duly and punctually pay, or cause to be paid, the entire principal amount of the notes then outstanding, representing New Indebtedness, plus any accrued and unpaid interest thereon.

At the time of issuance of each note representing New Indebtedness, First Party will file a copy thereof with the Trustee.

**SECTION 3.** So long as First Party shall not be in default hereunder, he shall be entitled to receive all dividends upon the stocks, and all interest on the securities, pledged hereunder, and to vote such stock.

**SECTION 4.** So long as any of the Indebtedness hereinbefore referred to shall be outstanding, First Party will not, during the term of this Indenture, sell, mortgage or otherwise dispose of his residence property located in Bratenahl on Lake Shore Boulevard, including all real estate owned by him in connection therewith, situated on both sides of said Boulevard, without the written consent of three of the four following officers of banks and trust companies, namely:

The then President of The Union Trust Company,  
 The then President of The Cleveland Trust Company,  
 The then President of The Guardian Trust Company,  
 The then Chairman of the Board of Directors of Central United National Bank of Cleveland,

all of Cleveland, Ohio, and in case of the sale of said property or any part thereof the net proceeds shall be paid to the Trustee and shall be applied first in discharge of unpaid interest on the notes representing all the Indebtedness, except Types C, D and E Indebtedness, and second, to the payment of the principal of the New Indebtedness pro rata, and third to the payment of all other Indebtedness (except Type B Indebtedness) pro rata, including accrued and unpaid interest on Types C, D and E Indebtedness.

**SECTION 5.** First Party will furnish to the Trustee from time to time, upon request, true and correct statements and accounts of his income and expenditures.

**SECTION 6.** In case the holder or holders of any of the notes representing Type A or Type C Indebtedness shall at any time, during the term of this Indenture, desire to sell any of the collateral held under prior pledge for the security of such note or notes, such holder or holders shall, before selling the same, make application to and secure the written consent of at least three of the four above specified officers of banks and trust companies located in Cleveland, Ohio.

In the event such request is refused, such collateral shall not be then sold.

**SECTION 7.** In case First Party shall default in the due observance or performance of any of the covenants or conditions herein undertaken by him, and such default shall continue for thirty (30) days after written notice thereof shall have been given to him by the Trustee, or in case a Receiver shall be appointed for all or a substantial portion of the property of First Party and the order appointing such Receiver shall not be vacated within thirty (30) days after the entry thereof, or

in case First Party shall be adjudicated a bankrupt, or file a petition in voluntary bankruptcy, or make a general assignment for the benefit of creditors, or consent to the appointment of a Receiver of all or a substantial portion of his property, or in case three of the four above-specified officers of banks and trust companies located in Cleveland, Ohio, shall determine that it is imperative for the protection of the holders of Indebtedness that the same become immediately due and payable (which determination shall be communicated to the Trustee and by it to the First Party) and First Party shall fail to pay the entire Indebtedness hereinabove listed or referred to, with all accrued and unpaid interest thereon, within thirty (30) days after receiving notice of such determination from the Trustee (which failure shall be treated as a default hereunder), then the Trustee may in its discretion, and upon request in writing by the holders of thirty-five (35) per cent in principal amount of the Indebtedness hereinabove listed or referred to, shall declare the principal of all said Indebtedness to be forthwith due and payable and upon such declaration the same shall become due and payable immediately.

In event of any default hereinabove referred to, or in event First Party shall not on or prior to January 1, 1936, pay in full the principal amount of all the notes representing New Indebtedness, with all interest thereon, then the Trustee may in its discretion proceed to sell at one time, or from time to time, either as an entirety, or in such parcels as the Trustee may determine, all of the property held by it in pledge hereunder. Any such sale or sales may be made upon ten (10) days' notice in writing from the Trustee to First Party; or any such sale may be made at public auction at such place in the City of Cleveland, Ohio, and at such time and upon such terms, as the Trustee may fix. A notice of any such sale at public auction, containing a brief description of the property to be sold and stating the time and place of sale, shall be published once a week for two (2) successive weeks prior to such sale in a daily newspaper of general circulation published in the City of Cleveland, Ohio, and a copy of said notice shall also be sent by registered mail, postage prepaid, addressed to First Party, 1460 Union Trust Building, Cleveland, Ohio, at least ten (10) days prior to the date of sale. At any such sale, the Trustee and/or any holder or holders of Indebtedness hereby secured may become the purchaser or purchasers, First Party hereby waiving any equity of redemption as to any such purchase. Upon any such sale of the property pledged hereunder, or upon any sale thereof pursuant to a judgment or decree of a court, the entire principal amount of all the notes and instruments representing all the Indebtedness hereinabove listed or referred to, as well as any unpaid interest, shall become and be forthwith due and payable.

Upon any sale of such property, either at public auction or pursuant to a judgment or decree of a court, any purchaser shall be entitled, in making payment of the purchase price, after paying in cash so much of the price as may be necessary to cover the cost and expenses of the sale and of the proceeding incident thereto, as well as the compensation of the Trustee and its expenses, to appropriate and use, toward the payment of the remainder of the purchase price, any of the Indebtedness hereinabove listed or referred to and interest due and unpaid, including unpaid taxes required to be paid by First Party under the terms of any item of Type B Indebtedness, reckoning the Indebtedness and interest (including taxes), so appropriated and used, at such sum as shall be payable thereon out of the net proceeds of the sale.

All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the notes or instruments representing Indebtedness hereinabove listed or referred to or the production thereof on any trial or other proceeding relative thereto, it being agreed that the records of the Trustee as to the amount of such Indebtedness shall be accepted in lieu of such production.

All rights to, and provisions for, an appraisal of the property to be sold are hereby waived by First Party.

All monies collected by the Trustee for the benefit of the holders of Indebtedness shall be applied in the order following:

1st. To the payment of the costs and expenses, including reasonable compensation to the Trustee, its agents, attorneys and counsel.

2nd. To the payment of the whole amount then owing and unpaid upon the notes representing New Indebtedness for principal and interest, without preference or priority of principal or interest, either over the other, ratably to the aggregate of such principal and interest.

3rd. To the payment of the whole amount then owing and unpaid upon the notes and instruments representing all other Indebtedness hereinbefore listed, for principal and interest (including taxes required to be paid by First Party under the terms of any item of Type B Indebtedness), without preference or priority of principal or interest (including such taxes), either over the other, ratably to

the aggregate of such principal and interest (including taxes); provided, however, that as to the respective items of Types A, B and C Indebtedness, the foregoing provisions of this sub-section shall apply only to the unpaid deficiency of principal and interest thereof (if any) remaining after the due application thereon of all security specifically pledged, mortgaged or held in trust for such respective items.

4th. To the payment of the surplus, if any, to the First Party, his legal representatives or assigns.

The holders of not less than seventy-five (75) per cent. in principal amount of the Indebtedness hereinabove listed or referred to, upon first furnishing to the Trustee, to its reasonable satisfaction, if so requested by it, security and indemnity to the Trustee against all costs, expenses and liabilities that may be incurred therein or thereby, shall have the right from time to time, by instrument in writing delivered to the Trustee, to determine the remedy to be adopted by the Trustee and to direct the method and place of conducting all proceedings to be taken under the provisions of this Indenture for the enforcement thereof or of the Indebtedness.

In order to promote and to protect the rights of every holder of Indebtedness hereinabove listed or referred to, and to avoid multiplicity of suits, it is expressly covenanted and agreed that no holder of any such Indebtedness shall have any right to institute any action at law or in equity for the enforcement of the security pledged as a first pledge under this Indenture, or of the interest pledged hereunder in and to security which is subject to prior pledge, unless and until the Trustee shall refuse and neglect to institute proper proceedings within a reasonable time after the request of the holders of thirty-five (35) per cent. in principal amount of the Indebtedness hereinabove listed or referred to, with offer of indemnity to the reasonable satisfaction of the Trustee against all costs, expenses and liabilities that may be incurred therein or thereby.

SECTION 8. In event First Party shall, on or before January 1, 1936, pay in full the principal amount of all outstanding notes, representing New Indebtedness, together with any and all unpaid interest thereon, and pay in full all unpaid interest on the Types A, C, D and E Indebtedness and comply with all his unfulfilled obligations (if any) with respect to interest or taxes under the Type B Indebtedness, then this indenture shall become void, and the lien hereof upon the stocks and securities pledged hereunder shall cease and determine; otherwise, this Indenture shall remain in full force and effect. In event of the termination of this Indenture as hereinabove provided, all the terms and provisions of the notes and instruments, representing outstanding Indebtedness hereinbefore listed, and specific pledges of security therefor, made other than by this Indenture, shall be and continue in full force and operation.

SECTION 9. The proper expenses of the Trustee, including its compensation, shall be paid by First Party as they are incurred.

All representations herein are made by the First Party and not by the Trustee.

The Trustee shall be under no obligation to do or refrain from doing any act pursuant to the request or demand of any person or persons, firm or corporation, holding Indebtedness hereinabove listed or referred to, until such person or persons, firm or corporation, shall have indemnified the Trustee, to its satisfaction, against any and all costs, expenses and outlays, counsel fees and other proper disbursements, and any other liability growing out of the compliance by the Trustee with such request or demand.

The Trustee shall be liable only for gross negligence or wilful or intentional default in the execution of any duty or trust under this Indenture.

The Trustee may advise with counsel to be selected and employed by it at the expense of First Party, and shall be fully protected in respect of any action under this Indenture, taken or suffered in good faith by the Trustee in accordance with the opinion of counsel.

In case at any time the Trustee, or any successor Trustee, shall resign or for any cause a vacancy shall occur in the office of Trustee, a successor Trustee or Trustees may be appointed by the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured hereby, by an instrument or concurrent instruments in writing signed by such holders or by their attorneys in fact thereunto duly authorized; but until a new Trustee shall be appointed by the holders of Indebtedness as herein authorized, First Party, by written instrument, may appoint a Trustee to fill such vacancy. First Party shall give notice of any such appointment by him made to the holders of the Indebtedness, but any trustee so appointed by First Party shall immediately and without further act be superseded by a new trustee appointed by the holders of the Indebtedness.

SECTION 10. The Trustee may treat the indicated holder of each item of the Indebtedness hereinbefore described as the owner and holder thereof, and the

amount hereinbefore indicated as due thereon as the amount due thereon, for all purposes under this Indenture, until there shall have been filed with the Trustee evidence to its reasonable satisfaction as to any change in interest therein or ownership thereof, and as to the name and address of such successor in interest or ownership and as to any change in the amount due thereon.

To be entitled to the benefits hereof any successor in interest in, or ownership of, any of the Indebtedness hereinabove listed or referred to shall forthwith on receipt of any note or instrument representing the same, or on acquisition of an interest in any such Indebtedness, file with the Trustee evidence to its reasonable satisfaction of such receipt, acquisition or interest. The Trustee may treat any note or instrument corresponding to the description thereof, hereinbefore contained, or filed with the Trustee as hereinabove provided, as one of the notes or instruments representing Indebtedness secured hereby, and the amount appearing thereby to be due thereon as the actual amount due thereon, and may treat the endorsee, or if it shall be endorsed in blank, the bearer, of any such note as the owner thereof, for all purposes of this Indenture, any notice to the contrary notwithstanding.

SECTION 11. While First Party shall not be in default hereunder, the Trustee may from time to time release from the lien of this Indenture any of the property pledged hereunder, provided First Party shall simultaneously pledge and deposit hereunder, in lieu thereof, other property which, in the judgment of the Trustee (based upon the certificate of a competent and disinterested person, firm or corporation, selected by the Trustee and paid by First Party) has a value at least as great as the value of the property so released. Any cash so deposited shall be distributed by the Trustee in accordance with the provisions hereinabove set forth relative to the distribution of any proceeds of any sale of First Party's real property in Bratenahl, Ohio.

SECTION 12. This Indenture may be amended by the concurrence of First Party, the Trustee and the holders of eighty (80) per cent. in principal amount of the Indebtedness hereinabove listed or referred to.

SECTION 13. Wherever in this Indenture reference is made to consent, request or similar action by the holders of a stated percentage in principal amount of the Indebtedness hereinabove listed or referred to, the same shall refer to and mean the principal amount of the Indebtedness hereinabove listed or referred to, the holders of which or their predecessors in interest shall have become parties hereto in the manner hereinafter provided, exclusive of the Type B Indebtedness.

SECTION 14. The holders of the Types A and B Indebtedness may become parties hereto by endorsing hereon their consent to the provisions hereof, or by executing and filing with the Trustee a separate instrument consenting to the provisions hereof. The holders of Types C, D and E Indebtedness may become parties hereto by forwarding the notes or instruments held by them respectively, evidencing Indebtedness intended to be secured hereby, to the Trustee for the indorsement thereon of the following:

"This note (or instrument) is entitled to the benefits, and is subject to the terms and conditions, of a certain Collateral Trust Indenture, dated July 7, 1932, executed by Wm. G. Mather to The Union Trust Company, of Cleveland, Ohio."

Notes and instruments so forwarded shall be promptly endorsed and returned by the Trustee.

No holder of Indebtedness hereinabove listed or referred to who shall fail to become a party hereto in the manner hereinabove provided shall be entitled to any benefit or security under this Indenture.

*In witness whereof*, First Party has signed this Indenture and The Union Trust Company has caused this Indenture to be executed in its corporate name and acknowledged by its President or one of its Vice Presidents, and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, all on the day and year first above written.

(Sgd.) WM. G. MATHER,

Signed, sealed and delivered by William G. Mather in the presence of:

(Sgd.) CHAS. G. HEER,  
(Sgd.) D. R. FORREST,

THE UNION TRUST COMPANY,  
By GROVER H. HULL, (Sgd.)

*Vice President.*

Signed, sealed and delivered by The Union Trust Company in the presence of:

R. W. PRITCHARD,  
EDNA GENTRY.

L. C. GILGER, (Sgd.)

Attest:  
[SEAL]

*Assistant Secretary.*

STATE OF OHIO }  
 CUYAHOGA COUNTY }<sup>ss.</sup>

Before me, a Notary Public in and for said County and State, personally appeared the above named William G. Mather, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

*In testimony whereof*, I have hereunto set my hand and official seal at Cleveland, Ohio, this 21st day of July, 1932.

(Sgd.) D. R. FORREST,  
 Notary Public. [SEAL]  
 D. R. FORREST

STATE OF OHIO }  
 CUYAHOGA COUNTY }<sup>ss.</sup>

Before me, a Notary Public in and for said County and State, personally appeared the above named Grover H. Hull, Vice President, and L. C. Gilger, Assistant Secretary of The Union Trust Company, a corporation, who acknowledged that as such officers, duly authorized in the premises, they did sign and affix the corporate seal of said corporation to the foregoing instrument for and on behalf of said corporation by the authority of its Board of Directors; that the same is the free act and deed of such officers and the free corporate act and deed of said The Union Trust Company.

*In testimony whereof*, I have hereunto set my hand and official seal at Cleveland, Ohio, this 30th day of September, 1932.

R. W. PRITCHARD, Notary Public. [SEAL]

The undersigned assent to and accept the recitals and provisions of the foregoing Collateral Trust Indenture.

Dated ~~July~~ September 30, 1932.

The Union Trust Company, by W. M. Baldwin (Sgd.), Vice President; The Cleveland Trust Company, by E. B. Greene (Sgd.), Chairman Exec. Com.; Central United National Bank of Cleveland, by H. Schlundt (Sgd.), Vice President; The Guardian Trust Company, by H. P. McIntosh, Jr. (Sgd.), Vice President; Miners National Bank, by C. H. Moss (Sgd), Cashier; Irving Trust Company, by Nolan Harrigan (Sgd), Asst. Vice President; The Cleveland Cliffs Iron Company, by S. L. Mather (Sgd.), Vice President; First National Bank of Alger County, Michigan, by O. E. Brown (Sgt.), Cashier.

(Exhibits U-6-2 through U-6-3a face this page)



16-10-1

ADDRESS: **Mathew, Wm. G.**  
**Union Trust Bldg.**

NO. **U-6-2**

(ACTUAL DAYS)

INTEREST				PRINCIPAL					
DATE	DEBIT	CREDIT	BALANCE	DATE PAID	DATE	DATE	DEBIT	CREDIT	BALANCE
			306667	4-1-32	4-1-32	6	450000		450000
			1213333						
122667	1860		122667						
24400			245000	10-1-32	10-1-32	10-1-32	60000		185000
			122667	1-1-33	1-1-33	1-1-33	60000		122667
			8750	APR 1 1933	1-2-32	1-2-32	10000		10000
			629874	10-1-33	10-1-33	10-1-33	60000		569874
			159130	Cash	OCT 27 1933	OCT 27 1933	60000		159130
			510744	10-1-33	10-1-33	10-1-33	60000		450744
			669874	1-1-34	1-1-34	1-1-34	60000		390874

*for each, Wm. G. Mathew - 524-28 (in file)*

*Settled and paid out 10-1-33*

*6/15 self*

*13124 214367 75191*  
*1547564 252763*  
*523-2843029535*

U-6-2

EXHIBIT U-6-2

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
X	31,253 shs	The Cleveland Cliffs Iron Co. Pfd. #P277 at 53 shs #P272 at 100 shs #P332 at 100 shs #P1649 at 1000 shs #P1626 at 5000 shs #P1614/5 at 10,000 shs ea #P1642/44 at 1,000 shs ea #P1650/1 at 1,000 shs ea	Class 24	720072
X	9000 shs	The Cliffs Corpn Con. Voting Trust Ctr. VTC706/3 at 1,000 shs ea VTC691 at 5000 shs	Class 9	72
7/1/33	X 200,000.00	Note The Cleveland Cliffs Iron Company, dated 2/20/32 due June 23, 1932 1-23-1935	8/23/32 6/23/32	822072
9/14/32	X 4000	Note of The Cleveland-Cliffs Iron Co. dated 6/23/32 Due 9/23/32	1-23-1922	1-13 6
1/23/33	X 200,000.00	Note The Cleveland Cliffs Iron Co., dated 1/23/33 due 6/23/33, secured by an Extension Indenture dated 1/23/33 - from order	1/23/33 4.24.33	

RECEIVED

Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.

EXHIBIT U-6-2a

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
11/6/1933 11/13/33	200,000.00	Note of The Cleveland Cliffs Iron Company <i>TYPE A</i> Dated 10-23-33, Due 1-23-34, Secured by: Extension Agreement.			
11/6/1933 11/13/33	3,033.33	Note (Interest Note) of the Cleveland Cliffs Iron Co., Dated 10-23-33, Due 1-23-34.			
11/6/1933 11/13/33	847.50	Note (Commission Note) of the Cleveland Cliffs Iron Co., Dated 10-23-33, Due 1-23-34.			
11/6/1933 11/13/33	500.00	Note (July 1933 Commission Note) of the Cleveland Cliffs Iron Co., Dated 10-23-33, Due 1-23-34			
DEC 8 - 1933 11/6/1933	14.26	Note (Interest Note on Commission Note) of the Cleveland Cliffs Iron Co., Dated 10-23-33, Due 1-23-34			
DEC 5 - 1933	10/15/3 - disc 3134 <sup>26</sup>	see interest on note			
DEC 8 - 1933	Interest 14 <sup>11</sup> 67 3005 <sup>53</sup>	payment 14 <sup>25</sup> note has not appeared 60 3033 <sup>33</sup> 60 Am 27 <sup>50</sup> etc.			
RECEIVED					
JAN 29 1934		Interest 14 <sup>11</sup> 134 <sup>26</sup> in payment of 27 <sup>50</sup> 500 Commission Note due 1/23/34			
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.					
DATE _____					

EXHIBIT U-3-2b

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
4/24/33	1000.00	<i>Nothing see credit report file other loans</i> Note The Cleveland Cliffs Iron Co. dated 1/23/33 due 4/24/33, secured by Extension Pledge Agreement dated 1/23/33 Amended 4/20/33			
4/24/33	24,000.00	Note The Cleveland Cliffs Iron Co., dated 1/23/33 due 4/24/33 secured by Extension Pledge Agreement dated 1/23/33 Amended 4/20/33			
APR 23 1933 12/16/31	\$200,000.00	Note The Cleveland Cliffs Iron Co. dated 7/28/33 due 1/23/33 secured by Extension Agreement dated 1/23/33 amended by agreement dated 4/20/33			
APR 23 1933 12/16/31	\$3,033.33	Note do do (payment of discount)			
APR 23 1933 12/16/31	\$5,800.00	Notes The Cleveland Cliffs Iron Co. dated 7/28/33 due 1/23/33 secured by Extension Pledge Agreement dated 1/23/33 amended by agreement dated 4/20/33 \$1,000 & \$4800.00 - \$500.00 additional commission notes			
APR 23 1933 12/16/31	\$75.84	Notes do do (payment of discount) 1 at \$15.17-1 & \$60.67			
APR 23 1933 12/16/31	\$7.17	Cash held by R. T. C. as suspense collateral RECEIVED discount notes \$3,033.33 & \$75.84			
5/10/33	47.1	C. Palmer Jm 3033.33 46.2 1 60.00 42.			
12/13/33	7/24/33	3100 <sup>00</sup> disc on note. used as interest on loan			
THIS COLLATERAL SECURES LOANS AGGREGATING \$ _____					
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.					
DATE _____					

EXHIBIT U-6-2c





EXHIBIT U-6-4

WM. G. MATHER

Statement of estimated receipts & disbursements to December 31, 1932, and for 1933-4-5

	June 1 to Dec 31, 1932	1933	1934	1935
Cash on Hand <sup>1</sup> .....	\$24,397.07			
Estimated Receipts:				
Salary:				
Cleveland-Cliffs Iron Co.....	11,666 00	\$20,000 00	\$20,000 00	\$20,000.00
Corrigan, McKinney Steel Co.....	8,750 00	15,000 00	15,000 00	15,000.00
Lake Superior & Ishpeming R.R.....	1,500 00	1,500 00	1,500 00	1,500.00
Interest:				
C. C. I. Co. on Loans (\$325,000).....	12,750 00	19,500 00	19,500 00	19,500.00
Dividends:				
Kelley Island Lime & Trans. Co.....	967 00	1,934 00	1,934 00	1,934.00
Guardian Trust Co.....	1,402 00	2,804 00	2,804 00	2,804.00
Union Trust Co.....	1,250 00	2,500 00	2,500 00	2,500.00
Irving Trust Co.....	310 40	620 80	620 80	620.80
First Natl Bank, Negaunee.....	360 00	720 00	720 00	720.00
Gwinn State Savings Bank.....	240 00	480 00	480 00	480.00
Commercial Investment Trust.....	717 00	1,434 00	1,434 00	1,434.00
Interlake Steamship Co.....	238 00	476 00	476 00	476.00
Ohio Steel Co. Bonds.....	450 00	900 00	900 00	900.00
Total receipts.....	64,997 47	67,868 80	67,888 80	67,868 80
Disbursements:				
Interest on Banks.....	72,487 19	102,221 23	102,221 28	102,221 28
Automobile Expense.....	1,856 00	3,391 00	3,391 00	3,391.00
House Expense.....	9,117.00	16,025 00	16,025 00	16,025 00
Club Expense.....	1,219 00	2,102 00	2,102 00	2,102 00
Personal Expense.....	1,500 00	3,000 00	3,000 00	3,000 00
Matheriana Expense.....	700 00			
Taxes—Real Estate.....	2,460 94	5,000 00	5,000 00	5,000 00
"  Ohio Intangibles.....	9,965 69	7,500 00	7,500 00	7,500 00
"  Miscellaneous.....	175 00	300 00	300 00	300.00
Pew Rent.....	146 00	292 00	292 00	292 00
Books & Magazines.....	100 00	180 00	180 00	180 00
Cliffs Cottage Expense.....	245 00	420 00	420 00	420 00
Virginia Bramhall.....	350 00	600 00	600 00	600 00
Mary F. Bolles.....	750 00	1,000 00	1,000 00	1,000 00
Insurance.....	1,815 00	65 00	65 00	65 00
Clothing.....	200 00	250 00	250 00	250 00
Expense a/c Timber Lands.....	150 00	150 00	150 00	150.00
Donations.....	375 00	600 00	600 00	600 00
Total disbursements.....	103,609.82	143,090 28	143,090 28	143,090 28
Total short.....	38,612 35	75,221 48	75,221 48	75,221.48
Add: For Miscellaneous & Possible Contingencies.....	11,387.65	10,000 00	10,000 00	10,000 00
	\$50,000.00	85,221 48	85,221 48	85,221.48

<sup>1</sup> Cash on Hand as of June 1, 1932, is as follows.

Guardian Trust Co.....	7,301 26
Union Trust Co.....	6,236 81
Irving Trust Co.....	578 52
First National Bank of Alger County.....	3,285 20
Gwinn State Savings Bank.....	6,995 28
Total as Above.....	24,397 07

EXHIBIT U-6-4a

Wm. G. Mather

Statement showing notes payable as of June 13, 1932, detailing interest rates and net amount per annum payable by Mr. Mather; also detail of collateral given with same

Date given	To	Due date	Principal as of June 15, 1932	Interest per annum		Collateral
				Rate	Amount	
March 9, 1932	Notes to banks:					
	Union Trust Co.	Demand				\$600 Chliss Corp Common \$1253 Sh. C.C.I. Co Pfd. Cleveland-Chliss Iron Co. Note \$200,000 00 \$50 Sh. Guardian Trust Co. 2208 Sh. Union Trust Co. 2000 Sh. Cleve C Iron Pfd. Cleveland-Chliss Iron Co. Note \$125,000 00
	a/c Loans to C.C.I. Co.		200,000 00	6% 6% 6% 6%	27,000 00 21,000 00	
	Continental Shares Stock		200,000 00			
	a/c Interstate Fdries		174,000 00			
a/c Personal Loans		226,000 00				
		350,000 00				
April 6, 1932	Cleveland Trust Co.	July 5, 1932			6%	7,500 00
	a/c Loan to C.C.I. Co.		125,000 00			
May 29, 1931	Central United Nat. Bank	Demand				
	a/c Continental Sh. Stock		125,000 00			
	a/c Personal Loans		25,000 00			
March 15, 1932	Guardian Trust Co.		250,000 00	6%	15,000 00	10000 Sh. Cleve Iron Pfd 1934 Sh. Kelley Is L. Tr Pfd. 10000 Sh. Cleve. C Iron Co Pfd. 11219 Sh. Chliss Cor. Note 1000 Sh. Lake Sup & Ish R.R. 390 Sh. Gt. Lakes Towing Co. Com. 476 Sh. Interlake S.S. Co.
	a/c Interstate Fdries	Demand	323,031.39			
	a/c Personal Loans	Demand	25,000 00			
			348,031.39	6%	20,881.88	
Oct. 1, 1926	Guardian Trust Co.	Demand	\$ 100,000.00	6%	6,000 00	8203 Sh. Interstate Fdry P'l.
Aug. 1, 1931 to June 1, 1932	a/c Interstate Fdries	Demand	150,000.00	5%	2,500 00	None
June 4, 1932	Miners Natl. Bank	Demand				
	Irving Trust Company	Demand	9,000 00	5%	450 00	None
			1,682,031.39		100,331.88	
Nov. 26, 1921	Contingent liabilities:					
	Union Trust Co. Bratenahl Land Contract		22,164.09			Mr. Mather jointly & severally liable with 14 other guarantors. The individual guarantee being one fourteenth
Jan. 18, 1925	Guardian Trust Company	Demand	16,576.00			None endorsed by Wm. G. Mather and C. F. Brush.
	a/c Trinity Cath. Dean's R--					

INTEREST OR DISCOUNT				INT.		PRINCIPAL				
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	GATE	DEBIT	CREDIT	BALANCE
			17456 4-1-33				6 1-1-33	12322.50		72322.50
			19639 36165 7-1-32							
			18893 10-1-33		OCT 27 1933					
			18893 1-1-34		JAN 12 1934					

MEMO.

NAME: Mather, William G. ADDRESS: F.C. No. 1: 10133 DUE: 1-1-36  
 No. 2: DUE No. 3: JUF No. 4: PJE No. 5: DUE

Form No. 288, SM, 3-32

(Claim for cash - acct. Wm. G. Mather, Sr. bal 5734.88 on file.)

EXHIBIT U-6-5

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		<p><i>Manning all credit file other items</i></p> <p>Collateral Trst Indenture Dated 7/21/32 between William G. Mather and The Union Trust Co., as Trustee</p> <p>Notify Corporate Trust Dept.</p> <p>Copy of Indenture in Vault.</p> <p>Promissory Note</p> <p>\$ _____ 19 _____</p> <p>On or before January 1, 1936, I promise to pay to the order of _____ at its office</p> <p>for value received, with interest at the rate of 6% per annum, payable quarterly on the 1st days of January, April, July and October in each year, unpaid installments of interest to draw interest at the same rate as the principal.</p> <p>RECEIVED</p> <p><i>Total Debt Note 56067.39</i></p>		U-6-5a

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE

EXHIBIT U-6-5a



NAME: Mather, William G. *R.P.C.* No. 1 14918 DUE 1-1-36  
 ADDRESS: No. 2 DUE  
 No. 3 DUE  
 No. 4 DUE  
 No. 5 DUE

MEMO: *Payment of int on above Note to be credited to Det. expense to R.P.C. where paid 100% in bank*

DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	PRINCIPAL	CREDIT	BALANCE
			16060	1-1-34	JAN 1 - 1934	6	10-1-33	10474.11			10474.11

Form No. 0 23 5M 3-32

EXHIBIT U-6-6

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		Collateral Trust Indenture Dated 7/21/32 between William G. Mather and The Union Trust Co., as Trustees.  <u>Notify Corporate Trust Dept.</u>  Copy of Indenture in vault.  Promissory Note  \$ _____ 19____  On or before January 1, 1936, I promise to pay to the order of _____ at its office _____  for value received, with interest at the rate of 6% per annum, payable quarterly on the first days of January, April, July and October in each year, unpaid installments of interest to draw interest at the same rate as the principal.  RECEIVED _____		266

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE \_\_\_\_\_

EXHIBIT U-6-6a



NAME: Mather, William G. No. 1 14915 DUE 1-1-36

ADDRESS: No. 2 DUE  
No. 3 DUE  
No. 4 DUE  
No. 5 DUE

MEMO: Payment of first two semi notes to be quarterly to be deposited to RFB when paid - 11/15 on vault

INTEREST OR DISCOUNT		INTEREST TO		DATE PAID		RATE		DATE		DEBIT		CREDIT		BALANCE	
DATE	DISCOUNT	INT.	REBATE	INT.	RECEI.	DATE	RATE	DATE	RATE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
		20	18619	7-1-34	24	2000	6	4-18-33	12322.50						
		21	8803	10-1-33	GGT	87									
		0	18898	1-1-34											

(Claim for effect - acct - Wm G Mather, Esq. - see 15438 28 and file)

Form No. 085M 3-37

EXHIBIT U-6-7

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	BASIS	AMOUNT
		<p><i>Warning see credit file other loans</i></p> <p>Collateral Trust Indenture Dated 7/21/32 between William G. Mather and The Union Trust Co., as Trustee</p> <p>Notify Corporate Trust Dept.</p> <p>Copy of Indenture in Vault.</p> <p>Promissory Note</p> <p>\$ _____ 19 _____</p> <p>On or before January 1, 1936, I promise to pay to the order of _____ at its office</p> <p>for value received, with interest at the rate of 6% per annum, payable quarterly on the 1st days of January, April, July and October in each year, unpaid installments of interest to draw interest at the same rate as the principal</p> <p>RECEIVED</p> <p><i>Interest rate 56067<sup>32</sup></i></p>			

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE

EXHIBIT U-6-7a

NAME: Mather, William G. R.F.C. TIME LOAN: 14914 DUE 1-1-36

ADDRESS: No. 6 DUE No. 9 DUE No. 2 DUE  
 No. 7 DUE No. 10 DUE No. 3 DUE  
 No. 8 DUE No. 11 DUE No. 4 DUE  
 No. 5 DUE

MEMO: *Account paid on loan note to be credited to balance of R.F.C. when paid 1/15/32 on bank*

DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE	
								10392	10-1-33	677739	677739
								10392	1-1-34		

(Check for offset acct - W.G. Mather, - bal. - 5222/32 file)

Form No. 9 3M 3-32

EXHIBIT U-6-8

DATE: \_\_\_\_\_ PAR OR SHARE: \_\_\_\_\_ DESCRIPTION OF COLLATERAL: *Warning see credit file other loans*

Collateral Trust Indenture Dated 7/21/32 between William G. Mather and The Union Trust Co., as Trustee

Notify Corporate Trust Dept.  
 Copy of Indenture in Vault.  
 Promissory Note

\$ \_\_\_\_\_ 19 \_\_\_\_\_

On or before January 1, 1936, I promise to pay to the order of \_\_\_\_\_ at its office

for value received, with interest at the rate of 6% per annum, payable quarterly on the 1st days of January, April, July, and October in each year, unpaid installments of interest to draw interest at the same rate as the principal.

RECEIVED \_\_\_\_\_

*Settled with Mather 5/16/37*

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE: \_\_\_\_\_

EXHIBIT U-6-8a

NAME: **MATHER, Wm. G.** **R.F.C.** TIME LOAN No. 1 **14938** DUE **1-1-36**

ADDRESS: **MATHER, Wm. G.** No. 2 DUE  
No. 3 DUE  
No. 4 DUE  
No. 5 DUE

No. 6 DUE No. 9 DUE  
No. 7 DUE No. 10 DUE  
No. 8 DUE No. 11 DUE

MEMO: *Payment question. New note to be executed to get balance of R.F.C. when paid - see L. Journal*

DATE	DISCOUNT	INTEREST OR DISCOUNT		INTEREST TO	DATE PAID	INT. RATE	DATE	PRINCIPAL		BALANCE
		INT. RECEIVABLE	INT. PAYABLE					DEBIT	CREDIT	
							6	1-1-36	281170	281170

Form No. 9 89 1058 2-30

EXHIBIT U-6-9

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET	RAIS	AMOUNT
		Collateral Trust Indenture dated 7/21/32 between William G. Mather and The Union Trust Co., as Trustee  Notify Corporate Trust Dept. Copy of indenture in Vault  Promissory Note  _____ 19_____  On, or before January 1, 1936, I promise to pay to the order of _____ at its office _____ for value received, with interest at the rate of 6% per annum, payable quarterly on the first days of January, April, July, October in each year, unpaid installments of interest to draw interest at the same rate as the principal.			
		RECEIVED			

Received from THE UNION TRUST COMPANY-CLEVELAND OHIO, Collateral securities and all other papers in connection with above described loan.

DATE: \_\_\_\_\_

EXHIBIT U-6-9a

NAME *W. M. B.* **R.F.C.** TIME LOAN

ADDRESS **Mather, William G.** No. 1 **6517** DUE **1-1-36**

No. 2 DUE **1-1-36**

No. 3 DUE **06-10**

No. 4 DUE

No. 5 DUE

MEMO:

INTEREST OR DISCOUNT				INT.		PRINCIPAL				
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			<i>382.</i>	<i>1-1-33</i>	<i>1-1-33</i>		<i>6 SEP 30 1932</i>	<i>26645</i>	<i>26645</i>	
			<i>36768</i>	<i>1-1-33</i>						
			<i>37378</i>	<i>1-1-33</i>			<i>OCT 27 1933</i>			
			<i>37789</i>	<i>1-1-33</i>						
			<i>37789</i>	<i>1-1-34</i>			<i>JAN 12 1934</i>			

*(Claim for effect - each. Name & Mather, & bal - 57324.48 on file)*

Proprietor or Guarantor and Treasurer  
 James A. Mack, 113 Fulton Street, St. Louis

Form No. 108 5M 3-32

EXHIBIT U-6-10

DATE	PAR OF SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		<i>Warning see interest side attachments</i>		
		Collateral Trust Indenture and $\frac{7}{8}$ between William G. Mather and The Union Trust Company, as Trustee		
		<i>(Notify Corporate Trust Dept.)</i>		<i>U-6-10a</i>
		<i>Copy Indenture in Trust</i>		
		Promissory Note		
		\$ _____ 19 _____		
		On or before January 1, 1936, I Promise to pay to the order of _____ at its office		
		for value received, with interest at the rate of 6% per annum, payable quarterly on the 1st days of January, April, July, October in each year, unpaid installments of interest to draw interest at the same rate as the principal.		
		RECEIVED		
		<i>Note 103322 taken 4/10/34 on bank and in Tr. acct</i>		
		<i>Ret'd for notes 5606731</i>		

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE \_\_\_\_\_

EXHIBIT U-6-10a

NAME		TIME LOAN	
ADDRESS		DUE	
Mather, Wm.		5-23-22	
Union Trust Bldg		1-23-23	
55006		5-23-23	
60576		5-23-23	

INTEREST OR DISCOUNT				PRINCIPAL		BALANCE		
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	DATE PAID	RATE	DATE	DEBIT	CREDIT
				MAY 23 1922		6 Jan 23 1922	95000.00 deb	95000.00
194750							95000.00	95000.00
193164				JAN 23 1923		6 Jan 23 23	95000.00 deb	95000.00
1900.							95000.00	95000.00
196333				9-24-23		6 MAY 23 1925	95000.00 deb	95000.00
19316				JAN 24 1924		6 JAN 24 1924	95000.00 deb	95000.00
191583				5-24-24		6 SEP 24 1924	95000.00 deb	95000.00
193111				SEP 24 1924		6 JAN 24 1924	95000.00 deb	95000.00
				1/9/24		6 SEP 23 1924	95000.00 deb	95000.00
							95000.00	95000.00

To Credit

EXHIBIT U-6-11

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	BAL	MARKET	RATE	AMOUNT
X 1911	\$120000	The Interstate Foundry Co. 1st. 7 1/8 1930 X 781/900 - 1st ca	80			95000
		Not payable from July 1				
						U-6-11a

RECEIVED

To Credit

EXHIBIT U-6-11a







NAME: *W. B.* #4 3759 TIME LOAN 72355 DUE 11 18 30

ADDRESS: *Mather, Wm. G.*  
*Union Trust Bldg.*

No. 1 DUE  
 No. 2 DUE  
 No. 3 DUE  
 No. 4 D.# *6-11f*  
 No. 5 DUE

DATE	DISCOUNT	INTEREST OR DISCOUNT			INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	PRINCIPAL		BALANCE
		INT. REMATE	INT. REDU'BLE							CREDIT		
							JUN 15 1930	95000	42.1		95000	
							5/17-1-30			95000		
							1 12 30					
							13 ka @ 6			20583		
							92 ka @ 5			121289		
										141973		

EXHIBIT U-6-11f

DATE	PAR OR SHARES	DESCRIPTION OF COLL.	MARKET BASIS	AMOUNT
	120,000	The Interstate Foundries Inc. 1st Mtg. 5/8 7% #216/230 due 7/1/29 #476/530 due 7/1/30 <i>612</i> Coupons due 1/1/25 attached.		
		RECEIVED		

Removed from THE UNION TRUST COMPANY CLEVELAND, Collateral Securities and all other papers in connection with above described loan

DATE *New Loan # 77275*

EXHIBIT U-6-11g



NAME		THE LOAN	
Mather, Wm. C.		NO. 1	38902
ADDRESS: Kirby Bldg.		DUE	6-6-22
NO. 5	56236	NO. 2	15412
DUE	2-6-24	DUE	4-6-23
NO. 6	60897	NO. 3	46917
DUE	2-6-24	DUE	2-6-23
		NO. 4	40372
		DUE	6-6-23

INTEREST OR DISCOUNT										
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE
					Feb 6 1922			50000		50000
					OCT 6 1922			50000		50000
					FEB 6 1923			50000		50000
					JUN 6 1923			50000		50000
					JUN 6 1923			50000		50000
					FEB 6 1924			50000		50000
					JUN 6 1924			50000		50000
					OCT 6 1924			50000		50000

To Card #2

EXHIBIT U-6-12

DATE	PAS OR SHARES	DESCRIPTION OF COLLATERAL	MARKET	RATE	AMOUNT
	60000	The Interstate Foundry Co. 1st. 7 1/2 1930			50000
		4601/60 - 1/8 ea. Int. payable Jan 6 July 1			0-6-22

RECEIVED

To Card #2

EXHIBIT U-6-12a





NAME		ADDRESS		NO. 5		NO. 6		NO. 3		NO. 4		TIME LOAN	
JAC. Mather, Wm. G.		11-6-23		11-6-23		11-6-23		11-6-23		11-6-23		11-6-23	
61846		61846		61846		61846		61846		61846		61846	
INTEREST OR DISCOUNT													
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE			
1525	JUL 6	1922	JUL 6	1922	6	Mar 6 1922	75000	75000	75000				
153750	Nov 6	22			6	JUL 6 1922	75000	75000	75000				
1500	MAR 6	22			3	NOV 6 1922	75000	75000	75000				
1525	April 23					6	MAR 6 1923	75000	75000	75000			
153750	NOV 6					6	JUL 6 1923	75000	75000	75000			
151250	MAR 6	1924	MAR 6	1924	6	NOV 6 1923	75000	75000	75000				
153750	7-7-24	JUL 10	1924	JUL 10	6	MAR 6 1924	75000	75000	75000				
1281	NOV 7	1924	NOV 7	1924	5	JUL 10 1924	75000	75000	75000				
1250	MAR 12	1923	MAR 12	1923	5	NOV 7 1924	75000	75000	75000				

EXHIBIT U-6-13

DATE	PAY OR SHARER	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
4/10	\$12000	The Interstate Foundry Co. 1st. 7's/1930 #661/1980 - 1 M ea Int payable from July 1	60 1/2	75000
RECEIVED				
Received from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.				
DATE	Total #7			

EXHIBIT U-6-13a



NAME		ADDRESS		NO. 1		NO. 2		NO. 3		NO. 4		TIME LOAN	
Mather, Wm. G.		1460 Union Trust Bldg.		50387		50388		50389		50390		DUE 7-9-28	
NO. 1		DUE 7-9-28		NO. 2		DUE 7-9-28		NO. 3		DUE 7-9-28		NO. 4	
NO. 5		DUE 7-9-29		NO. 6		DUE 7-10-30		NO. 7		DUE 7-10-30		NO. 8	
INTEREST OR DISCOUNT													
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE			
			1000	4-1-28	MAR 14 1928	7		75 000		75 000			
			128125	7-9-28	JUL 10 1928	5		75 000	75 000				
			128125	7-9-28	JUL 10 1928	5		75 000	75 000				
			1375	7-9-28	JUL 10 1928	5		75 000	75 000				
			139792	7-9-28	JUL 10 1928	5		75 000	75 000				
			150140	7-9-28	JUL 10 1928	5		75 000	75 000				
			101850	3-10-30	MAR 10 1930	10		48 000	48 000				
			99633	7-10-30	JUL 10 1930	10		48 000	48 000				

EXHIBIT U-6-13d

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	128,000 9400	The Interstate Foundries Inc. 1st Mtg. S/F 7% #531700 due 7-1-30 opn.s due Jan 1st 1925 attached		
11/16/29	2600	RECEIVED Interstate Foundries Inc 1st Mtg. S/F National City Cleve 27/100 Opn attached Payt 2600. Check to Mrs Mather, or her firm check secured in Pay # 581,606		

EXHIBIT U-6-13e



NAME *W. G. Mather* #4 29351 TIME LOAN No. 1 74028 DUE 11-10-30  
 ADDRESS Mather, Wm. G. 1460 Union Trust Bldg. No. 2 DUE  
 No. 6 DUE No. 9 DUE No. 3 DUE  
 No. 7 DUE No. 10 DUE No. 4 DUE  
 No. 8 DUE No. 11 DUE No. 5 DUE  
 MEMO.

INTEREST OR DISCOUNT				INT.		PRINCIPAL			BALANCE
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			<i>548</i>				<i>49,000</i>	<i>debit</i>	<i>49,000</i>
			<i>10-1-30</i>			<i>6 Jul. 10 1930</i>			
						<i>5% 7-1-30</i>			
						<i>OCT 1 1930</i>		<i>49,000</i>	

*970 / 821*

Form No. 9 07 13M 7-29

EXHIBIT U-6-13f

DATE	PAY OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	<i>94,000</i>	<i>The Interstate Foundries Inc. 1st Mtge S/F 7% #581/700 due 7/1/30 cpns due 1/1/25 Attached</i>		

*180  
94  
274*

RECEIVED

Received from THE UNION TRUST COMPANY CLEVELAND, Collateral Securities and all other papers in connection with above described loan

DATE *7-27-30*

EXHIBIT U-6-13g





NAME		DEMAND LOAN									
ADDRESS		NO 38610									
Mather, Wm. G.		Union Trust Bldg.									
		INTEREST			INT.		PRINCIPAL				
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE	
			3666	OCT 1 1928	10-1-28			10000		50000	
			68750		1-2-29		JUN 1 1929				
			68750		1-2-29		JUL 24 1929	10000	10000	150000	
			70833		1-2-29					50000	
			171666		1-2-29			125000		170000	
			206250		1-2-29				450000	170000	
			14169		1-2-29		5 7/13 1930				
			1875		1-2-29		5 APR 3 1931	50000	10000	175000	
			1875		1-2-29		11-30 1931				
			156250		1-2-29		1-30 1932				
			156250		1-2-29		12-31 1931				
			156250		1-2-29		3-30-31				
			217361		1-2-29		6-30-31				
			218750		1-2-29		10-1-31				
			218750		1-2-29		1-7-32				
			198333		1-2-29		MAR 12 1932				

EXHIBIT U-6-15

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		See Time Certs #22751, 22940, 22768 for Collateral		
	30 Cshs	The Cliff's Corp. Com. V. Trust Ctr.		50000
		#TC706/8-1,000 ea #TC681-5,000		
<del>RECEIVED</del>				
NATIONAL COLLATERAL SECURITIES LOANS AGGREGATING CO.				
199000				
Received from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.				
To Note 800000				

EXHIBIT U-6-15a

NAME *12/16* Mather, Wm. G. Union Trust Bldg. TIME LOAN

ADDRESS

No. 6 DUE No. 9 DUE No. 2 DUE  
 No. 7 DUE No. 10 DUE No. 3 DUE  
 No. 8 DUE No. 11 DUE No. 4 DUE  
 No. 5 DUE

MEMO

INTEREST OR DISCOUNT				INTEREST TO		INT. RATE	DATE PAID		PRINCIPAL			
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	DATE	DATE	RATE	DEBIT	CREDIT	BALANCE			
<i>3 125</i>				<i>12 22 31</i>		<i>5</i>	<i>250 000</i>		<i>250 000</i>	<i>250 000</i>		
<i>3 194 45</i>				<i>3 22 32</i>		<i>5</i>	<i>250 000</i>		<i>250 000</i>	<i>250 000</i>		
			<i>57383</i>		<i>MAR 12 1932</i>			<i>750 000</i>		<i>250 000</i>		

Form No. 28 10M 3-30

EXHIBIT U-6-16

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	<i>6253shs</i>	The Cleveland Cliffs Iron Co. Pfd.	<i>27</i>	<i>789831</i>
	<i>29,253shs</i>	#P877 at 53shs #P872 at 100shs #P532 at 100shs #P1649 at 1000shs #P1628 at 5000shs #P1615 #P1614 @ 10,000 ea #P1642/44-1,000 shs ea		<i>U-6-16a</i>
				<i>794000</i>
		RECEIVED		
DATE		<i>70800000 Notes</i>		

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other assets in connection with above described loan.

EXHIBIT U-6-16a

NAME *W.C.* ADDRESS Mather, Wm. G. NO. 42135 *026-19*

55 *343* *358*

INTEREST				PRINCIPAL					
DATE	DEBIT	CREDIT	BALANCE	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
		111111	2500-			23	200 000	42 65 32	200000
			7500-						
			1466 67					9000.00	0

FORM No. 487 IN 2-28 HELM-GORLING INC.

EXHIBIT U-6-17 (front)

SHARE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
17,000shs	2000.00	The Cleveland Cliffs Iron Co. Pfd. #Pl651 #Pl659 at 1,000shs ea #Pl626 at 5000shs. #Pl614 at 10,000shs		54.00
40,000shs		The Continental Shares Inc. Com V. T. Ctf. #NY/C09239/40 #NY/C09260/2 #NY/C09207 at 50shs ea #NY/C15020/1 at 100shs ea n/o E. A. Pierce & Co #NY/C4055/67 n/o Otis & Co. #NY/C15068 n/o E. A. Pierce & Co. #NY/C15012 n/o Boettcher Newton & Co. #NY/C12646/83 #NY/C5665/73 #NY/C11658/9 #NY/C11654 #NY/C12650/60 #NY/C1486/7 #NY/C5732/5 #NY/C5737 #NY/C1488 #NY/C1681 #NY/C1126/7 #NY/C3083 #NY/C0967/73 #NY/C1220/23 #NY/C3977/81 #NY/C9964 #C/C4691/4702 #NY/C9955/7 #NY/C9966 #NY/C3958 #NY/C1301/8 #NY/C3012/14 #NY/C3022/76 #NY/C1309/10 #NY/C4043/4 #NY/C6625/6 #NY/C13003 #NY/C13945/9 n/o Otis & Co #NY/C15000/1 #NY/C15017/19 n/o E. A. Pierce & Co. #C/C4003/18 #C/C4023/72 #C/C4637/44 #NY/C10625/30 NY/C5604/13 C/C4894/4804 C/C5493/5504 C/C4805/121 C/C4343/57 NY/C5614/27 C/C4387/33 C/C5505/8 C/C5523/5402 NY/C5138/42 NY/C5145 C/C4882/86 NY/C5628/33 NY/C13930/64 C/C4813/4 100shs ea n/o Otis & Co.		
		(#0/66665-10,000shs n/o Wm. G. Mather)		
		Rec'd 15000 shs The Cleveland Cliffs Iron Co Pfd. 3/9/32		

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other values due in connection with above described loan.

DATE *Wm. G. Mather*

EXHIBIT U-6-17 (reverse)

Apr. 10, 1931.....	Guardian Trust Co. a/c Wells K. Gregg	Apr. 10, 1932.....	10,000.00	6%	600.00	Note endorsed by Wm. G. Mather, Ethel S. Gregg & Wells K. Gregg
Aug. 9, 1931.....	1st Nat. Bank, Alger County. a/c T. J. Sullivan	Feb. 9, 1932.....	12,500.00	7%	875.00	Note guaranteed by Mr. Mather & secured by timber lands in Alger County.
	Notes to institutions.		61,240.89		1,475.00	
Jan 1, 1925.....	Trinity College	July 1, 1948.....	75,000.00	6%	4,500.00	None
July 1, 1925.....	Kenyon Col, Bexley Hall	July 1, 1945.....	50,000.00	6%	3,000.00	None
June 11, 1929.....	Kenyon Col, Faculty End. Fund	June 1, 1932.....	<sup>2</sup> 25,000.00	5%	1,250.00	None
Oct. 1, 1924.....	Diocese of Marquette	Jan 1, 1934.....	21,000.00	6%	1,260.00	None
Feb. 23, 1929.....	Musical Arts Assn	Mar. 1, 1933.....	<sup>3</sup> 200,000.00	5%	10,000.00	None
Oct. 1, 1926.....	Western Reserve University	Demand.....	16,000.00	6%	960.00	None
Apr. 4, 1932.....	Trinity College a/c Chapel	Demand.....	60,000.00	6%	3,600.00	5000 Sh. Cleve. C. I. Co. Pfd.
July 12, 1932.....	Cleveland Museum of Art	Demand.....	3,265.00	6%	195.90	None
			450,265.00		24,765.90	
	Less Items postponed—Excluding Cleve. Mu- seum of Art Note July 12, 1922.				24,570.00	
			450,265.00		195.90	
	Personal notes					
See Below.....	Katherine L. Mather	Demand.....	<sup>4</sup> 36,000.00	6%	2,160.00	None
Mar. 14, 1923.....	Union Trust Co—Burgwin	Mar 4, 1943.....	10,000.00	7%	700.00	None
May 1, 1929.....	Marian S Bower	May 1, 1949.....	100,000.00	6%	6,000.00	None
Oct. 20, 1896.....	Cleveland Cl Iron Co	Demand.....	4,250.00	5%	212.50	None
			150,250.00		9,072.50	
	Less: Items postponed—Excluding C. C. I Co Note Oct 20, 1898.				8,860.00	
			150,250.00		212.50	
Grand total.....			2,343,787.28		102,215.28	

<sup>1</sup> This covers a series of notes given Aug. 1, 1931, to Jan 1, 1932, in connection with the construction of Mather Inn at Ishpeming, Michigan These are as follows:

Aug. 1, 1931.....	5,000.00	Dec 1, 1931.....	10,000.00
Sept 1, 1931.....	7,500.00	Jan. 1, 1932.....	10,000.00
Oct 1, 1931.....	5,000.00		
Oct 1, 1931.....	2,500.00	Total.....	50,000.00
Nov. 1, 1931.....	10,000.00		

<sup>2</sup> This note has option of renewal from year to year with payment of interest in advance. (Mr. Mather has written that for this year he will pay neither interest nor principal)

<sup>3</sup> This note has option of renewal from year to year. (Mr. Mather has written that for this year he will pay neither interest nor principal).

<sup>4</sup> This is covered by notes given as follows:

March 1894.....	7,000.00	July 1, 1909.....	(Balance) .. 10,000.00
Oct. 8, 1898.....	4,000.00		
Jan. 6, 1903.....	15,000.00		36,000.00

<sup>5</sup> This is a joint note signed by Wm. G Mather and Wm. C. Rosenfeld. Wm. G. Mather holds 500 shares Grabler Mfg. Company stock as Collateral for Mr. Rosenfeld's share.

DRF:AZ 6-16-32.

(Exhibits U-6-5 through U-6-17a face this page)

EXHIBIT U-6-18

NAME OTIS & CO—CONTROL

ADDRESS

BOND { DIRECT  
INDIRECT

COLLATERAL LOANS

Old balance	1931	No.	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date		
1338	179	00	2-6							1324	179	00	*2-6
1324	179	00	2-7							1312	679	00	*2-7
1312	679	00	2-9							1310	679	00	*2-9
1310	679	00	2-10							1306	979	00	*2-10
1306	979	00	2-11							1305	479	00	*2-11
1305	479	00	2-16							1296	579	00	*2-16
1296	579	00	2-17							1295	079	00	*2-17
1295	079	00	2-20							1286	079	00	*2-20
1286	079	00	2-25							1261	579	00	*2-25
1261	579	00	2-26							1240	579	00	*2-26
1240	579	00	3-2							1208	079	00	*3-2
1208	079	00	3-4							1146	979	00	*3-4
1146	979	00	3-5							1124	479	00	*3-5
1124	479	00	3-6							1111	179	00	*3-6
1111	179	00	3-7							1107	179	00	*3-7
1107	179	00	3-13							1099	679	00	*3-13
1099	679	00	3-18							1092	679	00	*3-18
1092	679	00	3-19							1092	679	00	*3-19
1092	679	00	3-23							1192	679	00	*3-23
1192	679	00	3-28							1183	679	00	*3-28
1183	679	00	3-30							1165	679	00	*3-30
1165	679	00	3-31							1154	179	00	*3-31
1154	179	00	4-1							1143	679	00	*4-1
1143	679	00	4-4							1043	679	00	*4-4
1043	679	00	4-6							1040	679	00	*4-6
1040	679	00	4-7							1037	679	00	*4-7
1037	679	00	4-8							1035	679	00	*4-8
1035	679	00	4-9							1020	829	00	*4-9
1020	829	00	4-10							1017	829	00	*4-10
1017	829	00	4-15							1012	829	00	*4-15

EXHIBIT U-6-18a

1012	829	00	4-17							1245	829	00	*4-17
1245	829	00	4-18							1240	629	00	*4-18
1240	629	00	4-20							1205	629	00	*4-20
1205	629	00	4-21							1198	629	00	*4-21
1198	629	00	4-22							1182	629	00	*4-22
1182	629	00	4-23							1177	629	00	*4-23
1177	629	00	4-24							1149	629	00	*4-24
1149	629	00	4-25							1143	829	00	*4-25
1143	829	00	4-27							1313	829	00	*4-27
1313	829	00	4-28							1601	125	00	*4-28
1601	125	00	4-29							1691	287	00	*4-29
1691	287	00	4-30							1678	677	00	*4-30
1678	677	00	5-1							1760	307	00	*5-1
1760	307	00	5-2							1815	507	00	*5-2
1815	507	00	5-4							1900	307	00	*5-4
1900	307	00	5-5							1852	429	00	*5-5
1852	429	00	5-6							1813	829	00	*5-6
1813	829	00	5-7							1807	429	00	*5-7
1807	429	00	5-8							1955	129	00	*5-8
1955	129	00	5-9							1943	689	81	*5-9
1943	689	81	5-11							1722	189	81	*5-11
1722	189	81	5-12							1586	839	81	*5-12
1586	839	81	5-13							1255	739	81	*5-13
1255	739	81	5-14							1226	289	81	*5-14
1226	289	81	5-15							1223	889	81	*5-15
1223	889	81	5-16							1081	339	81	*5-16
1081	339	81	5-18							1034	897	31	*5-18
1034	897	31	5-19							1026	097	31	*5-19
1026	097	31	5-20							957	877	31	*5-20
957	877	31	5-21							950	823	31	*5-21
950	823	31	5-22							1252	560	00	*5-22
1252	560	00	5-23							1352	928	00	*5-23
1352	928	00	5-25							1026	511	00	*5-25
1026	511	00	5-26							1012	425	00	*5-26
1012	425	00	5-27							997	876	20	*5-27
997	876	20	5-28							981	896	20	*5-28
981	896	20	5-29							964	284	20	*5-29

FORM 6-2  
**THE UNION TRUST COMPANY**  
**DEPOSIT TICKET**

CREDIT CLEVELAND, O. October 30 1929

WILLIAM G. MATHER,

1460 UNION TRUST BLDG.

Checks on this office will be credited conditionally. If not found good at close of business they may be charged back to depositors. Checks on other city banks and other offices of this Bank may be carried over for presentation through the Clearing House, Federal Reserve Bank, or direct on the following day and charged back if not found good. In receiving and forwarding items payable elsewhere than in Cleveland, this bank assumes no responsibility for the negligence or default of any direct or indirect collecting agents, and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its possession, otherwise, items previously credited may be charged back to depositors. Items lost in transit may be charged back to depositor's account pending receipt of duplicates. Unless otherwise instructed, items may be mailed to drawee banks. Unpaid items may be returned by mail at depositor's risk. In making deposits the depositor hereby assents to the foregoing conditions.

OUT OF TOWN CHECKS		CLEVELAND CHECKS		CHECKS ON THIS BANK	
DOLLARS	CENTS	DOLLARS	CENTS	DOLLARS	CENTS
1.00					
				TOTALS	
				DOLLARS	CENTS
				OUT OF TOWN	
				CLEVELAND	
				ON THIS BANK	
				CURRENCY	
				GOLD	
				SILVER	
				TOTALS	

MAINTENANCE  
 OCT 30 1929  
 THE UNION TRUST COMPANY  
 CLEVELAND, OHIO

Form No. O-10 25m 5-30

**DEPOSIT TICKET**  
**THE UNION TRUST COMPANY**  
 CLEVELAND, OHIO

Credit Wm G Mather 9/23/31 19  
U-6-17a

Checks on this office will be credited conditionally. If not found good at close of business they may be charged back to depositors. Checks on other city banks and other offices of this Bank may be carried over for presentation through the Clearing House, Federal Reserve Bank, or direct on the following day and charged back if not found good. In receiving and forwarding items payable elsewhere than in Cleveland, this bank assumes no responsibility for the negligence or default of any direct or indirect collecting agents, and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its possession, otherwise, items previously credited may be charged back to depositors. Items lost in transit may be charged back to depositor's account pending receipt of duplicates. Unless otherwise instructed, items may be mailed to drawee banks. Unpaid items may be returned by mail at depositor's risk. In making deposits the depositor hereby assents to the foregoing conditions.

AMOUNT	INTEREST	DISCOUNT	EXCHANGE
250000 -		3125 -	
246875			
246875			
Mather bank			
TOTALS			

OCT 30 1929  
 THE UNION TRUST COMPANY  
 CLEVELAND, OHIO

U-6-17a

Form No. O-10 25m 1-28

**THE UNION TRUST COMPANY**  
**DEPOSIT TICKET**

CREDIT Wm G Mather 8/14/28  
 CLEVELAND, O.

Checks on this office will be credited conditionally. If not found good at close of business they may be charged back to depositors. Checks on other city banks and other offices of this Bank may be carried over for presentation through the Clearing House, Federal Reserve Bank, or direct on the following day and charged back if not found good. In receiving and forwarding items payable elsewhere than in Cleveland, this bank assumes no responsibility for the negligence or default of any direct or indirect collecting agents, and shall be held liable only when proceeds in actual funds or solvent credits shall have come into its possession, otherwise, items previously credited may be charged back to depositors. Items lost in transit may be charged back to depositor's account pending receipt of duplicates. Unless otherwise instructed, items may be mailed to drawee banks. Unpaid items may be returned by mail at depositor's risk. In making deposits the depositor hereby assents to the foregoing conditions.

AMOUNT	INTEREST	DISCOUNT	EXCHANGE
50000 -			
Mather bank			
TOTALS			

OCT 30 1929  
 THE UNION TRUST COMPANY  
 CLEVELAND, OHIO



EXHIBIT U-6-19

Participation

Name:

Address: Otis & Co. New York  
Demand loan No. 6000B. \$500,000.00

Interest						Int. rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
			393.25	-----	-----	6	May 8, 1931	170,000	-----	170,000.00
							May 18, 1931		4,632.50	165,367.50
							May 21, 1931		1,938.00	163,429.50
			393.25	May 22, 1931	May 22, 1931		May 22, 1931		163,429.50	-----

\$170,000.00 Union Trust Co.  
170,000.00 Cleveland Trust Co.  
100,000.00 Guardian Trust Co.  
60,000.00 Central United National Bank.  
Transferred to New Loan May 22 1931.

EXHIBIT U-6-19a

Date	Par or share	Description of collateral	Market basis	Amount
	170,000	Certificate of Participation, Total 500,000 00. Collateral held in Corporate Trust Dept.		

Receives.  
Received from The Union Trust Company Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.  
Date:-----

EXHIBIT U-6-20

Participation

Name: R. S. C.  
Address: Otis & Co. (New York).  
Demand loan No. 5944B. \$800,000.00.

Interest						Int. rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
			136 00	May 1, 1931	May 2, 1931	6	Apr 28, 1931	272,000	-----	272,000
			632 06	-----	-----		May 9, 1931		68,000	204,000
							May 11, 1931		85,000	119,000
							May 20, 1931		50,320	68,680
			632 06	May 22, 1931	May 22, 1931		May 22, 1931		68,680	-----

Transferred to New Loan May 22 1931.

EXHIBIT U-6-20a

Date	Par or share	Description of collateral	Market basis	Amount
-----	272,000	Certificate of Participation, Total 800,000.00 Union Trust Co. Corporate Trust Dept.....		
		Received.		

Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.

Date.....

EXHIBIT U-6-21

Name W. M. B.  
Address

Demand loan  
No. 5105B  
2,000,000.00

Interest						Int rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
-----			3,385 26	Jan. 1, 1931	Jan. 3, 1931	6	Dec. 2, 1930	680,000		680,000
-----			3,450 12	Feb. 1, 1931	Feb. 2, 1931		Dec. 10, 1930		850	679,150
-----	<sup>1</sup> \$3,071.16		3,070 58	Mar. 1, 1931	Mar. 2, 1931		Dec. 12, 1930	(?)	1,700	677,450
-----			3,354 09	Apr. 1, 1931	Apr. 1, 1931		Dec. 12, 1930		1,700	675,750
-----	<sup>1</sup> 3,200 14		3,200 27	May 1, 1931	May 1, 1931		Jan. 6, 1931		9,350	666,400
-----			2,209 65				Jan. 12, 1931		221	666,179
-----							Feb. 2, 1931		8,500	657,679
-----							Mar. 2, 1931		8,500	649,179
-----							Apr. 1, 1931		8,500	640,679
-----							Apr. 9, 1931		850	639,829
-----							May 1, 1931		8,500	631,329
-----			2,209.65	May 22, 1931	May 22, 1931		May 22, 1931		631,329	-----

<sup>1</sup> Paid

<sup>2</sup> Pay as of 12-11-30.

Transferred to New Loan May 22, 1931.

EXHIBIT U-6-21a

Date	Par or share	Description of collateral	Market	Basis	Amount
-----	680,000	Certificate of participation. Total 2,000,000.00 Union Trust Co., Corporate Trust Dept.			
		Received			

Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.

Date.....

(Exhibits U-6-22 through U-6-25d)



NAME *H. B.* ADDRESS **otis & Co.** 5655 DEMAND LOAN NO. **5952A**

INTEREST							PRINCIPAL				
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE	
			<i>102.12</i>		MAY 1 1931	5	APR 29 1931	90000 -		90000 -	
							MAY 1 1931		5000	85000	
							MAY 6 1931		8000	77000	
							MAY 6 1931		6000	71000	
							MAY 6 1931		1000	70000	
							MAY 6 1931		4000	66000	
							MAY 8 1931		8000	58000	
							MAY 8 1931		2000	56000	
							MAY 11 1931		16000	40000	
							MAY 13 1931		19000	21000	
							MAY 14 1931		2000	19000	
							MAY 15 1931		3000	16000	
							MAY 18 1931		2000	14000	
							MAY 18 1931		30560	10944	
							MAY 19 1931		800	10144	
							MAY 20 1931	<i>200/5-21-31</i>	6400	3544	
							MAY 21 1931		1300	2244	
							MAY 22 1931		4400	0	

Transferred to New Loan  
MAY 22 1931

FORM NO. 6-17-31-5-1 HELMS-GORLING, INC.

EXHIBIT U-6-22

NAME *H. B.* ADDRESS **otis & Co** 5656 DEMAND LOAN NO. **5956A**

INTEREST							PRINCIPAL				
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	INT. RATE	DATE	DEBIT	CREDIT	BALANCE	
			<i>102.12</i>		MAY 1 1931	5	APR 30 1931	60000 -		60000 -	
			<i>105.13</i>				MAY 2 1931		400	59600	
							MAY 2 1931		800	58800	
							MAY 6 1931		1000	57800	
							MAY 13 1931		4500	53300	
							MAY 14 1931		15100	38200	
							MAY 14 1931		1200	37000	
							MAY 14 1931		2500	34500	
							MAY 14 1931		5800	28700	
							MAY 15 1931		100	28600	
							MAY 16 1931		550	28050	
							MAY 16 1931		5850	22200	
							MAY 18 1931		1600	20600	
							MAY 19 1931		6000	14600	
							MAY 19 1931	<i>200/5-21-31</i>	2500	12100	
							MAY 20 1931		2000	10100	
							MAY 22 1931		2900	0	

Transferred to New Loan  
MAY 22 1931

FORM NO. 6-17-31-5-1 HELMS-GORLING, INC.

EXHIBIT U-6-23

DATE	PAR DR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	100shs	The Continental Bank & Trust Co. of New York Cap #6490 n/o Walter P. Mc Gowan		
	4,700shs	The Continental Shares Inc Com #C/C5006 n/o Knack & Co. #NY/C11452/67 #C/C4672/4 #NY/C1476/33 #C/C4712 #C/C3966/3 #NY/C6557/6 #NY/C13050/1 #C/C4491/7 #NY/C1421 #C/C4675/81 #C/C4711 at 100shs ea		
	1,000	The General Fireproofing Co. Com #Y.C.1499 n/o Samuel W. Fleam #Y.C. 2395 n/o Futler Bending & Co. at 50shs ea #Y.C. 1710 n/o Wood Curtiss & Co. #Y.C.1971 n/o Jackson Broo, Boessel & Co. #Y.C. 2502/4 n/o Post & Plegg #W.C2233/4 n/o Thomson & Mc Kinnon #Y.C. 2254 #Y.C2505 n/o E. A. Pierce & Co. at 100shs ea		
	69shs	The National City Bank of New York Cap #F224038 at 4shs n/o Harry A. Buchman #C67975 at 5shs n/o George C Vick #F227280 at 20shs n/o Walter P. Mc Gowan #F224490 n/o William Hertison #F107239 n/o George C Vick at 10shs ea #F221671 at 5shs n/o Holt Rose & Troster #F219522 n/o E H Roth & Co. at 10shs #F224973 at 5shs n/o Harry A. Buchman		
	25 shs	Walt City of N.Y.		

EXHIBIT U-6-23a

DATE	PAR DR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	50shs	The Parker Trust Proof Co. Com No Par #MN5623 n/o E. W. Reilly & Co. #N740/61 n/o Julius Rubiner #N6447 n/o Ettinger & Brand at 10shs ea	MAY 13 1931	
	100shs	The United Light & Power Co. Com #GR6147 n/o Edgar M Williams		
	7,200shs 3,100 1,200 2,900 3,895	The Nation Wide Securities Co. Trust Ctf Series B #B29128/35 #B28114/25 n/o N.P. Will at 100shs ea #B017157 at 5shs n/o Otis & Co. #B016831 at 70shs #B016872 at 10shs #B017339 at 15shs n/o N.P. Will #B016917 at 1sh n/o Otis & Co. #B017187 at 74shs n/o N.P. Will #B012655 at 15shs n/o Herbert W Wainsfurther #B016999 at 10shs n/o N.P. Will #B013959 #B014292 #B014384 n/o G.P. Parkereon #B015991 #B016282 #B016280 #B016070 #B016835 #B017197 #B017196 #B017315/6 at 50shs ea #B27643/61 #B27474/80 #B27280/3 n/o N. P. Will #B27398 #B27408/14 n/o March & Kimball #B27963/4 n/o N.P. Will #B27405/7 n/o March & Kimball #B24357/60 #B25803 #B25802 n/o Otis & Co. at 100shs ea		
MAY 3 1931	300	received Nation Wide Sec 3 #27261	Otis & Co.	
MAY 27 1931	100	DO. 31195/35	Otis & Co.	
MAY 8 1931	300	DO. 31164-31160	Otis & Co.	
MAY 12 1931	100	DO. 31164-31160	Otis & Co.	
MAY 18 1931	105	Nation Wide Sec B. #27409, #17157.	Otis & Co.	
MAY 16 1931	1000	DO. To J. B. Remick Co.		

EXHIBIT U-6-23b



DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	2,500	The Trumbull Steel Co 7% 10yr Gold Deb #M320/221 at 1,000 ea #222 at 500 due 11/1/35 Warrants Attached		
	2,500	The Trumbull Steel Co 7% 10yr Gd Deb #D474 at 500 #M322 4321 at 1,000 ea Due 11/1/35		
	1,000	The Van Dorn Iron Works Co 1st Mtge 7% S/F Gd Bd #M353 due 6/1/37		
	2,000	The City of Tulsa Waterworks Bond State of Oklahoma 5 1/2% #2274/76 at 1,000 ea Due 2/1/31		
	500.00	The Walker County Bridge Warrant State of Alabama 6% #92 due 2/1/40		
	1,000	The Town of Walnut Cove County of Stokes N. C. 6% Streets Imp Bd #3 due 10/1/30		
	2,000	The White Motor Realty Co 6 1/2% Secured Serial Gd Deb #1077/73 at 1,000 ea Due 12/1/35		
	10,000	The U. S. of America Fourth L/- 4 1/2% Gd Bd #200107012		
		RECEIVED		

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loans.

DATE \_\_\_\_\_

EXHIBIT U-6-24b

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	1,000	The Federal Land Bank of Springfield 4 1/2% Cpn Bd #M355545 due 5/1/57		
	1,900.00	The E. F. Goodrich Co 15yr 6% Conv Gold Deb Temp #TC730/37 at 100 ea #TD650/61 at 500 ea Due 6/1/45		
	2,600	The Insurance Building Corp 1st Mtge Leasehold 6 1/2% S/F Gd Bd #M1402 at 1,000 #D130 D65 D65 at 500 ea due 2/1/43		
	2,000	The Ohio Pennsylvania Joint Stock Land Bank of Cleveland, Ohio 5% Cpn Bd #M15021 13024 at 1,000 ea Due 3/1/63		
	5,000	The San Antonio Joint Stock Land Bank of San Antonio Texas 5% Cpn Bd #M305003 due 7/1/58		
	1,300	The George Kern Inc 6 1/2% 1st Mtge S/F Gd Bd #M303 at 1,000 #199 191/192 at 100 ea Due 11/1/37		
	2,500	The Lake Shore Athletic Club 6 1/2% 1st Mtge S/F Gd Bd #D140 D411 D471 at 500 ea #M425 at 1,000 due 3/1/45		
		RECEIVED		

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loans.

DATE \_\_\_\_\_

NAME Otis & Co. DEMAND LOAN NO. 4478B

5591

INTEREST				PRINCIPAL						
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			153.31				SEP 13 1930	163.20		163.50
			444.42				SEP 13 1930	90.00		153.00
			371.17				SEP 13 1930	7.00		150.00
			35.80				SEP 13 1930	7.60		143.00
			29.15				SEP 13 1930	10.00		133.00
			20.45				SEP 13 1930	41.00		112.00
			20.45				SEP 13 1930	10.00		112.00
			20.45				SEP 13 1930	5.00		117.00
			20.45				SEP 13 1930	2.00		109.00
							SEP 13 1930	5.00		104.00
							SEP 13 1930	1.00		99.00
							SEP 13 1930	3.00		96.00
							SEP 13 1930	5.00		91.00
							SEP 13 1930	1.00		89.00
							SEP 13 1930	1.00		88.00
							SEP 13 1930	1.00		87.00
							SEP 13 1930	3.00		84.00
							SEP 13 1930	15.00		69.00
							SEP 13 1930	3.00		66.00
							SEP 13 1930	10.00		56.00
							SEP 13 1930	1.00		55.00
							SEP 13 1930	1.00		54.00
							SEP 13 1930	1.00		53.00
							SEP 13 1930	2.00		51.00
							SEP 13 1930	1.00		50.00
							SEP 13 1930	1.00		49.00
							SEP 13 1930	1.00		48.00
							SEP 13 1930	1.00		47.00
							SEP 13 1930	1.00		46.00
							SEP 13 1930	1.00		45.00
							SEP 13 1930	1.00		44.00
							SEP 13 1930	1.00		43.00
							SEP 13 1930	1.00		42.00
							SEP 13 1930	1.00		41.00
							SEP 13 1930	1.00		40.00
							SEP 13 1930	1.00		39.00
							SEP 13 1930	1.00		38.00
							SEP 13 1930	1.00		37.00
							SEP 13 1930	1.00		36.00
							SEP 13 1930	1.00		35.00
							SEP 13 1930	1.00		34.00
							SEP 13 1930	1.00		33.00
							SEP 13 1930	1.00		32.00
							SEP 13 1930	1.00		31.00
							SEP 13 1930	1.00		30.00
							SEP 13 1930	1.00		29.00
							SEP 13 1930	1.00		28.00
							SEP 13 1930	1.00		27.00
							SEP 13 1930	1.00		26.00
							SEP 13 1930	1.00		25.00
							SEP 13 1930	1.00		24.00
							SEP 13 1930	1.00		23.00
							SEP 13 1930	1.00		22.00
							SEP 13 1930	1.00		21.00
							SEP 13 1930	1.00		20.00
							SEP 13 1930	1.00		19.00
							SEP 13 1930	1.00		18.00
							SEP 13 1930	1.00		17.00
							SEP 13 1930	1.00		16.00
							SEP 13 1930	1.00		15.00
							SEP 13 1930	1.00		14.00
							SEP 13 1930	1.00		13.00
							SEP 13 1930	1.00		12.00
							SEP 13 1930	1.00		11.00
							SEP 13 1930	1.00		10.00
							SEP 13 1930	1.00		9.00
							SEP 13 1930	1.00		8.00
							SEP 13 1930	1.00		7.00
							SEP 13 1930	1.00		6.00
							SEP 13 1930	1.00		5.00
							SEP 13 1930	1.00		4.00
							SEP 13 1930	1.00		3.00
							SEP 13 1930	1.00		2.00
							SEP 13 1930	1.00		1.00
							SEP 13 1930	1.00		0.00

Transferred to New Loan  
MAY 22 1931

HELMES GORLING, INC.

EXHIBIT U-6-24d

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	2,500	The Akron Canton & Youngstown Railway Co General & Refunding Mortgage 5% Gd Bd Series B #M2784 at 1,000 ea #D195/95 at 500 ea Due 4/1/45		
	12,049.28	The Village of Avon Lake 5 1/2% Lake Road Paving Imp Bd #68 due 10/1/39 at 1,049.28 #35/40 at 1,000 ea Due 10/1/36 #41/45 at 1,000 ea Due 10/1/36		
	3,000	The Albert Bay Co Ltd 6 1/2% 1st Mtge Leasehold G/F Gd Bd #M249/50 #311/15 at 1,000 ea Due 8/1/42		
	1,000	The Bessemer Limestones & Cement Co 1st Mtge 20yr 6 1/2% Gd Bd #M1262 due 2/1/47		
	1,000	The Bowman Biltmore Hotels Corp 10yr 7% S/F Secured Gold Note #M42 due 12/15/34		
	4,190	The Bowman Biltmore Hotels Corp 1st Mtge Leasehold 7 1/2% Gd Bd #M3500 2673 at 1,900 ea #609 c247 231 55 463 194 at 100 ea #D533 73 590 at 500 ea Due 3/1/34		
	500.00	The S/F, Bowser & Co Inc 1st Mtge 10yr 7% S/F Gd Mortgage Bd #D366 due 11/1/34		
MAY 13 1931	1000	Albert Bay Ltd 6 1/2% No 1 & A River Co		

Received from THE UNION TRUST COMPANY, Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loans.

DATE

EXHIBIT U-6-24c

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	60,000	The U. S. of America 1st 1/4 Conv'd 4 1/2 Gd Bd		
	10,000	#E00012370B00019332 E00016272 E00012327 at 5,000 ea		
	60,600	The Glenn L. Martin Co 5 1/2% Conv Gold Note		
	55,000	#E010/14 D403/410 at 500 ea #M092 1593 2507		
	50,000	2514/2544 2634/2663 at 1,000 ea Due 11/1/34		
	55,500			
	50,000			
	45,000			
	40,000			
	35,000			
	30,000			
	25,000			
	20,000			
	15,000			
	10,000			
	5,000			
	0			

RECEIVED

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loans.

DATE

EXHIBIT U-6-24f

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
NOV 28 1930	1000	X Lyndell Hotel Co 70 11/11/1935 1230	Otis & Co	
DEC 10 1930	3000	X P. H. Weston Co 1934 240/1/3	Otis & Co.	J. J. Friday
DEC 30 1930	25000	X No. 45 275 321 74-26 3/46	Otis & Co.	J. J. Friday
JAN 9 1931	500	X Holzer Co. Mch 60 1931 149 1/2	Otis & Co.	J. J. Friday
JAN 9 1931	500	X John Shaw B. Co. 5 1/2% 471-475	Otis & Co.	J. J. Friday
JAN 9 1931	1500	X Bureau Motor Newspaper Inc. 1931	Otis & Co.	J. J. Friday
JAN 9 1931	1000	X Myerson Corp. 6 1/2% 1931 4 431	Otis & Co.	J. J. Friday
JAN 14 1931	1000	X Standard Hotel Co 70 1231	Otis & Co.	J. J. Friday
JAN 26 1931	1000	X Myerson Corp. 6 1/2% 1931 17-65	Otis & Co.	J. J. Friday
JAN 28 1931	3000	X Bona Bldg Corp 6 1/2% 1931 311/9	Otis & Co.	J. J. Friday
JAN 28 1931	1000	X James F. Weston Co. 6 1/2% 2646	Otis & Co.	J. J. Friday
JAN 30 1931	1000	X Alfred Day Co 1/2 6 1/2% 311/2	Otis & Co.	J. J. Friday
FEB 2 1931	2000	X City of Julia 1/2 5% 700	Otis & Co.	J. J. Friday
FEB 8 1931	10000	X Glenn L. Martin 2451/600	Otis & Co.	J. J. Friday
FEB 10 1931	500	X Weston Hotel Co. 1/2 1/2%	Otis & Co.	J. J. Friday
FEB 10 1931	1000	X Assurance Bldg Corp 6 1/2%	Otis & Co.	J. J. Friday
FEB 25 1931	1000	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
FEB 25 1931	4000	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAR 25 1931	500	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAR 25 1931	1300	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAR 25 1931	1000	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAY 5 1931	2200	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAY 14 1931	3500	X P. H. Weston 6 1/2% 2403 2403 1/10 2403.5	Otis & Co.	J. J. Friday
MAY 19 1931	4000	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday
MAY 20 1931	3000	X City of Orange Co. 199 600 201	Otis & Co.	J. J. Friday
MAY 20 1931	2110	X B. H. Weston 2451/600	Otis & Co.	J. J. Friday

RECEIVED

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loans.

DATE

EXHIBIT U-6-24g









DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	6,000	The Collateral Securities Corp., Commonwealth of Massachusetts 20yr 6% Gd/Bd #M20/9 #M33 #M66 at 1,000 ea due 12/1/47 Narr Att.		
	<del>6,000</del>	<del>The Fordson School District of City of Dearborn, County of Wayne State of Mich. School Site &amp; Bldg. Bond 4 1/2% #116/180 at 1,000 ea due 1/15/34</del>		
	7,000	The F. F. Woodruff Co. 15yr 6% Conv Gd/Bd #M19192D #M9790D #M9764D #M5736D/9 at 1,000 ea due 6/1/45		
	<del>10,000</del>	<del>The Indiana Limestone Co. 15yr 1st Mtge 6% S/F Gd/Fd #M13821 #M11731 #M9354 #M9328 at 1,000 ea due 5/1/41</del>		
	<del>4,000</del>	<del>The Insurance Building Corpn 1st Mtge 1 1/8% 6 1/2% S/F Gd/Bd #M590 #M519 #M380/1 at 1,000 ea due 2/1/43</del>		
	12,000	The Kansas City, Kaw Valley & Western Railroad Co. 1st Mtge 4% Gd Bpn Bd #A41B/19 #A531/2 at 75 ea #C330 #C263 at 100 ea #D185/8 #D135 at 500 ea #M624/6 #M536/541 at 1,000 ea due 10/1/47		
		RECEIVED		
Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.				
DATE _____				

EXHIBIT U-6-25a

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	60,000	The Lake Shore Athletic Club Genl Mtge 7% Gd/Bd #M1050/9 #M981/1000 #M924/33 #M866/895 at 1,000 ea due 11/1/40		
	<del>6,000</del>	<del>The Louisville &amp; Nashville Railroad Equipment Trust Series F 5% Equipment Trust Gd/Ctr #5427 #5582 at 1,000 ea due 2/1/37</del>		
	3,000	The Glenn L. Martin Co. 5yr 5 1/2% Conv Gd/Bote #M2554/5 #M1184 at 1,000 ea due 11/1/34		
	<del>9,000</del>	<del>The Pennsylvania Power &amp; Light Co. 1st Mtge Gd/Bd 4 1/2% Series Temp Bd #TM74256/65 at 1,000 ea due 4/1/31</del>		
	2,000	The Hotel PIERRE 1st Mtge L/H 6 1/2% S/F Gd/Bd #M5189/90 at 1,000 ea due 4/1/49		
	<del>7,000</del>	<del>The Richmond Day Co. Ltd. 6 1/2% 1st Mtge S/F Gd/Bd #M303/9 at 1,000 ea due 12/1/47</del>		
	<del>1,000</del>	<del>The Rosemary Ice Co. 15yr 7 1/2% S/F Secured Gd/Bd #M729 due 6/1/37</del>		
		RECEIVED		
Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.				
DATE _____				

EXHIBIT U-6-25b

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
<del>17,000</del>	<del>1,000 ea</del>	<del>The City of Shaker Heights 4 1/2 Street Imp. Bd. 2/3 at 500 ea #13/23 at 1,000 ea South Park Blvd Resurfacing Bd #4/6 due 10/1/33 at 1,000 ea</del>		
4,000		The Van Sweringen Co. 1st Mtge S/F Coll Tr 6 1/2 Gd Bd #M4216/17 #M4219/20 at 1,000 ea due 9/1/35		
2,000		The Terminals & Transportation Corp of America 20yr 1st Mtge & Coll Trust S/F 6 1/2 Gd Bd Series A #M2993/4 at 1,000 ea due 5/1/47		
1,000		The Portage Hotel Co. Land Trust Ctf of Equitable Ownership #1134		
<del>16,000</del>	<del>1,000 ea</del>	<del>The City National Bank Building Co. Land Trust Ctf of Equitable Ownership #448 n/o Mrs Helen Durst Boehme #1105/9 n/o Leslie T Fontaine at 1,000 ea #1104 n/o Leslie T Fontaine at 10,000</del>		
1,000		The New York Life Insurance Building, Land Trust Ctf #20079 n/o Leslie T Fontaine		
3,000		The Township of Dearborn Mich 6 1/2 #23/5 due 10/33		
		RECEIVED		

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.

DATE \_\_\_\_\_

EXHIBIT U-6-25c

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
MAY 5 - 1931	2000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
MAY 5 - 1931	3000	Township of Dearborn Mich 5 1/2 + 2 1/2	Otis & Co.	Jacobson
MAY 5 - 1931	6000	Dearborn Resurfacing Bd 6 1/2	Otis & Co.	Jacobson
MAY 6 - 1931	15000	Shaker Hts n/o	Otis & Co.	Jacobson
MAY 6 - 1931	1000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
MAY 6 - 1931	8000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
MAY 7 - 1931	5000	Dearborn Mich 5 1/2	Otis & Co.	Jacobson
MAY 8 - 1931	4000	Dearborn Mich 6 1/2	Otis & Co.	Jacobson
MAY 11 - 1931	1000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
MAY 14 - 1931	7000	Dearborn Mich 5 1/2	Otis & Co.	Jacobson
MAY 14 - 1931	5000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
MAY 22 - 1931	5000	City of Shaker Heights 4 1/2 St Imp Bd	Otis & Co.	Jacobson
		RECEIVED		
MAY 6 - 1931				

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.

DATE \_\_\_\_\_

EXHIBIT U-6-25d

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
✓	20,418.26	The Village of Berea 5 1/8% Street Imp Pd, #25/7 due 5/1/35 #22/4 due 11/1/34 #28/31 due 11/1/35 #32/4 due 5/1/36 #35/7 due 11/1/36 #38/40 due 5/1/37 #41/3 due 11/1/37 #44/6 due 5/1/38 #47/9 due 11/1/38 #50/1 due 5/1/39 #54/6 due 11/1/39 #57/9 due 5/1/40 #60/2 due 11/1/40 at 500 ea #63 at 918.26 due 11/1/40		
✓	1,000	The Bessemer Limestone & Cement 1st Mtge 20yr 6 3/4% 90-3 Gd/wd #C134/6 #C138 #C211 at 100 ea #D192 due 2/1/47 at 500		
✓	5000	The State of Texas, Bexar Medina Atascosa Counties Water Imp. #1st #1 #1777/91 at 1,000 ea due 6/1/61		
✓	5,000	The City of Blackfoot Municipal Coupon Refg. Waterworks Bds Series B #161/3 due 1/1/45 #179/80 due 1/1/46 at 1,000 ea 5 1/2%		
✓	1,000	The Bowman Biltmore Hotels Corpn 10yr 7% S/F Sec. Gd Bd #M42 due 12/15/34		
✓	10,000	The S. F. Bowser & Co. Inc. 1st Mtge 10yr 7% S/F 69- #C70/3 #C84 C95 due 11/1/34 at 100 ea #D84 #D100 RECEIVED #DC14 #DS14 #D320 #D341 #D376 at 500 ea due 5/1/34 #M196/B #M1147 #M1648/9 at 1,000 ea due 11/1/34		

Received from THE UNION TRUST COMPANY Cincinnati, Ohio Collateral Securities and all other papers due in connection with the above described loan.

DATE

EXHIBIT U-6-27a

EXHIBIT U-6-26

Name R. S. C.  
Address

Demand loan  
No. 5943B  
120,000.00

Otis & Co. (New York) Participation

Interest						Int. rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
-----	-----	-----	20.40	May 1, 1931	May 2, 1931	6	Apr. 28, 1931	40,800	-----	40,800.00
-----	-----	-----	130.31	-----	-----	-----	May 9, 1931	-----	5,639.19	35,160.81
-----	-----	-----	-----	-----	-----	-----	May 21, 1931	-----	816.00	34,344.81
-----	-----	-----	130.31	May 22, 1931	May 22, 1931	-----	May 22, 1931	34,344.81	-----	-----

Transferred to New Loan May 22, 1931.

EXHIBIT U-6-26a

Date	Par or share	Description of collateral	Market	Basis	Amount
-----	40,800	Certificate of Participation Total 120,000.00 Union Trust Co. Corporate Trust Dept.	-----	-----	-----

EXHIBIT U-6-27

Name R. S. C. Address: Otis & Co. Union Trust Co.  
Demand loan no. 6075B.

Interest						Int. rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
-----	-----	-----	-----	-----	-----	-----	May 22, 1931	1,252,560	-----	1,252,560.00
-----	-----	-----	-----	-----	-----	-----	May 23, 1931	-----	952.00	1,251,608.00
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	14,144.00	1,237,464.00
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	302,644.20	934,819.80	-----
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	9,628.80	925,191.00
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	-----	12,754.00	922,437.00
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	35,904.00	886,533.00	-----
-----	-----	-----	928.36	May 27, 1931	May 27, 1931	-----	May 27, 1931	886,533.00	-----	-----

<sup>1</sup> As of 5-27-31.

Certificate of Participations:

Union Trust Co.....	\$1,252,560.00
Cleveland Trust.....	\$1,252,560.00
Guardian Trust.....	\$736,800.00
Central United.....	\$442,080.00
	\$3,684,000.00

Transferred to New Loan.

(Exhibit U-6-27a faces this page)

## EXHIBIT U-6-28

Name I

Address Otis &amp; Co. Guardian Tr Co.

Interest						Int. rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
-----	-----	-----	-----	-----	-----	6	May 22, 1931	-----	-----	736, 800
-----	-----	-----	-----	-----	-----	-----	May 23, 1931	-----	560	736, 240
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	8, 320	727, 920
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	178, 026	549, 894
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	5, 664	544, 230
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	-----	<sup>1</sup> 1, 620	542, 610
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	-----	21, 120	521, 490
-----	-----	-----	546. 12	May 27, 1931	May 27, 1931	-----	May 27, 1931	-----	521, 490	-----

<sup>1</sup> As of 5-27-31.

## Certificate of Participation:

Union Trust Co.....	\$1, 252, 560. 00
Cleveland Trust.....	1, 252, 560. 00
Guardian Trust.....	736, 800. 00
Central United.....	442, 080. 00

\$3, 684, 000. 00

Transferred to New Loan.

## EXHIBIT U-6-29

Name I

Address Otis &amp; Co. Cleveland Tr Co.

Interest						Int rate	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid		Date	Debit	Credit	Balance
-----	-----	-----	-----	-----	-----	6	May 22, 1931	-----	-----	1, 252, 560. 00
-----	-----	-----	-----	-----	-----	-----	May 23, 1931	-----	952. 00	1, 251, 608. 00
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	14, 144. 00	1, 237, 464. 00
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	302, 644. 20	934, 819. 80
-----	-----	-----	-----	-----	-----	-----	May 25, 1931	-----	9, 628. 80	925, 191. 00
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	-----	<sup>1</sup> 2, 754. 00	922, 437. 00
-----	-----	-----	-----	-----	-----	-----	May 26, 1931	-----	35, 904. 00	886, 533. 00
-----	-----	-----	928. 36	May 27, 1931	May 27, 1931	-----	May 27, 1931	-----	886, 533. 00	-----

<sup>1</sup> As of 5-27-31.

## Certificate of Participation:

Union Trust Co.....	\$1, 252, 560. 00
Cleveland Trust.....	1, 252, 560. 00
Guardian Trust.....	736, 800. 00
Central United.....	442, 080. 00

\$3, 684, 000. 00

Transferred to New Loan.

(Exhibits U-6-29a through U-6-29c face this page)

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	10,000	The City of Akron, County of Summit, Waterworks Extension Bd Series 3 4 1/4 #74010/00 at 1,000 ea due 10/1/50		
	3,000	The American Furniture Mart Building Corp 1st Closed 4 1/2 20yr S/F 6 1/2 Gd/Bd #M3042 #M3034 at 1,000 ea #3700 #D614 at 500 ea due 7/1/46		
	11,000	The Associated Gas & Electric Co. 5 1/4 Conv Investment C/F #0606/7 #11306/10 #4700 #15045/7 #15057 at 1,000 ea due 11/15/39		
	1,000	The Province of Gallo, Peru Gtd & Secured S/F 7 1/4 Gd/Bd #M1313 due 1/1/44		
	1,000	The Central States Power & Light Corp 1st Mtrg & 1st Lien Gd/Bd #M331 due 1/1/50		20 J. D. Powers & Co.
	1,000	The Chicago North Shore & Milwaukee Railroad Co. 3yr 6 1/2 Gd/Note #1927 due 4/1/32		
	2,000	The Chrysler Building 6 1/2 1st Mtrg L/M S/F Gd/Bd #M0075 #M7103 at 1,000 ea due 10/1/40		MAY 13 1937 20 J. D. Powers & Co.
		RECEIVED		
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.				
DATE _____				

EXHIBIT U-6-29a

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	3,000	The City National Bank Building Co. 6 1/2 1st Mtrg L/M S/F Gd/Bd #M262/3 #M378 at 1,000 ea due 6/1/40		
	1,000	The Cleveland Terminal Building Co 1st Mtrg L/M S/F 6 1/2 Gd/Bd #M1460 due 12/1/41		MAY 20 1937 20 J. D. Powers & Co.
	1,000	The Consumers Power Co. 1st Lien & Unifying Mtrg Gd/Bd 4 1/2 Series #M3400 due 11/1/38		
	1,000	The Credit Alliance Corp 10yr 5 1/2 Deb #M5060 due 11/1/30 Warr Att.		
	3,000 2,000	The Eastern Utilities Investing Corp 5 1/2 Gd/Deb #M733 #M34010 #M6070 at 1,000 ea due 5/15/54 Warr Att.		2000 20 J. D. Powers & Co. MAY 20 1937
	1,000	The Federal Land Bank of Omaha 4 1/2 #M260892 due 7/1/54		MAY 18 1937 20 J. D. Powers & Co.
	1,000	The Firestone Cotton Mills 20yr 5 1/2 S/F Gd/Bd #M2054 due 3/1/48		
	10,000 15,500 14,500	The Indiana Limestone Co. 10yr 7 1/2 S/F Gd/Deb #D359 #D709 #D465 #D654 at 500 ea #M602 #M2324 RECEIVED M3393 #M3296 M4529 M1586 M1982/3 M3014 M1740 M3295 M2186 M3407 M2326 M2323 M1739 at 1,000 ea due 5/1/36 Warr Att.		20 J. D. Powers & Co. MAY 13 1937
MAY 13 1937	1000	Eastern Utilities Inv Corp 5 1/2		20 J. D. Powers & Co.
MAY 13 1937	3500	Indiana Limestone 7 1/2		20 Do.
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loan.				
DATE _____				

EXHIBIT U-6-29b

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	5,000	Twin City Rapid Transit Company 1st Lien and Refunding C.S. 3/2 Ser. A #20199 #20606/1 #20000 #20640 for \$1,000 each due 12-1-62	MAY 18 1931	To E.A. Rouse Co
	1,000	Federal Land Bank of Wichita (Federal Farm Loan Bond) due 1-1-65 #272010		out May 16, 1931 X
	<del>25,000</del> 27,000	Federal Land Bank of Louisville (Federal Farm Loan Bond) #20001/56 #201000/6 #202000/6 #203000/6 for \$1,000.00 each due 7-1-61 #2020007 #2020006 due 7-1-61	MAY 18 1931	To E.A. Rouse Co
	15,000	E. F. Goodrich Company 15% of 90th St. Deb #67000/000 #68000/00 #67700/ #67800 #68200 due 6-1-45		
	3000	RECEIVED Federal Land Bank Houston - 3/4 do. E.A. Rouse Co.		

Received from THE UNIC... ST COMPANY Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described USA.

DATE \_\_\_\_\_

EXHIBIT U-6-29c

EXHIBIT U-6-30

Otis & Co.

Central United

Interest						Int rate	Principal			
Date	Debit	Cred- it	Bal- ance	Interest to	Date paid		Date	Debit	Credit	Balance
-----	-----	-----	-----	-----	-----	6	May 22, 1931	-----	442,080.00	-----
-----	-----	-----	-----	-----	-----		May 23, 1931	336.00	441,744.00	-----
-----	-----	-----	-----	-----	-----		May 25, 1931	4,992.00	436,752.00	-----
-----	-----	-----	-----	-----	-----		May 25, 1931	106,815.60	329,936.40	-----
-----	-----	-----	-----	-----	-----		May 25, 1931	3,398.40	326,538.00	-----
-----	-----	-----	-----	-----	-----		May 26, 1931	1,972.00	325,566.00	-----
-----	-----	-----	-----	-----	-----		May 26, 1931	12,672.00	312,894.00	-----
-----	-----	-----	327.66	May 27, 1931	May 27, 1931		May 27, 1931	312,894.00	-----	-----

<sup>1</sup> As of 5-27-31.

Certificate of Participation:

Union Trust Co.....	\$1,252,560.00
Cleveland Trust.....	1,252,560.00
Guardian Trust.....	736,800.00
Central United.....	442,080.00
	<b>3,684,000.00</b>

Transferred to New Loan.

EXHIBIT U-6-31

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL CREDIT INFORMATION

For exclusive use of Credit Department.

MAY 21, 1931.

MEMORANDUM REGARDING OTIS & CO. LOANS

The four Cleveland banks have today agreed to loan Otis & Company up to a total of approximately \$4,182,000.00 secured by collateral which has been valued at approximately \$4,716,968.00. This collateral includes 179,226 shares of Continental Shares Inc. common valued at \$3.00 per share. This total comprises the following loans:

Original Amount	Present Balance	Collateral Value
\$2,000,000.00.....	<sup>1</sup> \$1,856,850.00	\$1,864,000.00
500,000.00.....	<sup>1</sup> 480,675.00	626,000.00
800,000.00.....	<sup>1</sup> 202,000.00	223,468.00
120,000.00.....	<sup>1</sup> 101,014.14	134,500.00
Out of Town Loans.....	\$2,640,539.14	-----
Direct Cleveland Loans.....	\$533,070.00	829,000.00
Guardian Trust Loans (endorsed by Otis & Co.).....	457,780.00	1,040,000.00
	50,000.00	-----
Additional loan.....	\$3,681,389.14	\$4,716,968.00
	500,000.00	-----
Total loans.....	\$4,181,389.14	-----
Payment to be presently made.....	896,130.00	-----
	\$3,285,259.14	-----
Thru release of 179,226 shares of Continental Shares.....	-----	537,678.00
	-----	\$4,179,290.00

<sup>1</sup> Now participated—4 banks.



## EXHIBIT U-6-32

It is also understood that a further payment of \$680,000.00 will be made to release customers' collateral valued at \$850,000.00; also that in addition to collateral as valued above Otis & Company will pledge to as great an extent as it is practical for it to do, the equity in its various stock exchange memberships which is estimated at \$200,000.00, and will write us a letter evidencing that understanding. And further, that all the unsecured accounts of Otis & Company will be pledged to secure this indebtedness, a satisfactory pledge agreement to be prepared by counsel.

R. S. CRAWFORD, *Secretary.*

## EXHIBIT U-6-33

MAY 21, 1931.

MESSRS. OTIS & COMPANY,  
*Cuyahoga Building,  
Cleveland, Ohio.*

GENTLEMEN: In behalf of myself and my associates, I hereby agree to purchase from you, and you agree to sell to me, approximately three hundred thousand (300,000) shares of the fully-paid and non-assessable Common Stock of Continental Shares, Inc., a Maryland corporation, at Five Dollars (\$5.00) per share, payable as hereinafter provided.

I will deposit with The Union Trust Company of Cleveland, Ohio, at its main office, the total amount of the purchase price to be paid hereunder.

You will deliver, or cause to be delivered, promptly to said The Union Trust Company, fully-paid and non-assessable certificates in proper form, duly endorsed in blank and stamped for transfer, representing all the shares of Continental Common Stock covered by this agreement.

I will instruct The Union Trust Company to pay to you or your order, in cash, for such stock as delivered, at the rate per share above agreed upon.

It is expressly agreed and made a condition hereof that you represent and warrant that you have good title to, or right to sell, all the shares of Continental Common Stock covered by this agreement, and to be delivered as aforesaid.

I am writing this letter in duplicate, and if it meets with your approval, please sign the acceptance endorsed on both drafts and return one of them to me.

Yours truly,

(Signed) WM. G. MATHER,

Accepted this May 21st, 1931

OTIS & COMPANY,  
By J. O. EATON  
*A partner.*

## EXHIBIT U-6-34

File copy,  
As of May 25

MAY 25, 1931.

OTIS & COMPANY  
*Cuyahoga Building, Cleveland, Ohio.*  
(Attention Mr. Leslie Fontaine)

GENTLEMEN: This is to advise you that we have today credited upon your loans \$890,130.00 in payment for 178026 shares of Continental Shares Inc. common stock, pledged as collateral to said loans.

Very truly yours,

RSC D

*Secretary.*

OTIS & Co.  
CLEVELAND

May 22, 1931

The Union Trust Co.  
Cleveland, Ohio

Attention: Mr. Crawford

Gentlemen:

In accordance with the arrangement made with Mr. M. C. Harvey, we have today instructed the Continental Shares, Inc. to deliver to you 62,000 shares of Continental Shares, Inc. Common Stock which will be presented to you today by them, and in exchange for this collateral, it is our understanding that you will pay them \$250,000.00 and interest which is the amount of our note with them, and the balance of \$60,000.00 is to be credited to our checking account. This is on the basis of \$5.00 per share for the above stock.

We thank you for taking care of this.

Very truly yours

OTIS & Co.

*L. T. Fontaine*  
Asst. Cashier

L. T. Fontaine:MS

5

7 days

875-  
14583

72917

750.000  
72917

750929.17

59.29083

210.000.00

Otherly.

EXHIBIT U-6-38

## EXHIBIT U-6-35

MAY 28, 1931.

The UNION TRUST COMPANY  
*The Cleveland Trust Company*  
*The Guardian Trust Company*  
*Central United National Bank*  
 Cleveland, Ohio

GENTLEMEN: We have today released from the collateral securing \$2,921,250.00 loan of Otis & Company, the following securities:

250 shares Western Public Service  
 1200 " Continental Shares Inc. Common  
 800 " Sherwin Williams Common  
 \$5,000.00 Joseph & Foics 8½'s of 1943

Payment received \$47,000.00.

Disbursement:	Balance	
The Union Trust Company.....	\$15,630.00	\$968,296.20
The Cleveland Trust Company.....	15,980.00	968,296.20
The Guardian Trust Company.....	9,400.00	500,586.00
Central United National Bank.....	5,640.00	341,751.00

This amount was transferred through the Federal Reserve Bank for your account.

Yours very truly,

W. A. HARTFORD.  
*Ass't Treasurer.*

## EXHIBIT U-6-36

OTIS & Co.  
 Cleveland, May 28th, 1931

THE UNION TRUST COMPANY,  
 Cleveland, Ohio.  
 (Attention Mr. Stutts.)

GENTLEMEN: Please accept this as authority for releasing 179,226 shares of Continental Shares Inc. from our demand loan with you, for which you received \$5.00 per share, and applied payment of \$896,130.00 on the above loan.

Yours very truly,

OTIS & Co.  
 L. T. FONTAINE, *Asst. Cashier.*

L. T. Fontaine:T

## EXHIBIT U-6-37

OTIS & Co.,  
 1500 Walnut Street,  
 Philadelphia, Pa., May 22, 1931.

UNION TRUST Co.,  
 Cleveland, Ohio.  
 (Attention Mr. Robert Crawford.)

DEAR SIR: We have today forwarded to you the following drafts:

Corn Exchange National Bank & Trust Co.....	\$52,300.
10,460 shs. Continental Shares, Inc. Common Stock	
Philadelphia National Bank.....	\$31,500.
6,300 shs. Continental Shares, Inc. Common Stock	

We have also requested the Corn Exchange National Bank & Trust Co. to send to you today the 2,900 shares Continental Shares Common Stock now held by them as collateral on account of your loan to Otis & Co.

Very truly yours,

OTIS & Co.  
 By: JOSEPH SMITH, *Office Manager.*

Jos. Smith/LC

(Exhibit U-6-38 faces this page)

## EXHIBIT U-6-39

MESSAGE RECEIVED OVER PRIVATE WIRE

THE UNION TRUST COMPANY—CLEVELAND, OHIO

M 45 PM MAY 22, 1931.

----- 19--

Re your wire today we paid Pierce and charged your account \$210,070. Delivery 42014 shs Continental Shares in various street names without stamps. Advise if not satisfactory. We are holding stock

CHASE NATIONAL BANK.

\$210,070 42014.

W  
Operators initials.

(Exhibits U-6-40 through U-6-40a face this page)

## EXHIBIT U-6-41

NAME. NEWBERRY INVESTMENT CORPORATION

ADDRESS. 2222 BUHL BUILDING, DETROIT, MICH

Time loan 87130

No. 1 due 8-20-31.  
No. 2 due  
No. 3 due  
No. 4 due  
No. 5 due  
No. 6 due  
No. 7 due  
No. 8 due  
No. 9 due  
No. 10 due  
No. 11 due

Interest or Discount						Int. Rate	Principal			
Date	Dis- count	Int. Re- bate	Int. Re- ce'ble	Interest to	Date paid		Date	Debit	Credit	Bal- ance
	781 25	-----	-----	8-20-31	May 25, 1931	5	May 22, 1931 Aug. 20, 1931	62,500 ----- 62,500	----- -----	62,500 -----

## EXHIBIT U-6-41a

Date	Par or Shares	Description of Collateral	Mar- ket	Basis	Amount
	25,000 shs	The Continental Shares Inc. Com.----- #C/C01141/42 at 5000 shs ea. #C/C01169/70 at 1000 shs ea. #C/C03387 at 2000 shs. #C/C04355 at 11,000 shs n/o Otis & Co.	3½	-----	87,500

Security mailed to Peoples Wayne County Bank, Detroit, Mich., authority on file.

(Exhibits U-6-42 through U-6-44a face this page)

NAME *1180*      TIME LOAN

The Southern Ohio Power Co.  
150 East Broad Street, Columbus, Ohio

No. 1 DUE *8-20-31*  
No. 2 DUE *11-18-31*  
No. 3 DUE *2-18-31*  
No. 4 DUE *1-18-32*  
No. 5 DUE *2-23-32*

MEMO

INTEREST OR DISCOUNT		INTEREST TO		DATE PAID		INT.		PRINCIPAL		
DATE	DISCOUNT	INT. PERCENT	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
	<i>625-</i>			<i>8-20-31</i>	<i>MAY 25 1931</i>	<i>5</i>	<i>MAY 31 1931</i>	<i>50 000</i>		<i>50 000</i>
	<i>625-</i>			<i>11-18-31</i>	<i>AUG 20 1931</i>	<i>5</i>	<i>AUG 20 1931</i>	<i>50 000</i>	<i>50 000</i>	<i>50 000</i>
	<i>200-</i>		<i>139</i>	<i>11-18-31</i>	<i>NOV 20 1931</i>	<i>5</i>	<i>NOV 18 1931</i>		<i>1000</i>	<i>40 000</i>
	<i>200-</i>			<i>12-18-31</i>	<i>NOV 20 1931</i>	<i>6</i>	<i>NOV 18 1931</i>	<i>40 000</i>	<i>40 000</i>	<i>40 000</i>
	<i>667</i>			<i>1-18-32</i>	<i>DEC 19 1931</i>	<i>6</i>	<i>DEC 18 1931</i>	<i>40 000</i>	<i>40 000</i>	<i>40 000</i>
	<i>160-</i>		<i>30</i>	<i>1-18-32</i>	<i>JAN 28 1932</i>	<i>6</i>	<i>JAN 27 1932</i>		<i>40 000</i>	<i>0</i>
	<i>125</i>		<i>116</i>	<i>2-23-32</i>	<i>MAR 28 1932</i>	<i>6</i>	<i>MAR 27 1932</i>	<i>30 000</i>	<i>30 000</i>	<i>30 000</i>
			<i>33</i>	<i>3-28-32</i>	<i>MAR 1 1932</i>	<i>6</i>	<i>MAR 27 1932</i>	<i>25 000</i>	<i>25 000</i>	<i>25 000</i>
			<i>416</i>	<i>4-16-32</i>	<i>MAR 29 1932</i>	<i>6</i>	<i>MAR 29 1932</i>		<i>25 000</i>	<i>0</i>

Form No. 10 10-10-30

EXHIBIT U-6-40

DATE	PART OR SHARES	DESCRIPTION OF COLLATERAL	DEBIT BASIS	AMOUNT
	20,000shs	The Continental Shares Inc. Com V. T. Ut. #C/4102/4011 #V/C4517/19 #C/C4842/17 #C/C4858/61 #C/G4470/01 #C/C4531 #C/C 4532 #C/C4713/17 #C/C4719/21 #C/C4123 #C/C4790 #C/C4783 #C/C5404/6 #C/C5973/6002 #C/C6128/4A #C/C6203/15 at 100shs ea n/o Otis & Co. / #C/C6550 n/o Southern Ohio Power Co. #8		
	200shs	Low Voleatile Coal Co. Pfd. #13/14-100shs ea		
	1000shs	The United Ohio Utilities Co. Pfd #P11		

out on left Huntington West Bank  
Columbus Ohio  
#13/14  
#P11  
#C/C6550 n/o Southern Ohio Power Co.

RECEIVED

Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.

DATE



Mortgage Estates Department  
of any changes

DEMAND LOAN

ADDRESS Wade, J. H. Jr.  
c/o E. C. Genee, Estates Dept.

NO.

INTEREST				INT.		PRINCIPAL				
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			2245.84		10-31-29	6		42000		10000
			3847.00		10-31-29	6		14000	✓	224000
			37169.00		10-31-29	6		20000	✓	260000
			514050	OCT 1 1930	10-31-30	5 1/2				
			476367	MAR 1 1931	12-31-30					
			418889		1-31				10000	250000
			419405		1-31				24000	226000
			4425	OCT 1 1931		5	10/1/30			
										110000
										336000
										471000
										440000
									11000	450000
									24000	426000
										350000
									56000	350000
									60000	290000
									50000	340000
									30000	370000
									18000	352000
									352000	0

FORM No. 6-ET 108 7-28

THE UNION TRUST COMPANY, CLEVELAND

Library Bureau-415-9109

EXHIBIT U-6-43

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	1,000shs	United States Steel Corpn Com. #K195672/76 #211268/72-10Ushs on n/o The Union Trust Co.	72	510215
				510215

RECEIVED

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.

DATE \_\_\_\_\_

11-9-36

EXHIBIT U-6-43a

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	C 2968shs	The Medusa Portland Cement Co. Com #906- #315 n/o The Union Trust Co.	35	890.40
	C 9007shs	The Cliffs Corp Com Shares Voting Tr Ctr #VTC455- #VTC1338 n/o The Union Trust Company	25	225.175
MAY 25 1933	6000shs	The Continental Shares Inc. Com #NY/C1351/2-#NY/C1548/7 #NY/C2119/23-#NY/C2127, #NY/C3541/43-#NY/C4041/2-#NY/C4648-#C/C4663 #NY/C4773/81-#NY/C5146/7-#NY/C5152/6-#NY/C5228 7/8 South-Amy 1/2-#NY/C8932-#NY/C9008-#NY/C10716-#NY/C10835-#NY/C12261 #NY/C13765-#NY/C13785/92-#NY/C13812/15 at 100shs ea n/o Otis & Co.	1 1/2	9000
	500shs	American Telephone & Telegraph Co. Cap. #Q3805/9-100shs ea n/o The Union Trust Co.	134	67000
SEP 24 1933	2000shs	The Goodyear Tire & Rubber Co. Com. #H2608/22 #H2626/30-100shs ea n/o The Union Trust Co.	24	48000
	RECEIVED			438215
Received from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.				
DATE _____				

EXHIBIT U-6-43b



NAME		ADDRESS		DEMAND LOAN NO.						
Greene, Edward B.										
INTEREST				PRINCIPAL						
DATE	DEBIT	CREDIT	BALANCE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
			1111				23 MAY 1951	20000	256.52	28000
			750-			6%			70000	
			750-							
			300-							

EXHIBIT U-6-44

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	4,000shs	The Continental Shares Inc. Com V T #C/66216/37 #NY/C770 #NY/C1000/13 #NY/C1025/3 #NY/C1270 #NY/C1344/6 #NY/C1348/50 at 100shs ea n/o Otis & Co. (#4 n/o Edward B. Greene)		
	373shs	The Cliffs Corpn Com. Voting Tr. #V.C1566	7	7601
		RECEIVED		
<small>Received from THE UNION TRUST COMPANY Cleveland, Ohio. Collateral Securities and all other papers due to connection with the above described loan.</small>				
DATE	<i>To New Loan #</i>			

EXHIBIT U-6-44a

EXHIBIT U-6-45

Daily fluctuations of continental shares from April 15, 1931 to June 30, 1931 as shown by Cleveland Plain Dealer

Date	High	Low	Volume Trading in Hundreds	Date	High	Low	Volume Trading in Hundreds
4/14/31	75 <sup>3</sup> / <sub>8</sub>	71 <sup>1</sup> / <sub>2</sub>	10	5/12/31	47 <sup>3</sup> / <sub>8</sub>	41 <sup>1</sup> / <sub>4</sub>	71
4/15/31	71 <sup>3</sup> / <sub>4</sub>	73 <sup>2</sup> / <sub>8</sub>	11	5/13/31	47 <sup>1</sup> / <sub>4</sub>	41 <sup>3</sup> / <sub>8</sub>	18
4/16/31	71 <sup>1</sup> / <sub>4</sub>	69 <sup>3</sup> / <sub>8</sub>	52	5/14/31	47 <sup>1</sup> / <sub>4</sub>	41 <sup>3</sup> / <sub>8</sub>	11,950
4/17/31	68 <sup>1</sup> / <sub>2</sub>	5 <sup>3</sup> / <sub>8</sub>	171	5/15/31	47 <sup>1</sup> / <sub>4</sub>	41 <sup>3</sup> / <sub>8</sub>	31
4/18/31	61 <sup>1</sup> / <sub>2</sub>	57 <sup>3</sup> / <sub>8</sub>	61	5/16/31	47 <sup>1</sup> / <sub>4</sub>	4	17
4/20/31	68 <sup>2</sup> / <sub>8</sub>	6 <sup>3</sup> / <sub>8</sub>	11	5/18/31	47 <sup>1</sup> / <sub>4</sub>	4	27
4/21/31	61 <sup>3</sup> / <sub>8</sub>	5 <sup>3</sup> / <sub>8</sub>	30	5/19/31	47 <sup>1</sup> / <sub>4</sub>	4	34
4/22/31	57 <sup>3</sup> / <sub>8</sub>	51 <sup>2</sup> / <sub>8</sub>	38	5/20/31	4	37 <sup>1</sup> / <sub>4</sub>	37
4/23/31	51 <sup>2</sup> / <sub>8</sub>	51 <sup>2</sup> / <sub>8</sub>	42	5/21/31	41 <sup>1</sup> / <sub>4</sub>	31 <sup>1</sup> / <sub>4</sub>	67
4/24/31	55 <sup>3</sup> / <sub>8</sub>	5	69	5/22/31	57 <sup>1</sup> / <sub>2</sub>	41 <sup>3</sup> / <sub>8</sub>	96
4/25/31	5	3 <sup>3</sup> / <sub>8</sub>	251	5/23/31	57 <sup>1</sup> / <sub>2</sub>	55 <sup>3</sup> / <sub>8</sub>	78
4/27/31	61 <sup>1</sup> / <sub>8</sub>	5	307	5/24/31	61 <sup>3</sup> / <sub>8</sub>	51 <sup>3</sup> / <sub>8</sub>	50
4/28/31	61 <sup>3</sup> / <sub>8</sub>	61 <sup>3</sup> / <sub>8</sub>	92	5/26/31	57 <sup>1</sup> / <sub>2</sub>	47 <sup>3</sup> / <sub>8</sub>	37
4/29/31	65 <sup>3</sup> / <sub>8</sub>	6	50	5/27/31	57 <sup>1</sup> / <sub>2</sub>	46 <sup>3</sup> / <sub>8</sub>	52
4/30/31	61 <sup>1</sup> / <sub>2</sub>	61 <sup>1</sup> / <sub>2</sub>	34	5/28/31	57 <sup>1</sup> / <sub>2</sub>	5	24
5/1/31	65 <sup>1</sup> / <sub>4</sub>	53 <sup>3</sup> / <sub>8</sub>	86	5/29/31	57 <sup>1</sup> / <sub>2</sub>	5	55
5/2/31	6	53 <sup>1</sup> / <sub>4</sub>	10	6/1/31	57 <sup>1</sup> / <sub>2</sub>	48 <sup>1</sup> / <sub>4</sub>	10
5/4/31	61 <sup>3</sup> / <sub>8</sub>	5	27	6/2/31	47 <sup>1</sup> / <sub>2</sub>	41 <sup>1</sup> / <sub>4</sub>	22
5/5/31	6	57 <sup>3</sup> / <sub>8</sub>	47	6/3/31	47 <sup>1</sup> / <sub>2</sub>	41 <sup>1</sup> / <sub>4</sub>	29
5/6/31	5	48 <sup>1</sup> / <sub>4</sub>	51	6/4/31	57 <sup>1</sup> / <sub>2</sub>	48 <sup>1</sup> / <sub>4</sub>	33
5/7/31	5	41 <sup>1</sup> / <sub>2</sub>	30	6/5/31	57 <sup>1</sup> / <sub>2</sub>	47 <sup>3</sup> / <sub>8</sub>	48
5/8/31	51 <sup>1</sup> / <sub>8</sub>	45 <sup>3</sup> / <sub>8</sub>	50	6/6/31	5	48 <sup>1</sup> / <sub>4</sub>	6
5/9/31	51 <sup>3</sup> / <sub>8</sub>	5	5	6/8/31	5	5	10
5/11/31	47 <sup>3</sup> / <sub>8</sub>	45 <sup>3</sup> / <sub>8</sub>	12				

EXHIBIT U-6-45a

6/9/31	51 <sup>1</sup> / <sub>4</sub>	47 <sup>3</sup> / <sub>8</sub>	24	6/20/31	41 <sup>1</sup> / <sub>4</sub>	41 <sup>1</sup> / <sub>4</sub>	1
6/10/31	47 <sup>3</sup> / <sub>8</sub>	48 <sup>3</sup> / <sub>8</sub>	3	6/22/31	51 <sup>1</sup> / <sub>8</sub>	48 <sup>1</sup> / <sub>4</sub>	6
6/11/31	51 <sup>3</sup> / <sub>8</sub>	48 <sup>3</sup> / <sub>8</sub>	40	6/23/31	51 <sup>1</sup> / <sub>8</sub>	47 <sup>3</sup> / <sub>8</sub>	29
6/12/31	5	47 <sup>3</sup> / <sub>8</sub>	4	6/24/31	57 <sup>1</sup> / <sub>2</sub>	47 <sup>3</sup> / <sub>8</sub>	118
6/13/31	--	--	--	6/25/31	57 <sup>1</sup> / <sub>2</sub>	51 <sup>3</sup> / <sub>8</sub>	53
6/15/31	5	48 <sup>1</sup> / <sub>4</sub>	13	6/26/31	61 <sup>1</sup> / <sub>4</sub>	51 <sup>3</sup> / <sub>8</sub>	156
6/16/31	43 <sup>1</sup> / <sub>4</sub>	43 <sup>1</sup> / <sub>4</sub>	2	6/27/31	6	58 <sup>1</sup> / <sub>4</sub>	37
6/17/31	--	--	--	6/28/31	61 <sup>1</sup> / <sub>4</sub>	58 <sup>1</sup> / <sub>4</sub>	32
6/18/31	45 <sup>3</sup> / <sub>8</sub>	48 <sup>3</sup> / <sub>8</sub>	17	6/30/31	57 <sup>1</sup> / <sub>2</sub>	57 <sup>1</sup> / <sub>2</sub>	19
6/19/31	41 <sup>1</sup> / <sub>2</sub>	44 <sup>1</sup> / <sub>2</sub>	6				

<sup>1</sup> Odd lots.

EXHIBIT U-6-46

Daily fluctuations of continental shares from April 15, 1931 to June 30, 1931 as shown by Cleveland Plain Dealer

Date	High	Low	Volume Trading in Hundreds	Date	High	Low	Volume Trading in Hundreds
4/14/31	7 $\frac{5}{8}$	7 $\frac{1}{2}$	10	5/12/31	4 $\frac{7}{8}$	4 $\frac{1}{2}$	71
4/15/31	7 $\frac{3}{8}$	7 $\frac{3}{8}$	11	5/13/31	4 $\frac{1}{2}$	4 $\frac{1}{8}$	18
4/10/31	7 $\frac{3}{4}$	6 $\frac{5}{8}$	52	5/14/31	4 $\frac{1}{2}$	4 $\frac{1}{8}$	1,950
4/17/31	6 $\frac{3}{4}$	5	171	5/15/31	4 $\frac{1}{2}$	4	31
4/18/31	6 $\frac{1}{2}$	5 $\frac{7}{8}$	61	5/16/31	4 $\frac{1}{2}$	4	17
4/20/31	6 $\frac{5}{8}$	6	11	5/18/31	4 $\frac{1}{2}$	4	34
4/21/31	6 $\frac{1}{8}$	5 $\frac{3}{4}$	30	5/19/31	4	3 $\frac{7}{8}$	27
4/22/31	5 $\frac{7}{8}$	5 $\frac{1}{2}$	38	5/20/31	4	3 $\frac{3}{4}$	34
4/23/31	5 $\frac{1}{2}$	5 $\frac{1}{8}$	42	5/21/31	4 $\frac{1}{2}$	3 $\frac{1}{2}$	67
4/24/31	5 $\frac{5}{8}$	5	69	5/22/31	5 $\frac{1}{2}$	4 $\frac{1}{8}$	96
4/25/31	5	3 $\frac{3}{4}$	251	5/23/31	6 $\frac{1}{8}$	5 $\frac{3}{4}$	76
4/27/31	6 $\frac{1}{8}$	5	307	5/24/31	5 $\frac{3}{4}$	5 $\frac{1}{8}$	50
4/28/31	6 $\frac{1}{8}$	6 $\frac{1}{8}$	92	5/26/31	5 $\frac{1}{8}$	4 $\frac{7}{8}$	37
4/29/31	6 $\frac{5}{8}$	6	50	5/27/31	5 $\frac{1}{8}$	4 $\frac{5}{8}$	52
4/30/31	6 $\frac{1}{2}$	6 $\frac{1}{2}$	34	5/28/31	5 $\frac{3}{8}$	5	24
5/1/31	6 $\frac{3}{4}$	5 $\frac{7}{8}$	86	5/29/31	5 $\frac{1}{4}$	5	55
5/2/31	6	5 $\frac{1}{2}$	10	6/1/31	5	4 $\frac{3}{4}$	10
5/4/31	6 $\frac{1}{8}$	5 $\frac{1}{2}$	27	6/2/31	4 $\frac{7}{8}$	4 $\frac{1}{4}$	22
5/5/31	6	4 $\frac{7}{8}$	47	6/3/31	4 $\frac{7}{8}$	4 $\frac{1}{4}$	29
5/6/31	5	4 $\frac{3}{4}$	51	6/4/31	5 $\frac{1}{8}$	4 $\frac{3}{4}$	33
5/7/31	5	4 $\frac{1}{2}$	30	6/5/31	5 $\frac{1}{2}$	4 $\frac{7}{8}$	48
5/8/31	5 $\frac{1}{8}$	4 $\frac{5}{8}$	50	6/6/31	5	4 $\frac{3}{4}$	6
5/9/31	5 $\frac{3}{8}$	5	5	6/8/31	5	5	10
5/11/31	4 $\frac{7}{8}$	4 $\frac{5}{8}$	12				

EXHIBIT U-6-46a

6/9/31	5 $\frac{1}{4}$	4 $\frac{7}{8}$	24	6/20/31	4 $\frac{1}{2}$	4 $\frac{1}{2}$	1
6/10/31	4 $\frac{7}{8}$	4 $\frac{3}{4}$	3	6/22/31	5 $\frac{1}{8}$	4 $\frac{3}{4}$	6
6/11/31	5 $\frac{3}{8}$	4 $\frac{3}{4}$	40	6/23/31	5 $\frac{3}{8}$	4 $\frac{7}{8}$	29
6/12/31	5	4 $\frac{7}{8}$	4	6/24/31	5 $\frac{3}{4}$	4 $\frac{7}{8}$	118
6/13/31				6/25/31	5 $\frac{5}{8}$	5 $\frac{1}{8}$	53
6/15/31	5	4 $\frac{3}{4}$	13	6/26/31	6 $\frac{1}{4}$	5 $\frac{1}{8}$	156
6/16/31	4 $\frac{3}{4}$	4 $\frac{3}{4}$	2	6/27/31	6	5 $\frac{3}{4}$	37
6/17/31				6/29/31	6 $\frac{1}{8}$	5 $\frac{3}{4}$	32
6/18/31	4 $\frac{5}{8}$	4 $\frac{3}{8}$	17	6/30/31	5 $\frac{5}{8}$	5 $\frac{3}{8}$	19
6/19/31	4 $\frac{3}{2}$	4 $\frac{1}{2}$	6				

<sup>1</sup> Odd lots.

EXHIBIT U-6-47

TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, MARCH 27, 1931.

Otis & Company

Otis & Co. (Participation)----- \$649,179.00

This loan was a participation in a loan to the above company in the amount of \$2,000,000.00. The collateral on same was practically unappraisable. All the other loans to Otis & Co. were covered. Since the examination, the bank has made a loan to Otis & Co. in the amount of \$3,946,000.00 which was reduced on May 25, 1931, \$854,000.00 to the amount of \$3,092,000.00 with collateral having a value of \$3,950,000.00 covering same. The loan was reduced by the sale of Continental Shares, Inc. Com. In the above loan the four major banks of Cleveland participate in the following percentages; Union Trust Co. 34%, Cleveland Trust Co. 34%, Guardian Trust Co. 20% and the Central United National Bank 12%. This new loan is a consolidation of all the loans of Otis & Co. in all banks.

EXHIBIT U-6-48

JUNE 30th, 1930

Mr. WM. G. MATHER  
*Union Trust Building*  
*Cleveland, O.*

MY DEAR MR. MATHER: We are pleased to advise you that effective July 1st, 1930, we are reducing the rate of interest to 5% on your demand loan of \$125,000.00.

Very truly yours,

*President.*

WMB.EMS

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EXHIBIT U-6-49

INTERVIEWS AND COMMITMENTS AFFECTING LOANS  
 OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT  
 COMMENTS ON FINANCIAL STATEMENTS  
 ESSENTIAL CREDIT INFORMATION

For exclusive use of Credit Department.

JULY 5, 1933.

WM. G. MATHER

Note dated April 18 in the amount of \$12,322.50, in payment of interest to July 1 on the collateral loan of \$800,000 of Wm. G. Mather, is at present held in our vault. Apparently this was not sent to the R..F.C. because our letter to them dated May 18, over Mr. Cox's signature, requested their advice as to whether we should accept the interest note.

I talked today to Mr. Minke, in charge of some department at the R.F.C. He talked to Mr. Callendar, and Callendar says that Washington has not yet agreed to permit us to accept this note; therefore, the R.F.C. cannot take the note, and I suppose, since our loan is pledged to them, we should not apply the note on our collateral loan card, which would necessitate showing interest paid to July 1.

I think the above is equivalent to saying that we should not accept a note for the quarter's interest beginning July 1 until the other matter is settled.

A. L. MOLER  
 A. L. M.

MOLER: On what basis are they delaying taking this paper.

1st they have the original note & "agreement."

2nd This interest note is a prerogative of the agreement.

3rd We are losing a position but not taking the note by a preferred position.

A. L. M.

A. L. M

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EXHIBIT U-6-50

(COPY)

OTIS & Co.,  
*Cleveland, May 22, 1931.*

The UNION TRUST Co.  
*Cleveland, Ohio.*

(Attention Mr. Crawford.)

GENTLEMEN: In accordance with the arrangement made with Mr. M. C. Harvey, we have today instructed the Continental Shares, Inc. to deliver to you 62,000 shares of Continental Shares, Inc. common stock which will be presented to you today by them, and in exchange for this collateral, it is our understanding that you will pay them \$250,000.00 and interest which is the amount of our note with them, and the balance of \$60,000.00 is to be credited to our checking account. This is on the basis of \$5.00 per share for the above stock.

We thank you for taking care of this.

Very truly yours,

OTIS & Co.  
 Signed L. T. FONTAINE, *Ass't. Cashier*

L. T. Fontaine: MS

EXHIBIT U-6-51

CORN EXCHANGE NATIONAL BANK AND TRUST COMPANY,  
Philadelphia, May 22, 1931.

1510-21 Chestnut Street  
Central city branch  
UNION TRUST COMPANY,  
Cleveland, Ohio.

(Attention Mr. Robert S. Crawford.)

GENTLEMEN: In accordance with your instructions sent us by wire today, we have charged your account today, \$52,300.

Enclosed please find 10460 shares of Continental Share Incorporated, Common, registered in name of Otis and Company, which Otis and Company have requested us to send you upon payment of the above amount.

Listed below are the numbers of the certificates of the Continental Shares, Incorporated, Common:

- |                             |                     |
|-----------------------------|---------------------|
| NYC4513 to 21 incl.         | NYC5979 to 83 incl. |
| NYC279, 280, 282, 283, 284. | NYC5985             |
| NYC4588 to 96 incl.         | NYC4507 to 12 incl. |
| NYC4573-74.                 | NYC274 to 278 incl. |
| NYC3502 to 10 incl.         | NYC4597-98          |
| NYC4300-4301                | NYC4500 to 06 incl. |
| NYC4305- to 4312 incl.      | NYC285 to 291 incl. |
| NYC5862-63                  | NYC4575-76          |
| NYC4586-87                  | NYC4497 to 99 incl. |
| NYC2895 to 98 incl.         | NYC4583 to 85 incl. |

NYC3491 to 3501 incl.

all for 100 shares each, and NYC0770 for 60 shares.  
Very truly yours,

H. A. SINZHEIMER,  
Ass't Vice President.

JG.BVY

Please address reply to Central City Branch 1510-12 Chestnut Street.

EXHIBIT U-6-52

Name: O. & Co.  
#1  
Address: Otis & Co.  
Demand loan No. 6075B.

Control card

Interest						Int.	Principal			
Date	Debit	Credit	Balance	Interest to	Date paid	Rate	Date	Debit	Credit	Balance
						6	May 22, 1931	3,684,000		3,684,000
							May 23, 1931		2,800	3,681,200
							May 25, 1931		41,600	3,639,600
							May 25, 1931		890,130	2,749,470
							May 25, 1931		28,320	2,721,150
							May 26, 1931	as of 5-27-31	8,100	2,713,050
							May 26, 1931		105,600	2,607,450
			2,730.50	May 27, 1931	May 27, 1931		May 27, 1931		2,607,450	

Transferred to New Loan.

## EXHIBIT U-6-53

Name: O. & C.  
Address: Otis & Co.  
Demand loan No. 6070B.

Interest					Int.	Principal				
Date	Debit	Credit	Balance	Interest to	Date paid	Rate	Date	Debit	Credit	Balance
				May 22, 1931	May 22, 1931		May 22, 1931	500,000		500,000
							May 22, 1931		500,000	

THE UNION TRUST COMPANY: LOANS, K. V. PAINTER—WALTER H. SEYMOUR

## EXHIBIT U-4-1A

SPECIAL REPORT IN RE KENYON V. PAINTER ET AL UNION TRUST COMPANY,  
CLEVELAND, OHIO

(Volume I)

Submitted the Robert Morris Huston, Special Deputy Superintendent of Banks.

CLEVELAND, OHIO, *September 18, 1933.*

Honorable IRA J. FULTON,  
*Superintendent of Banks, Columbus, Ohio.*

SIR: In accordance with your instructions I have directed a complete and exhaustive investigation of the books and records of The Union Trust Company. Cleveland, Ohio, for the purpose of obtaining information and data bearing upon certain alleged irregularities in the management and conduct of the affairs of the above named institution. I now have the honor of submitting the following special report in relation to the loans of one Kenyon V. Painter, a former director and member of the executive committee of The Union Trust Company.

Kenyon V. Painter is sixty-six years of age and has been a director of The Union Trust Company for approximately ten years. He has also been a member of its executive committee for about the same period of time. From the evidence at hand it appears that Painter has never seriously recognized the responsibilities of a bank director but has construed his official position with The Union Trust Company as one of unusual and irregular liberties and privileges. It further appears that both Wilbur M. Baldwin and Charles W. Carlson, President and Vice President, respectively, of the Union Trust Company had the same mistaken idea regarding the duties of their respective positions as well as the courtesies and privileges due a director.

Wilbur M. Baldwin is fifty-eight years of age and has been a director of The Union Trust Company for approximately ten years. March 25th, 1930 Baldwin was elected to the Presidency of The Union Trust Company and continuously served in that capacity until the early part of this year.

Charles W. Carlson is about forty-eight years of age and was a Vice President of the Union Trust Company from January 11th, 1928 to the date of failure. Carlson was never a director of the bank nor was he ever considered a senior loaning officer or a member of any important committee.

At the date of failure of The Union Trust Company, Painter was indebted to that bank to the enormous amount of \$2,930,000.00, only a small fraction of which sum was adequately or properly secured. Our investigation discloses that virtually all of this indebtedness resulted from unlawful collusion between Painter, Baldwin, and Carlson for the purpose of wilfully misapplying the monies, funds, and credits of the bank for the direct use, benefit, and advantage of Painter and indirectly for the use, benefit, and advantage of Baldwin and Carlson.

In substance the general scheme of operation was as follows: Painter would convey to the bank certain real estate holdings, leaseholds, and real estate equities together with certain unlisted and unknown stocks of doubtful worth, all to be held by the bank in trust as collateral security for future borrowings. Subsequently, Painter would execute his demand promissory note, or notes, for sums averaging about \$300,000.00 each. These notes would not immediately

be recorded on the bank records for their face amounts and like credits passed to Painter's account, but instead would be withheld by Baldwin or Carlson and used only at such times and in such amounts as would be necessary to avoid an overdraft in Painter's personal account.

By this arrangement each note was recorded as constituting a series of loan transactions rather than as one independent borrowing. Furthermore, such irregular procedure was decidedly beneficial to Painter in view of the fact that at no time was he required to pay interest on any unused portion of his loans. He also enjoyed a preferential interest rate on his loans being charged a lesser rate of interest than other customers of the bank were required to pay.

Our investigation covers the period from March 1st, 1928 to date of failure but for the purpose of this report my discussion will be confined to transactions occurring subsequent to October 6th, 1930.

On that date, October 6th, 1930, Painter was indebted to The Union Trust Company to the amount of \$607,000.00 evidenced by two demand promissory notes as follows:

One note dated July 1st, 1930 for the principal sum of \$950,000.00, signed in the name of "K. V. Painter" on which there was a balance due of \$500,000.00; and, one other promissory note dated August 13th, 1930 for the principal sum of \$300,000.00, signed in the name of "K. V. Painter" on which there had been advanced to Painter's credit the sum of \$107,000.00.

As security for this indebtedness the bank held the following collateral:

Real Estate Properties Pledged Under Agreement of May 1, 1926 and Remaining as Collateral in the Year 1930.

1. Equity (if any) in University Hall Apartments, subject to a first mortgage of \$80,000.00. (10838 Deering Ave.)
2. Equity (if any) in Boulevard Apartments, subject to a first mortgage of \$70,000.00. (10310 Wade Park Ave.)
3. Equity (if any) in Bay State Apartments, subject to a first mortgage of \$75,000.00. (10716 Carnegie Ave.)
4. Sub lots, numbers 527, 528, and 529 of The J. A. Wigmore Cedar Brook Allotment (11 stores), location, south east corner of Meadowbrook and Lee.
5. Sub lots, numbers 19A and 20 in The Meadowbrook Land Company's Re-Subdivision of part of original Warrensville Township Lot No. 2. Location, north west corner of Meadowbrook and Lee.
6. Sub lots, numbers 336 and 337 in The J. A. Wigmore Company's Cedarbrook Allotment of part of original Warrensville Township Lots Nos. 2 and 3. Location, Tallamore and Lee.
8. Sub lots, numbers 376 and 377 at the southerly 15 feet front and rear of sub lot #375 in The Cleveland Heights Realty Company's Forest Hill Allotment No. 2. Location, Yorkshire and Lee.
9. Kelsey Parcel (commercial property) known as 1956 East 66th Street.
10. Bovnton Parcel (Residence) known as 1961 East 66th Street.
11. Child's Property (Residence) known as 1856 East 63rd Street.
12. Lease on property known as 1964 East 66th Street. (Pope property.)
13. Lease on property known as 4300 Euclid Avenue. (Brook's property, commercial.)
14. Lease on property known as Sub lot No. 448 in a Re-Subdivision of part of Forest Hill Allotment of part of original Euclid Township lot No. 49. (Westgate property, 11 stores.)

#### OTHER COLLATERAL

\$16,059.95 Land Trust Certificate on property leased to Terminal Building Company #38 in the name of Maude Wyeth Painter.

\$22,807.78 Note of State Road Land Company secured by first mortgage deed due August 23rd, 1929. (Held in Corporate Trust Department) Balance due, \$18,181.12.

- 8,000 shares Akeley Camera Corporation, Inc., Common stock.
- 200 shares Niagra Shares Corporation of Maryland, Common.
- 20 Warrants Niagra Shares Corporation of Maryland, Common.
- \$2,200. Note of W. M. Green.
- \$750. " " A. R. Corlett.
- \$700. " " Charles H. Clark.

Your attention is directed to the fact that none of the above described collateral could be considered as readily convertible into cash in the event of default on the part of Painter. It may be possible that such collateral had a potential liquidating value over a period of time in excess of the amount of Painter's indebtedness, yet, at the same time, such collateral cannot be considered as adequate, bankable,

or proper as security for the repayment of demand indebtedness. Real estate loans should be granted after proper appraisal and title search and carried in the Real Estate Mortgage Loan Department under some plan of amortization.

Despite the irregular condition of Painter's loan account, the bank continued to advance funds for his credit without restriction until October 1st, 1931 at which time he was indebted to The Union Trust Company to the amount of \$3,100,000.00. Later in the year 1931 certain payments were made through the sales of collateral reducing his indebtedness to \$2,930,000.00, which amount remained without change until the date of failure. As of April 1st, 1933, Painter was further indebted by reason of delinquent interest to the amount of \$224,411.55.

For your better understanding of the transactions creating this debt, each and every item will be discussed under separate heading in subsequent paragraphs of this report. In order that the intent and purpose of these transactions may be fully understood, I am submitting herewith and incorporating herein, copies of correspondence between Painter, Baldwin, and Carlson and will refer to each letter as part of my detailed discussion.

October 6th, 1930 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00, dated August 13th, 1930. (See letter Carlson to Painter, October 6th, 1930 and letter from R. L. Williams, Assistant Vice President, to Painter dated October 6th, 1930.)

October 14th, 1930 the bank advanced \$100,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00, dated August 13th, 1930. (See letter Painter to Carlson, October 13th, 1930 and Carlson's reply October 14th, 1930.)

October 23rd, 1930, the bank advanced \$40,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00 dated August 13th, 1930. (See letter Carlson to Painter, October 23rd, 1930.)

October 31st, 1930 the bank advanced \$33,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00 dated August 13th, 1930. (See letter Carlson to Painter, October 31st, 1930, and letters Baldwin to Painter, November 8th, 1930 and November 13th, 1930.)

November 14th, 1930 bank advanced \$100,000.00 to the credit of Painter's account and recorded such advances part of a note for \$400,000.00. (See letters Painter to Baldwin, November 14th, 1930.)

November 18th, 1930 the bank advanced \$40,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letter Carlson to Painter, November 18th, 1930 and letters Baldwin to Painter, November 18th, 1930 and November 19th, 1930.)

November 21st, 1930 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,00.00. (See letters Baldwin to Painter and Carlson to Painter, November 21st, 1930.)

November 22nd, 1930 the bank advanced \$50,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letters Baldwin to Painter, November 22nd, 1930; Painter to Baldwin, November 23rd, 1930; Baldwin to Painter, November 24th, 1930; Baldwin to Painter, November 26th, 1930.)

November 28th, 1930 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letters Carlson to Painter, November 28th, 1930; Baldwin to Painter, December 1st, 1930; Painter to Baldwin, December 2nd, 1930.)

December 10th, 1930 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letter Carlson to Painter, December 10th, 1930.)

December 11th, 1930 the bank advanced \$50,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letter Carlson to Painter, December 11th, 1930.)

December 17th, 1930 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letter Baldwin to Painter, December 17th, 1930.)

December 17th, 1930 the bank advanced \$50,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$400,000.00. (See letters Carlson to Painter, December 17th, 1930; Painter to Baldwin, December 18th, 1930; Baldwin to Painter, December 19th, 1930 and Baldwin to Painter, December 20th, 1930.)

December 22nd, 1930 the bank advanced \$40,000.00 and recorded such advance as two loans, \$20,000.00 as part of a note for \$400,000.00, and \$20,000.00 as part of a note for \$300,000.00. (See Letters Painter to Baldwin, December



22nd, 1930; Baldwin to Painter, December 22nd, 1930; Carlson to Painter, December 22nd, 1930; Baldwin to Painter, December 23rd, 1930.)

December 24th, 1930 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, December 23rd, 1930; Baldwin to Painter, December 29th, 1930 and December 30th, 1930.)

December 31st, 1930 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, December 31st, 1930; Carlson to Painter, December 31st, 1930; Baldwin to Painter, January 2nd, 1931; Baldwin to Painter, January 6th, 1931; Baldwin to Painter, January 14th, 1931.)

January 15th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded as such advance as part of a note for \$300,000.00. (See letter R. L. Williams to Painter, January 15th, 1931, and letter of same date Baldwin to Painter.)

It has been shown on page four of this report that The Union Trust Company held a note of W. M. Green in the amount of \$2,200.00 as part collateral to Painter's indebtedness. January 17th, 1931 this note was surrendered to Painter without any consideration being paid therefor nor any payment made on Painter's indebtedness.

January 21st, 1931 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, January 20th, 1931 and January 21st, 1931; letter Carlson to Painter, January 21st, 1931; letters Baldwin to Painter, January 22nd, 1931 and January 23rd, 1931.)

January 26th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter and Carlson to Painter, January 26th, 1931.)

January 27th, 1931 the bank advanced \$15,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, January 27th, 1931 and letter Baldwin to Painter, January 29th, 1931.)

January 30th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter and Carlson to Painter, January 30th, 1931.)

February 2nd, 1931 the bank advanced \$40,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, February 2nd, 1931; Carlson to Painter, February 2nd, 1931; Baldwin to Painter, February 5th, 1931; and Baldwin to Painter, February 6th, 1931.)

February 9th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, February 9th, 1931; Baldwin to Painter, February 9th, 1931; Baldwin to Painter, February 13th, 1931; Carlson to Painter, February 13th, 1931; Baldwin to Painter, February 14th, 1931; L. C. Gilger to Ralph Williams, February 16th 1931; L. C. Gilger to Painter, February 16th, 1931.)

February 18th, 1931 the bank transferred \$200,000.00 to the New York Trust Company of New York City to apply as payment on Painter's loan with that bank. In consideration of that payment, the New York Trust Company released a certain note executed by the Van Sweringen Company in the amount of \$261,336.00 which note would be due and payable February 21st, 1931 and was held by the New York Trust Company as collateral to Painter's indebtedness. Your attention is here directed to a certain letter from L. C. Gilger, Assistant Secretary of the Union Trust Company, to Painter as of January 30th, 1931; letter from Painter to Baldwin, February 11th, 1931; letter from Baldwin to New York Trust Company, February 13th, 1931; letter L. C. Gilger to Mr. Ralph Williams February 25th, 1931; and letter L. C. Gilger to Painter, March 2nd, 1931. From this correspondence it is evident that The Union Trust Company loaned Painter \$200,000.00 for one year, secured by a note of the Van Sweringen Company for \$261,336.00 payable February 21st, 1932. In other words, Painter's obligation would be retired if, as, and when the Van Sweringen Company paid the collateral note which has not as yet been done.

February 26th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, February 25th, 1931 and February 26th, 1931; and two letters Carlson to Painter, February 26th, 1931.)

March 2nd, 1931 the bank advanced \$60,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, March 2nd, 1931.)

March 5th, 1931 the bank advanced \$45,000.00 to the credit of Painter's account and recorded such advance as two loans, \$25,000.00 as part of a loan for \$300,000.00 and \$20,000.00 as part of a note for \$50,000.00 dated March 5th, 1931. (See two letters of Carlson to Painter, March 5th, 1931 and letters Baldwin to Painter, March 10th, 1931, March 12th, 1931, and March 16th, 1931.)

March 27th, 1931 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$50,000.00 dated March 5th, 1931. (See letters Baldwin to Painter, March 24th, 1931, March 26th, 1931, March 27th, 1931; and letter Carlson to Painter, March 27th, 1931.)

April 2nd, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, March 28th, 1931, March 30th, 1931, and March 31st, 1931; Painter's receipt for 1585 shares of stock in The Union Trust Company; letters Carlson to Painter, April 1st, 1931 and April 2nd, 1931.)

April 6th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, April 3rd, 1931; letter Baldwin to Painter, April 4th, 1931; letters Carlson to Painter, April 6th, 1931; and letter Baldwin to Carlson, April 6th, 1931.) This last mentioned letter is especially valuable as evidence of collusion between Baldwin, Carlson, and Painter, to use the funds of The Union Trust Company for purpose of speculation in the stock of that bank.

April 15th, 1931 the bank advanced \$70,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, April 7th, 1931, April 9th, 1931, April 10th, 1931, April 13th, 1931, April 15th, 1931, and a second letter of the same date.)

April 28th, 1931 the bank advanced \$50,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, April 28th, 1931; Baldwin to Painter, April 29th, 1931.)

May 1st, 1931 the bank advanced \$50,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Baldwin to Painter, May 1st, 1931; Carlson to Painter, May 1st, 1931; Baldwin to Painter, May 4th, 1931; and Carlson to Painter, May 5th, 1931 and two letters May 6th, 1931.)

May 7th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, May 7th, 1931, May 8th, 1931, May 11th, 1931, May 12th, 1931, three letters)

May 13th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, May 13th, 1931 and May 14th, 1931, two letters.)

May 16th, 1931 the bank advanced \$100,000.00 to the credit of Painter's account and recorded such advance as two loans, \$60,000.00 as part of a note for \$300,000.00 and \$40,000.00 as part of a note for \$500,000.00. (See letters Baldwin to Painter, May 4th, 1931; Carlson to Painter, May 16th, 1931; May 18th, 1931, May 19th, 1931—two letters—and May 20th, 1931.)

May 21st, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See letters Carlson to Painter, May 21st, 1931.)

May 22nd, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See letters Carlson to Painter, May 22nd, 1931.)

May 26th, 1931 the bank advanced \$25,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See letters Carlson to Painter, May 26th, 1931 and Painter's receipt dated May 26th, 1931 for 1187 shares of Union Trust Company Capital stock.)

May 29th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See letters Carlson to Painter, May 28th, 1931 and May 29th, 1931—two letters.)

June 1st, 1931 the bank advanced \$100,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. Of this amount, \$30,000.00 was used in payment of the option price on the Pope property on East 66th Street the leasehold of which property was held by the bank as collateral to Painter's indebtedness as recited on page four of this report. (See letters L. C. Gilger to Painter, June 1st, 1931; two letters Carlson to Painter, June 1st,

1931; and letters Carlson to Painter, June 2nd, 1931, June 3rd, 1931, June 4th, 1931, June 5th, 1931, June 6th, 1931, June 8th, 1931—two letters.)

June 9th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See two letters Carlson to Painter, June 9th, 1931.)

June 10th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. (See letters Carlson to Painter, June 10th, 1931—three letters; June 15th, 1931, June 16th, 1931, June 17th, 1931—three letters, June 18th, 1931, and June 19th, 1931.)

June 20th, 1931 the bank advanced \$245,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$500,000.00. Of that amount, \$198,000.00 was used to pay the option price for the Brook's property at 4300 Euclid Avenue, the leasehold of which property was held by the bank as collateral to Painter's indebtedness as recited on page four of this report. (See letters L. C. Gilger to Painter; June 18th, 1931 and June 20th, 1931; Carlson to Painter, June 20th, 1931, June 22nd, 1931—two letters, June 23rd, 1931, June 25th, 1931, and June 26th, 1931.)

June 29th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, June 18th, 1931, June 29th, 1931—two letters.)

July 1st, 1931 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, July 1st, 1931, July 6th, 1931—two letters, and July 11th, 1931.)

July 13th, 1931 the bank advanced \$15,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. The proceeds of this loan were used to pay the interest on Painter's note for \$575,000.00 at the New York Trust Company of New York City.

July 13th, 1931 the bank advanced \$575,000.00 to Painter by means of a transfer of that amount to the New York Trust Company of New York City to be used in payment of Painter's note for \$575,000.00 held by that bank. The collateral to that obligation was forwarded by the New York Trust Company to the Union Trust Company to be held by the last named institution as additional collateral to Painter's indebtedness to that bank. (See letters Painter to Baldwin, July 9th, 1931; Painter to Harvey D. Gibson, President, The Manufacturers Trust Company, New York City, July 9th, 1931; Painter to Union Trust Company, July 13th, 1931; R. L. Williams to Painter, July 13th, 1931; and H. J. Stroh, Assistant Treasurer of The New York Trust Company to Baldwin, July 13th, 1931.)

On this same day, July 13th, 1931, Painter executed a new agreement pledging real estate under his present and future loans, which agreement included the real estate theretofore pledged with the bank under the agreement of May 1st, 1926, as well as certain other properties not previously included. Full description of this real estate is set forth in the pledge agreement, copy of which is submitted herewith.

With this pledge agreement Painter submitted a partial financial statement showing his estimated value of his holdings. Copy of this statement is presented for your attention and consideration.

Evidently certain officers of The Union Trust Company doubted the accuracy of Painter's valuations. The files of the bank show that one M. G. Lutsch of the Mortgage Loan Department, appraised certain of these properties on or about June 1st, 1931, certain other properties June 22nd, 1932, and one P. A. Frye re-appraised each of these properties on or about July 28th, 1932. In order that you may appreciate the exaggerated valuations by Painter, there is submitted herewith a comparative statement of the Painter, Lutsch, and Frye appraisals. Your attention is again directed to Painter's partial financial statement as a possible violation of Section 13105-1 of the General Code of Ohio.

In addition to the real estate properties pledged under the agreement of July 13th, 1931, the bank held certain stocks and securities as collateral to Painter's indebtedness, a more particular description of which said stocks and securities is as follows:

Balance due on note of State Road Land Company	\$11,901.64
8000 shares Akeley Camera Inc.	
Balance due on note of A. R. Corlett	\$750.00
Balance due on note of Chas. H. Clark	\$700.00
200 shares Niagra Share Corporation of Maryland	
20 warrants " " " " " "	
Balance due on note of The Van Sweringen Co.	\$261,336.00

22,500 shares	Manufacturers Trust Co. of New York
6,684	“ Glidden Company Common
2,000	“ White Motor Company Capital
1,100	“ Chesapeake & Ohio Ry. Common
600	“ Midland Steel Products Co. Common
400	“ Gillette Safety Razor Company
100	“ Midland Steel Products 8% Cumulative Preferred
100	“ American Chiclé Company Common
800	“ Richman Bros. Company
200	“ Missouri Pacific Ry. Preferred
100	“ U. S. Steel Common
100	“ Goodyear Tire & Rubber Company Common
400	“ Chesapeake Corporation
100	“ N. Y. N. H. & H. Ry.
500	“ United Corporation Common
100	“ New York Central Ry. Capital

You will notice in Painter's financial statement he values the 8,000 shares of Akley Camera stock at \$138.00 per share or a gross valuation of \$1,104,000.00. We have not been able to obtain any definite information regarding the financial condition of this company as of July 13th, 1931, but the files of the bank do contain an unsigned financial statement as of December 31st, 1931, which statement shows the capital stock to have had a book value of about \$12.08 per share, or a total valuation of Painter's stock of \$96,608.00. Copy of this financial statement is submitted herewith.

Baldwin claims to have had no knowledge of these property values or the appraisals of Lutsch and Frye. In that connection your attention is directed to a certain letter from L. C. Gilger to Ralph Williams dated July 13th, 1931.

July 16th, 1931, the bank advanced \$5,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See receipt dated July 13th, 1931 signed by Painter; letter R. L. Williams to Painter, July 13th, 1931; letter Painter to Baldwin, July 13th, 1931; Painter to Carlson, July 14th, 1931; Painter to Baldwin, July 16th, 1931; Carlson to Painter, July 16th, 1931.)

August 20th, 1931 the bank advanced \$30,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, August 19th, 1931; August 20th, 1931—two letters.)

August 24th, 1931 the bank advanced \$40,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter, August 21st, 1931—two letters; August 24th, 1931—two letters.)

August 25th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See two letters Carlson to Painter, August 25th, 1931.)

August 26th, 1931 the bank advanced \$5,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See two letters Carlson to Painter, August 26th, 1931.)

August 27th, 1931 the bank advanced \$20,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, August 27th, 1931.)

August 28th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, August 28th, 1931.)

August 29th, 1931 the bank advanced \$15,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, August 29th, 1931.)

August 31st, 1931 the bank advanced \$15,000.00 to the credit of Painter's account and recored such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, August 31st, 1931.)

September 1st, 1931 the bank advanced \$25,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, September 1st, 1931.)

September 2nd, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letters Carlson to Painter. September 2nd, 1931 and September 3rd, 1931 and Painter's receipt dated September 11th, 1931.)

September 16th, 1931 the bank advanced \$50,000.00 and recorded such advance as two loans, \$40,000.00 as part of a note for \$300,000.00, and \$10,000.00 as part of a second note for \$300,000.00 dated August 31st, 1931. (See letters Carlson to Painter September 15th, 1931 and September 16th, 1931.)

September 22nd, 1931 the bank advanced \$25,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00 dated August 31st, 1931. (See letters Carlson to Painter, September 18th, 1931 and September 22nd, 1931.)

September 25th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00 dated August 31st, 1931. (See letters Carlson to Painter, September 23rd, 1931, September 24th, 1931—two letters, and September 25th, 1931.)

September 30th, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00 dated August 31st, 1931. (See Painter's receipt September 28th, 1931 and letters Carlson to Painter, September 28th, 1931 and September 30th, 1931—two letters.)

September 30th, 1931 the bank conveyed to Mrs. Painter (Maud Wyeth Painter) 6 parcels of real estate which had therefore been pledged as collateral to Painter's indebtedness under the pledge agreement of July 13th, 1931. No consideration was received by the bank for this conveyance nor was any payment made on Painter's indebtedness. (See letter L. C. Gilger to Painter, September 30th, 1931.)

October 1st, 1931 the bank advanced \$10,000.00 to the credit of Painter's account and recorded such advance as part of a note for \$300,000.00. (See letter Carlson to Painter, October 1st, 1931.)

The above transaction completes the list of advances made to Painter on account of notes signed by him. As of October 1st, 1931 he was indebted to the bank to the amount of \$3,100,000.00. A large portion of the funds represented by these advances was used for the purchase of Union Trust Company Capital stock as evidenced by the correspondence previously submitted. Our investigation discloses that during the period under consideration (October 6th, 1930 to October 1st, 1931) he purchased 13,680 shares of Union Trust Company stock at a total cost of \$870,808.72, all of which amount is included in the advances hereinbefore discussed.

October 3rd, 1931 the bank released a large block of listed securities as collateral to Painter's indebtedness without consideration or payment on his indebtedness. These securities were, in substance, the same as those securities received from the New York Trust Company July 13th, 1931 at the time Painter borrowed \$575,000.00 from the Union Trust Company with which to pay a note in that amount held by the New York Trust Company. We have caused these securities to be valued as of October 3rd, 1931 by the Directors Research Association, Inc., of Cleveland, Ohio, located in the Federal Reserve Bank Building.

The following schedule shows the securities released, the amount of each, and the valuation placed thereon by the Directors Research Association, Inc. as of October 3rd, 1931;

4800 shares	Manufacturers Trust Company of New York	-----	\$154, 800. 00
6684 "	The Glidden Company Common	-----	34, 250. 50
2000 "	The White Motor Company Capital	-----	16, 000. 00
1100 "	Chesapeake & Ohio Ry. Common	-----	28, 600. 00
600 "	The Midland Steel Products, Common	-----	4, 500. 00
400 "	The Gillette Safety Razor Company	-----	4, 450. 00
100 "	The Midland Steel Products Company 8% Cumulative Preferred	-----	4, 500. 00
100 "	The American Chiclé Company, Common	-----	3, 300. 00
800 "	The Richman Brothers Company	-----	28, 000. 00
200 "	The Missouri Pacific Ry. Pref.	-----	5, 400. 00
100 "	U.S. Steel Common	-----	6, 800. 00
100 "	The Goodyear Tire & Rubber Company Common	-----	2, 100. 00
400 "	Chesapeake Corporation	-----	6, 800. 00
100 "	The N. Y. N. H. & H. Ry.	-----	3, 600. 00
500 "	The United Corporation Common	-----	6, 000. 00
100 "	The New York Central Capital	-----	5, 500. 00
			\$314, 600. 50

With the exception of 3300 shares of Manufacturers Trust Company stock and 2684 shares of Glidden Company Common, all of the aforementioned securities were sent to the Chemical Bank & Trust Company of New York City to be held by that bank as additional collateral to Painter's note for \$305,000.00 to that bank. (See letter H. S. Gibbons, Assistant Vice President, Chemical Bank & Trust Company to Baldwin, October 6th, 1931.)

In return for the collateral released, the Union Trust Company received 1747 shares of Union Trust Company stock which was retained as additional collateral to Painter's indebtedness to the Union Trust Company. (See letter R. L. Williams to Painter, October 8th, 1931 and Painter's receipt, October 6th, 1931.)

Referring again to the advances previously discussed, your attention is directed to the fact that at the time these advances ceased there was an unused balance of \$235,000.00 on Painter's note for \$300,000.00 dated August 31st, 1931. Evidently some high authority within the bank was responsible for this abrupt restriction of credit. We find an unsigned notation attached to the note for \$300,000.00 reading as follows; "No more advances". The handwriting on this notation has been identified as that of one R. J. Rutenbeck, a clerk in the Collateral Loan Department but Mr. Rutenbeck fails to remember by whose authority such notation was made.

We are now confronted with a most interesting situation. The bank held an unused note for \$235,000.00 dated August 31st, 1931 and a certain other note for \$300,000.00 signed by Painter as of October 5th, 1931 in Baldwin's possession. Evidently arrangements had been made for additional advances to the amount of \$535,000.00 but some unknown official interrupted the proceedings.

Therefore, Baldwin arranged a loan for Painter in the amount of \$305,000.00 at the Chemical Bank & Trust Company of New York City and agreed to furnish the necessary collateral from that held by the Union Trust Company to secure previous advances. In accordance with that agreement, the release of October 3rd, 1931 was made as hereinbefore discussed. Your special attention is here directed to a letter from Baldwin to Painter, October 8th, 1931.

October 10th, 1931 the bank sold 1000 shares of the Manufacturers Trust Company Capital stock for \$34,630.00 out of the collateral held to secure Painter's indebtedness to the Union Trust Company. The entire amount was credited to Painter's commercial account. He was then charged \$5,000.00 and that amount applied as a payment on his indebtedness. No other payment was made on his loans to account for this sale of collateral.

On the same day (October 10th, 1931) Painter's account was charged with \$30,000.00 and used to pay the option price for the Westgate property, the leasehold of which had theretofore been pledged to the bank as collateral under the pledge agreement of July 13th, 1931. (See letters Carlson to Painter, October 9th, 1931; Gilger to Painter, October 10th, 1931; and Gilger to Ralph Williams, October 10th, 1931.)

October 13th, 1931 the bank sold 400 shares of the Manufacturers Trust Company Capital stock for \$15,336.00 and applied \$15,000.00 of that amount as a payment on Painter's indebtedness. The remaining \$336.00 was used for Painter's benefit. (See letter Carlson to Painter, October 13th, 1931.)

October 26th, 1931 the bank released 7000 shares of Manufacturers Trust Company Capital stock to Painter in consideration for a payment of \$150,000.00 on his indebtedness. We have caused this stock to be priced by the Directors Research Association, Inc. as of October 26th, 1931, and have been informed that it's legitimate valuation at that time was \$266,000.00 or \$38.00 per share. Therefore, the bank weakened it's position by this transaction to the amount of \$116,000.00 for Painter's use, benefit, and advantage. (See letters Baldwin to the New York Trust Company, October 23rd, 1931; Painter to the Union Trust Company, October 23rd, 1931; W. J. Birdsall, Assistant Treasurer of the New York Trust Company to Baldwin, October 24th, 1931; and R. L. Williams to Painter, October 26th, 1931.)

This concludes the principal transactions relating to Painter's indebtedness to the Union Trust Company and leaves him indebted to that bank to the amount of \$2,930,000.00 which amount is still unpaid. However, there are some few transactions regarding interest payments which it might be well to call to your attention at this time.

Referring again to the letter of R. L. Williams to Painter, dated July 13th, 1931 and relating to interest computations, you will notice that after July 1st, 1931 interest on Painter's indebtedness was to have been computed at the rate of  $4\frac{1}{2}\%$ .

November 10th, 1931 (after the conclusion of all of the transactions hereinbefore discussed) the interest rate on Painter's indebtedness was arbitrarily increased to 5%. (See letter Baldwin to Painter, November 10th, 1931.)

Following that increase in his interest rate, Painter made but one partial payment of interest due on his obligations. January 6th, 1932 he paid \$24,269.87 leaving an unpaid interest balance of \$12,000.00 due the bank. Since that time he has made no voluntary payments of principal or interest whatsoever.

January 1st, 1932 Painter's interest rate was further increased to 6%. With the exception of the payment noted above, all other interest payments have been

in the form of seizures of dividends on Union Trust Company Capital stock purchased with bank funds for the benefit of Painter.

Painter's attitude toward his creditors is perhaps well illustrated by a transaction of business occurring on June 11th, 1931, between Painter and his wife (Maud Wyeth Painter) involving their estate on Fairmount Boulevard in the village of Shaker Heights.

On that date Mrs. Painter conveyed five lots in the village of Shaker Heights to the Union Trust Company to be held as collateral to Painter's indebtedness. In exchange therefore, Painter deeded his estate comprising some twenty-eight acres of land to Mrs. Painter together with all of the buildings and contents of all buildings located thereon. Creditors residing in New Jersey have recently filed suit to have this conveyance set aside, claiming it to have been to the fraud and damage of creditors.

As a final exhibit in this case, I am submitting, herewith an analysis of Painter's loan account from March 3rd, 1928 to date, showing the details of his loan transactions in condensed form.

In closing this report, I desire to express my appreciation of the service rendered by Mrs. Ralph W. Emerson and John Nihill, both of the State Banking Department. These gentlemen performed the accounting work in this investigation and are competent to testify concerning all transactions herein discussed.

Copy of this report is being submitted to Honorable Frank Cullitan, County Prosecutor for Cuyahoga County, Ohio, for his information and consideration. No attempt has been made to prepare a list of books, documents, and witnesses necessary for a prosecution in this case, but such list will be prepared upon request by Mr. Cullitan.

Respectfully submitted.

(Signed) R. M. HUSTON,  
ROBERT MORRIS HUSTON,  
*Special Deputy.*

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EXHIBIT U-4-2A

SPECIAL REPORT IN RE KENYON V. PAINTER ET AL UNION TRUST COMPANY,  
CLEVELAND, OHIO

(Volume III)

Submitted by Robert Morris Huston, Special Deputy Superintendent of Banks.

1—University Hall Apartment—Value \$225,000.00—Less \$80,000 Mortgage—Net Value.....	\$145,000.00
2—Boulevard Apartment—Value \$240,000—less \$70,000 Mortgage—Net Value.....	170,000.00
3—Bay State Apartment—Value \$230,000.00—Less \$75,000 Mortgage—Net Value.....	145,000.00
4—SE corner Meadowbrook & Lee—Lots 527, 528, 529—Land Value \$200,000—Building security for leased valued \$110,000.....	310,000.00
5—NW corner Meadowbrook & Lee—Lots 19-A and 20—Land Value \$100,000—Value of buildings \$20,000.....	120,000.00
6-7—Lots 336-337 Tallamore & Lee—Value of land \$115,000—Value of Buildings \$20,000.....	135,000.00
8—Lots 376-377 Yorkshire & Lee—Value of land \$130,000—Improvements \$5,000.00.....	130,000.00
9—Kelsey property, 1956 East 66th St—Value of building \$20,000—Value of land \$30,000.....	50,000.00
10—Boynnton parcel—1961 East 66th St—Value of building \$18,000—Value of land \$32,000.....	50,000.00
11—Childs property—1856 East 63rd St—Value of land \$24,000—Value of buildings \$28,000.....	52,000.00
12—Brook's lease, 4300 Euclid Ave.—Value of land \$200,000—Value of building \$1,091,559.....	1,291,559.00
13—Westgate lease—Lot 448 Washington and Lee—Value of land \$90,000—Value of building \$100,000.....	190,000.00
14—Pope property—1964 East 66th St.—Value of land \$40,000—Value of building \$50,400.00.....	90,400.00

15—Moses property—9301 Euclid Ave—Value of lease and buildings.....	\$78, 350. 00
State Road land secured by First Mortgage.....	22, 807. 78
8,000 shares Akeley Camera Company @ \$138 00 per share.....	1, 104, 000. 00
Van Sweringen note due 2-21-32.....	261, 336. 00

Estimated approximate value..... \$4, 345, 452. 78

*Title to real estate under agreement dated May 1st, 1926*

53.8547 acres NW corner N. Woodland and Brainard—SW corner Brainard & Cedar—Approximate value per acre 5,000.....	269, 272. 50
105.7500 acres—West side Lander Rd—East side Brainerd—all way through—approximate value per acre 3,000.....	317, 250. 00
24.9870 acres—West side Lander Road—approximate value per acre 3,000.....	74, 961. 00
217.8000 “ —Lander and Jackson—corner—approximate value per acre 2,000.....	435, 600. 00
107.3400 “ —SW corner S. Kinsman & Giles Rd—approximate value per acre 3,000.....	322, 020. 00
45.5950 “ —NW corner Lander and Cedar—approximate value per acre 4,000.....	182, 400. 00
33.6700 “ —SE corner Brainard & Cedar—approximate value per acre 4,000.....	134, 680. 00
3,5000 “ —S. Kinsman and Center.....	75, 000. 00
1.3512 “ —Giles and S. Kinsman.....	18, 512. 00
.1150 “ —Twinsburg.....	31, 500. 00

Estimated approximate value title to real estate under agreement dated May 1st, 1926.....	\$1, 861, 195. 50
¼ interest in Backus property—2921 Euclid Avenue.....	720, 000. 00
Lease at corner of East 17th and Euclid—Value of lease \$1,000,000—Value of Building \$300,000.....	1, 300, 000. 00

Estimated total value..... \$8, 226, 648. 28

Formerly my loans have been as high as \$2,235,383.00.

KENYON V. PAINTER (Signed)

MAY 21ST, 1931



Comparative appraisals of K. V. Painter properties pledged under agreement July 13, 1931

Location	Description	Painter's Stated Value	Lutsch Appraisal 6-1-31	Lutsch Appraisal 6-22-32	Frye Appraisal 7-28-32	Lutsch Estimated Value 4-15-33	
1. University Hall Apartment Cor. E. 109th St. & Deering Ave.	Apartment Less Mige. { \$225,000 } net..	\$145,000.	\$79,600.	-----	\$75,000.	\$57,000.	
2. Boulevard Apartment 10310 Wade Park Ave.	Apartment Less Mige. { 80,000 } net..	170,000.	70,300.	-----	70,000.	50,000.	
3. Bay State Apartment 10716 Carnegie Ave.	Apartment Less Mige. { 240,000 } net..	145,000.	72,000.	-----	80,000.	50,500.	
4. 2245-65 Meadowbrook Blvd.	Apartment Less Mige. { 70,000 } net..	11 Stores.	310,000.	70,000.	100,000.	55,000.	
5. Lee Rd N.W. Cor. Meadowbrook Blvd.	Gas Station	Gas Station	120,000.	40,000.	40,000.	20,000.	
6. Lee Rd cor Tullamore	Gas Station	Gas Station	135,000.	25,000.	50,000.	15,000.	
7. Lee Rd. N W. cor. Yorkshire Rd.	Vacant	Vacant	130,000.	16,500.	30,000.	8,200.	
8. 1956 E. 66th St.	Kelsey Property (Commercial)	Kelsey Property (Commercial)	50,000.	26,700.	18,000.	21,600.	
9. 1961 E. 66th St.	Boynton Parcel (Residence)	Boynton Parcel (Residence)	50,000.	13,000.	8,000.	8,100.	
10. 1856 E 63rd St.	Childs Property (Residence)	Childs Property (Residence)	52,000.	7,500.	6,000.	5,000.	
11. 4300 Euclid Ave.	Brooks Parcel (Commercial)	Brooks Parcel (Commercial)	1,291,559.	164,790.	200,000.	140,000.	
12. Lee Rd N W. cor. Washington Blvd.	11 Stores.	11 Stores.	190,000.	54,450.	50,000.	40,000.	
13. 1964 E 66th St.	Pope Property (Vacant)	Pope Property (Vacant)	90,400.	13,750.	5,500.	5,000.	
14. N.W. Cor North Woodland & Brainard.	53 8547 Acres.	53 8547 Acres.	269,272 50	\$26,500.	26,930	10,800.	
15. W. S. Lander Rd E S. Brainard Rd.	105 3/4 Acres.	105 3/4 Acres.	317,250	52,500	53,000.	21,000.	
16. West Side Lander Rd.	24 987 Acres.	24 987 Acres.	74,961.	12,500.	12,500	5,000.	
17. Lander & Jackson Corner—S E cor.	217 8 Acres.	217 8 Acres.	435,600	108,500	109,000	43,500	
18. S W cor S Kinsman & Giles Rd.	102 92 Acres.	102 92 Acres.	306,660.	30,600	51,500.	10,200.	
19. S. Kinsman & SOM Center Rd N.W. cor.	3 1/2 Acres.	3 1/2 Acres.	75,000.	7,000	15,000.	5,000.	
20. S. Kinsman, N W. cor Wiltshire Rd.	1,3512 Acres.	1,3512 Acres.	18,512	5,800.	2,000.	400.	
21. Twinsburg, O Cleveland & E Liverpool Rd.	Store & Suite.	Store & Suite.	31,500	2,500	5,000.	2,500	
22. 3/4 Interest 2921 Euclid Ave.	Vacant	Vacant	720,000	90,000.	150,000.	50,000.	
23. Larchmere & Kemper Rd N W cor.	Vacant.	Vacant.	No Record.	43,300.	66,300	20,000.	
25. Kildare & Goodnor Rds. S.W. cor.	Vacant.	Vacant.	"	2,000	1,500.	1,500.	
28. Township of Bainbridge Pettibone Rd.	Burnett Property—95 Acres.	Burnett Property—95 Acres.	"	9,500.	9,500.	8,000	
32. Chillicothe Rd Twp. of Bainbridge	67.808 Acres.	67.808 Acres.	"	6,800	6,700.	3,500.	
33. Cor. Cedar & Brainard & Cedar & Lander 9301 Euclid Ave. Lease	25 Acres.	25 Acres.	"	16,000.	12,500.	6,600.	
	Taken out of Agreement.	Taken out of Agreement.	-----	0	0.	0.	
			\$5,127,714.50	\$643,590.	\$412,500. 643,590.	\$1,253,930.	\$663,400
					1,056,090. 221,900.	225,000	157,500
			\$5,127,714.50	-----	\$834,190.	\$1,028,930.	\$505,900.

Neither Frye nor Lutsch appraised the first three parcels for anything more than the mortgage. Therefore, the sum of these appraisals are deducted from their total appraisal figures.

8336

STOCK EXCHANGE PRACTICES

Akeley Camera, Inc., balance sheet—December 31, 1931

Assets	Liabilities
Cash—	Notes Payable.....
In Bank.....	Accounts Payable.....
In Office.....	Accrued Salaries.....
Notes Receivable.....	Reserve for Taxes.....
Accounts Receivable.....	Dividends Payable.....
Reserve for Bad Debts (Dr. Bal.).....	
Inventories	Capital Stock.....
Raw Materials.....	Capital Surplus.....
Work in Process.....	Earned Surplus.....
Finished Stock.....	Net Profit period ending 12-31-31.....
Lenses and Prisms.....	
Finished Stock Playmor.....	
Finished Stock sp.—Br.....	
Investments—Akeley Foundry & Patt. Corp.....	
Deferred charges—Prepaid Advertising.....	
Capital assets	
Machinery.....	
Less Reserve for Depreciation.....	
Machinery Equipment.....	
Less Reserve for Depreciation.....	
Tools, Dies, and Jigs.....	
Less Reserve for Depreciation.....	
Patterns.....	
Less Reserve for Depreciation.....	
Furniture and Fixtures.....	
Less Reserve for Depreciation.....	
Leasehold Improvements.....	
Less Reserve for Depreciation.....	
Camera Model "C".....	
Less Reserve for Depreciation.....	
Patents.....	
Patent Royalty.....	
Less Reserve for Depreciation.....	
Development Work.....	
Less Reserve for Depreciation.....	
Deposits.....	
Total assets.....	Total liabilities and capital.....

<sup>1</sup> Red figures.

STOCK EXCHANGE PRACTICES

8837





## Kenyon V. Painter—Analysis of loan account—Continued

Date		Debit	Credit	Balance
Oct. 4, 1930	Purchased a cashier's check #D286561 on the Union Trust Co. payable to K. V. Painter for \$1,000,000.00. Check is endorsed and given to the Society for Savings Bank, City, to pay the following loans of K. V. Painter at the Society for Savings. Dated 6-1-28..... \$70,000 00 " 4-27-28..... 80,000 00 " 10-15-28..... 200,000 00 " 12-12-28..... 200,000 00 " 8-29-29..... 350,000 00 " 11-6-29..... 100,000 00 The following securities were released by the Society for Savings: 9760 shares Union Trust Bank stock 2364 shares Cliffs Corp. 2955 shares Cleve Cliffs Iron Pfd. These securities were sent to the New York Trust Co along with 9600 shares of Sparks Withington Co Common which was held as collateral to the K. V. Painter loan at the Union Trust Co. This transaction was taken care of by R. L. Williams, Asst. Vice President of the Union Trust Co.			
Oct. 6, 1930	Transferred from the New York Trust Co., New York, for the account of K. V. Painter. (See letter dated 10-6-30 from New York Trust Co.)	\$1,000,000.00		\$1,807,000.00
Oct. 6, 1930	Credit to commercial account of K. V. Painter		\$1,200,000.00	607,000.00
Oct. 14, 1930	Credit to commercial account of K. V. Painter; Transferred \$50,000.00 to K. V. Painter's Vickers account and balance used to purchase miscellaneous stocks	20,000 00		627,000.00
Oct. 23, 1930	Credit to commercial account of K. V. Painter; Funds used to purchase miscellaneous stocks (Fwd)	100,000.00		727,000.00
Oct. 31, 1930	(Forwarded)	40,000.00		767,000.00
Oct. 31, 1930	Credit to commercial account of K. V. Painter Funds used to purchase miscellaneous stocks	33,000.00		800,000.00
Nov. 14, 1930	Credit to commercial account of K. V. Painter Transferred \$75,000.00 to K. V. Painter's Vickers account and also purchased 150 shares Union Trust stock	100,000.00		900,000.00
Nov. 18, 1930	Credit to commercial account of K. V. Painter Transferred \$10,000.00 to K. V. Painter's Vickers account and balance used to purchase miscellaneous stocks	40,000.00		940,000.00
Nov. 21, 1930	Credit to commercial account of K. V. Painter To date has purchased 181 shares of Union Trust stock	10,000.00		950,000.00
Nov. 22, 1930	Credit to commercial account of K. V. Painter To date has purchased 526 shares of Union Trust stock	50,000.00		1,000,000.00
Nov. 28, 1930	Credit to commercial account of K. V. Painter To date has purchased 1100 shares of Union Trust stock	20,000.00		1,020,000.00
Dec. 10, 1930	Credit to commercial account of K. V. Painter Funds used to purchase miscellaneous stocks	30,000 00		1,050,000.00
Dec. 11, 1930	Credit to commercial account of K. V. Painter Funds used to purchase miscellaneous stocks	50,000.00		1,100,000.00
Dec. 17, 1930	Credit to commercial account of K. V. Painter Funds used to purchase miscellaneous stocks	30,000.00		1,130,000.00
Dec. 17, 1930	Credit to commercial account of K. V. Painter To date has purchased a total of 1830 shares of Union Trust stock	50,000.00		1,180,000.00
Dec. 22, 1930	Credit to commercial account of K. V. Painter To date has purchased a total of 2456 shares of Union Trust stock	40,000.00		1,220,000.00
Dec. 24, 1930	Credit to commercial account of K. V. Painter Funds used in purchasing miscellaneous	20,000.00		1,240,000.00
Dec. 31, 1930	Credit to commercial account of K. V. Painter Funds used to purchase miscellaneous stocks and Union Trust bank stock To date has purchased a total of 2541 shares of Union Trust stock (Forward)	20,000.00		1,260,000.00
	(Forwarded)			1,260,000.00
Jan. 15, 1931	Credit to commercial account of K. V. Painter To date has purchased a total of 3085 shares of Union Trust stock	10,000.00		1,270,000.00
Jan. 17, 1931	Collateral released and no payment made upon loan: \$2,200.00 note of W. M. Green			1,270,000.00

*Kenyon V. Painter—Analysis of loan account—Continued*

Date		Debit	Credit	Balance
Jan. 21, 1931	Credit to commercial account of K V Painter. To date has purchased a total of 3375 shares of Union Trust stock.	\$30,000 00		\$1,300,000 00
Jan. 26, 1931	Credit to commercial account of K V Painter To date has purchased a total of 3772 shares of Union Trust stock.			
Jan. 27, 1931	Credit to commercial account of K V Painter.	10,000 00		1,310,000 00
Jan 30, 1931	Credit to commercial account of K V Painter To date has purchased a total of 3992 shares of Trust Trust stock.	15,000 00		1,325,000 00
Feb. 2, 1931	Credit to commercial account of K V Painter To date has purchased a total of 4657 shares of Union Trust stock.	10,000 00		1,335,000 00
Feb. 9, 1931	Credit to commercial account of K V. Painter To date has purchased a total of 4837 shares of Union Trust stock.	40,000 00		1,375,000. 00
Feb. 13, 1931	Payment from commercial account of K V Painter.	20,000 00		1,395,000 00
Feb. 16, 1931	Payment from commercial account of K V Painter Collateral released \$16,059 25 Land Trust Certificate of the Terminal Building Co released to the Corporate Trust Department.		\$20,000 00	1,375,000 00
Feb 18, 1931	Transferred to New York Trust Co , New York, to apply on K V Painter's loan in New York. (See letter dated 2-13-31 to New York Trust Co , New York, by W M Baldwin) On Feb 11, 1931 K V Painter instructed W M Baldwin, by his letter, to transfer \$200,000 00 to the New York Trust Company and increase his loan by that much He further stated that the New York Trust Co. would release the Van Sweringen note for \$261,336 00 due 2-21-31 to the Union Trust Co and when paid (Forwarded)		20,000 00	1,355,000 00
	(Forwarded)			1,355,000 00
	on 2-21-31, \$250,000 00 of it was to be applied on his obligations at the Union Trust Co The Van Sweringen note was transferred to the Union Trust Co but instead of the Van Sweringen Co paying the note, the due date was extended to 2-21-33, and is still unpaid. See letter 1-30-31 in Painter's file from Gilger re Van Sweringen loan.	200,000 00		1,555,000 00
Feb. 26, 1931	Credit to commercial account of K V. Painter To date has purchased a total of 5170 shares of Union Trust stock.	20,000 00		1,575,000 00
Mar. 2, 1931	Credit to commercial account of K V Painter Funds used to purchase miscellaneous stocks.	60,000 00		1,635,000 00
Mar. 5, 1931	Credit to commercial account of K V Painter Funds used to purchase miscellaneous stocks.	45,000 00		1,680,000 00
Mar. 18, 1931	Transferred from the Chemical Bank & Trust Co New York, to apply on K V Painter's loan.		350,000. 00	1,330,000 00
Mar. 27, 1931	Credit to commercial account of K V Painter To date has purchased a total of 5440 shares of Union Trust stock.	30,000 00		1,360,000 00
Apr. 2, 1931	Credit to commercial account of K V. Painter	10,000 00		1,370,000 00
Apr. 6, 1931	Credit to commercial account of K V Painter To date has purchased a total of 5978 shares of Union Trust stock.	20,000 00		1,390,000 00
Apr. 15, 1931	Credit to commercial account of K V Painter Funds sent to the New York Trust Co for the account of K V Painter To date has purchased a total of 6240 shares of Union Trust stock.	70,000. 00		1,460,000 00
Apr. 28, 1931	Credit to commercial account of K V. Painter Funds sent to the New York Trust Co for the account of K V Painter.	50,000 00		1,510,000. 00
May 1, 1931	Credit to commercial account of K V Painter \$25,000 00 of this amount transferred to Painter's account at the New York Trust Co To date has purchased a total of 6440 shares of Union Trust stock (Forward)	50,000 00		1,560,000. 00
	(Forwarded)			1,560,000. 00
May 7, 1931	Credit to commercial account of K V Painter To date has purchased a total of 6920 shares of Union Trust stock.	20,000 00		1,580,000 00
May 13, 1931	Credit to commercial account of K V. Painter To date has purchased a total of 7140 shares of Union Trust stock.	20,000 00		1,600,000 00
May 16, 1931	Credit to commercial account of K V Painter \$75,000 00 of this amount transferred to Painter's Vickers account To date has purchased a total of 7350 shares of Union Trust stock.	100,000 00		1,700,000 0 0

## Kenyon V. Painter—Analysis of loan account—Continued

Date		Debit	Credit	Balance
May 21, 1931	Credit to commercial account of K. V. Painter To date has purchased a total of 7842 shares of Union Trust stock			
May 22, 1931	Credit to commercial account of K V Painter	\$20,000 00		\$1,720,000 00
May 26, 1931	" " " "	10,000 00		1,730,000 00
May 29, 1931	" " " "	25,000 00		1,755,000 00
	To date has purchased a total of 8342 shares of Union Trust stock			
June 1, 1931	Credit to commercial account of K. V. Painter 30,000 00 option price paid for Pope property on East 66th Street \$35,000 00 transferred to Painter's Vickers account	20,000 00		1,775,000 00
June 9, 1931	Credit to commercial account of K V Painter's To date has purchased a total of 9008 shares of Union Trust stock	100,000 00		1,875,000 00
June 10, 1931	Credit to commercial account of K. V. Painter	20,000 00		1,895,000 00
June 20, 1931	Credit to commercial account of K. V. Painter \$198,000 00 option price paid for Brooks property at 4300 Euclid Avenue. To date has purchased a total of 9434 shares of Union Trust stock	20,000 00		1,915,000 00
June 29, 1931	Credit to commercial account of K. V. Painter To date has purchased a total of 10,107 shares of Union Trust stock	245,000 00		2,160,000 00
July 1, 1931	Credit to commercial account of K. V. Painter (Fwd)	20,000 00		2,180,000 00
July 13, 1931	Credit to commercial account of K V Painter To date has purchased a total of 10,240 shares of Union Trust stock	30,000 00		2,210,000 00
July 13, 1931	Credit to commercial account of K. V. Painter \$590,222 40 transferred to the New York Trust Co., New York, to pay loan of K. V. Painter. The following securities were sent to the Union Trust Co and placed as collateral to K V Painter's loan—(see letter from New York Trust Co 7-13-31). 22,500 shares Manufacturers Trust Co. N.Y. 6,684 shares Glidden Co Common 2,000 shares White Motor Co 1,100 shares Ches & Ohio R R Common 600 shares Midland Steel Prod Co Common 400 shares Gillette Safety Razor Co 100 shares Midland Steel Prod. Co. 8% Pfd. 100 shares American Chiclet Co Common 800 shares Richman Bros Co 200 shares Missouri Pacific R R Pfd 100 shares U S Steel Common 100 shares N Y Central R R 100 shares Goodyear Tire & Rubber Common 100 shares N Y N H & H. R. R. 400 shares Chesapeake Corp 500 shares United Corp Common 1,100 shares Union Trust stock (released to K V. Painter and not pledged). Appraised value of collateral and agreement, \$2,544,153 64	15,000 00		2,225,000 00
July 16, 1931	Credit to commercial account of K V Painter	575,000 00		2,800,000 00
Aug 20, 1931	" " " "	5,000 00		2,805,000 00
	To date has purchased a total of 10,640 shares of Union Trust stock	30,000 00		2,835,000 00
Aug. 24, 1931	Credit to commercial account of K V Painter To date has purchased a total of 11,313 shares of Union Trust stock	40,000 00		2,875,000 00
Aug. 25, 1931	Credit to commercial account of K V Painter	20,000 00		2,895,000 00
Aug 26, 1931	" " " "	5,000 00		2,900,000 00
Aug 27, 1931	" " " " " "			
	(Fwd)	20,000 00		2,920,000 00
	(Forwarded)			2,920,000 00
Aug. 28, 1931	Credit to commercial account of K V. Painter	10,000 00		2,930,000 00
Aug 29, 1931	" " " "	15,000 00		2,945,000 00
Aug. 31, 1931	Credit to commercial account of K V Painter To date has purchased a total of 12,618 shares of Union Trust stock	15,000 00		2,960,000 00
Sept. 1, 1931	Credit to commercial account of K. V. Painter	25,000 00		2,985,000 00
Sept. 2, 1931	Credit to commercial account of K. V. Painter To date has purchased a total of 12,938 shares of Union Trust stock	10,000 00		2,995,000 00
Sept 16, 1931	Credit to commercial account of K. V. Painter To date has purchased a total of 13,140 shares of Union Trust stock			
		50,000 00		3,045,000 00
Sept 22, 1931	Credit to commercial account of K. V. Painter	25,000 00		3,070,000 00
Sept. 25, 1931	" " " " " "	10,000 00		3,080,000 00
Sept 30, 1931	" " " " " "	10,000 00		3,090,000 00

*Kenyon V. Painter—Analysis of loan account—Continued*

Date		Debit	Credit	Balance
Oct. 1, 1931	Credit to commercial account of K. V. Painter Transfers made to Painter's Vickers account from 9-18-31 to 9-30-31 amounted to \$60,000 00 To date has purchased a total of 13,680 shares of Union Trust stock.....	\$10,000.00		\$3,100,000.00
Oct. 3, 1931	Collateral released, having a market value of \$314,600 50, and no payment made upon loan.....			3,100,000.00
Oct. 4, 1931	Appraised value of collateral and agreement held by the Union Trust Company amounted to \$1,832,665 64.....			3,100,000.00
Oct. 10, 1931	Charged to commercial account of K. V. Painter 1000 shares of Manufacturers Trust Co sold and K. V. Painter's account credited with \$34,630 00. Appraised value of collateral and agreement, \$1,905,290 64.....		\$5,000.00	3,095,000.00
Oct. 13, 1931	Charged to commercial account of K. V. Painter 400 shares Manufacturers Trust Co sold to Witt Kraus Co for \$15,336 00 and credited to K. V. Painter's account. Appraised value of collateral and agreement, \$1,895,632 64 (Fwd)..... (Forwarded)		15,000.00	3,080,000.00 3,080,000.00
Oct. 26, 1931	K. V. Painter's check on New York Trust Co., New York, for \$150,000 00 for the release of 7000 shares of Manufacturers Trust Co with a market value of approximately \$266,000 00.....		\$150,000.00	2,930,000.00
Mar. 7, 1932	Substitution of collateral pledged 9300 shares of Manufacturers Trust Co Capital stock exchanged for 9300 shares of Manufacturers Trust Co new stock and 9300 shares of Huron Holding Corp. depository certificates.....			2,930,000.00

EXHIBIT U-4-3

KENYON V. PAINTER  
3240 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

Mr. W. M. BALDWIN, *President,*  
*The Union Trust Co.,*  
*Cleveland, Ohio.*

NOVEMBER 14, 1930.

DEAR MR. BALDWIN: This is to ask you to kindly buy for me 1,000 shares of Union Trust Company stock @ 68.

This is in addition to the stock you have already bought for me. When said stock is bought please charge my checking account with the same and have the stock issued in the name of Kenyon Vickers Painter. I understand 400 shares of this stock have been purchased for my account.

Very truly yours,

K. V. PAINTER.

BMB

Therefore total buying order is for 1400 shares including that already bought.

EXHIBIT U-4-4

KENYON V. PAINTER  
3240 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

Mr. W. M. BALDWIN, *President,*  
*The Union Trust Co.,*  
*Cleveland, Ohio.*

NOVEMBER 17, 1930.

DEAR MR. BALDWIN: As I am going to New York tonight for a few days, will you please buy for me, all of the Union Trust stock that is offered, using your judgement as to the price to be paid—but at not over \$71.00 per share.

I will be staying at the Biltmore Hotel where you can reach me by telephone at any time.

Very truly yours,

K. V. PAINTER.

BMB



## EXHIBIT U-4-5

KENYON V. PAINTER  
3240 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

DECEMBER 2, 1930

Mr. W. M. BALDWIN, *President,*  
*The Union Trust Co.,*  
*Cleveland, Ohio.*

DEAR MR. BALDWIN: Thanks for yours of December 1st advising me that the rate of interest on my collateral loan has been reduced to 5%.

Referring to my letter of November 23rd, will you please allow this order to stand and in addition thereto, will you please place an order to buy 1,440 shares of Union Trust @ 70½.

Will you then please cancel the verbal order which I gave you over the telephone today to buy 500 shares of Union Trust @ 70.

Thanking you,

Sincerely yours,

K. V. PAINTER.

BMB

12/3/30 K.V.P. to take all stock offered at 70½ up to 1440 shares.

## EXHIBIT U-4-6

KENYON V. PAINTER  
3240 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

DECEMBER 18, 1930.

Mr. W. M. BALDWIN, *President,*  
*The Union Trust Company,*  
*Cleveland, Ohio.*

DEAR MR. BALDWIN: Confirming my conversation with you over the telephone this morning about 9 A.M., I asked you to kindly call up New York on Long Distance and take the 900 shares of Union Trust stock which they were inquiring about @ 69¼. This will be part of a buying order which I am giving you to buy 5,000 shares of Union Trust stock for me @ 69¼.

Kindly cancel all previous buying orders which I have given you in Union Trust stock.

Very truly yours,

K. V. PAINTER.

## EXHIBIT U-4-7

COPY

DECEMBER 19th, 1930.

Mr. KENYON V. PAINTER,  
*3240 Fairmont Blvd.*  
*Cleveland Heights, O.*

DEAR MR. PAINTER: We wish to advise that we have today charged your account \$7,080.00 in payment for purchase of 100 Shares Union Trust Company Stock at 70½ plus broker's commission.

Very truly yours,

*President.*

WMB:EMS

P.S. I wish to confirm conversation in which I advised you that yesterday we purchased 426 Shares of Union Trust at 69¼ net, which is part of a New York purchase, and also 5 Shares on the Cleveland Stock Exchange at 69¼ plus brokers' Commission.

## EXHIBIT U-4-8

KENYON V. PAINTER  
3240 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

DECEMBER 22, 1930.

Mr. W. M. BALDWIN,  
*President The Union Trust Co.,  
Cleveland, Ohio.*

DEAR MR. BALDWIN: Confirming my telephone conversation with you at 8:30 this morning, I asked you to please change the buying order which you have for me in Union Trust to 70½.

As you have bought 431 shares of the 5,000 which I asked you to buy on December 18th this leaves 4,569 shares to be bought at 70½.

Very truly yours,

K. V. PAINTER.

## EXHIBIT U-4-9

JANUARY 14TH, 1931.

Mr. KENYON V. PAINTER,  
*3240 Fairmont Blvd.,  
Cleveland Heights, O.*

DEAR MR. PAINTER: I take pleasure in advising you that at the organization meeting of our Board of Directors held today, you were elected a member of the Executive Committee.

Hoping that it will be possible for you to accept this appointment, I am,

Very truly yours,

*President.*

WMB:EMS

## EXHIBIT U-4-10

[Copy]

JANUARY 14TH, 1931.

Mr. KENYON V. PAINTER,  
*3240 Fairmount Blvd.,  
Cleveland Heights, O.*

DEAR MR. PAINTER: I have today purchased for your account 489 Shares Union Trust Company at the following prices:

15 Shares @ 70½ plus brokers' commission  
474 " @ 69¼ " " " "

I tried to reach you by telephone today, but was informed that you were motoring to New York and would not arrive there until late tomorrow night or Friday morning.

Very truly yours,

*President.*

WMB:EMS

Original carbon copy of this letter is in Confidential file in Mr. Cox's office.

## EXHIBIT U-4-11

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

## K. V. PAINTER, \$2,930,000.00

Maker is a director of the bank and is one of the largest owners of real estate in Cleveland. He is also the largest stock holder in this institution. His worth was at one time estimated to be in excess of \$20,000,000. In passing this loan at the time of previous examinations, the examiner was always compelled to rely solely upon verbal information furnished by bank officers. It has never been possible to obtain any figures as to his worth or the total amount of his debts. At this time the loan is one year delinquent in interest. The collateral held consists of title to a number of parcels of real estate, both improved and unimproved, scattered through various parts of the city. Other collateral held is a \$258,000 note of the Van Sweringen Co. and 1,747 shares of Union Trust Co. stock. The market value of all stocks held is estimated at approximately \$293,000. Painter has always been very arbitrary in his dealings with the bank, and it is apparent that he was allowed to borrow almost any amount he desired with practically no efforts being made to determine the value of the collateral which he offered. This line of credit was recently turned over to Vice President Steele to work out. He immediately had two independent appraisals made of the properties which are deeded to the bank. As a result of these appraisals it was discovered that Painter was greatly over-estimating the value of his properties. The bank's appraisers showed a total valuation of approximately \$1,100,000 while Painter's valuation was \$5,300,000. Painter is now in Africa and is apparently taking the attitude of letting the bank hold the bag. A substantial loss is apparent. The examiner has classed \$1,000,000 as doubtful and believes that he is very charitable in this classification.

## EXHIBIT U-4-12

APRIL 26TH, 1933.

## IN RE K. V. PAINTER LOAN

Mr. Nutt called this morning at my invitation. Replying in the main to my inquiries, the following has developed. He apparently spoke with freedom.

1. Painter has always been considered a very rich man, prompt pay, the type of citizen to whom a bank officer would expect to say "Yes" for any reasonable requirement.
2. About 1931 the picture changed, as Painter was unable to pay his taxes on his real estate under the insurance company loan and was under necessity of giving a second mortgage to the New York Trust Company to provide funds for debt service and taxes. Mr. Nutt considered at that time that it was generally recognized that Painter "was under pressure."
3. Mr. Nutt never trusted Painter fully. He told the bank's income tax man to "watch his step" in preparing Painter's documents in connection with taxes, and was impelled to this caution because Painter was notoriously a small income tax payer "paying less than my young son."
4. A. He states definitely that he does not know why the bank loaned Painter in 1931;
- B. With equal definiteness that he knew nothing of Painter's buying of Union Stock;
- C. Never knew anything in connection with appraisals on Painter's loans;
- D. Neither made, nor approved any loans to Painter in any capacity;
- E. Neither the initials, nor other handwriting on the June 18th, 1931, \$300,000.00 note signed by Painter are in Mr. Nutt's handwriting, neither does he have any memory concerning the loan;
- F. He has no knowledge concerning the release of collateral to Painter, and did not hear the matter discussed, his permission was not asked, nor the matter mentioned to him.

5. He states that the Painter transactions were handled by Mr. Baldwin and "the other loaning officers" and specified that this did not include himself.

OSCAR L. COX, *Conservator.*

OLC. E  
CC to Nutt File  
CC to Painter File

The above dictated from memory, supported by the attached pencil memorandum made in Mr. Nutt's presence. I asked Mr. Baldwin to call.

Noted: Mr. Rogan  
Mr. Laylin

---

EXHIBIT U-4-13

JANUARY 15TH, 1931.

Mr. KENYON V. PAINTER,  
*c/o Biltmore Hotel, New York City.*

DEAR MR. PAINTER: I am sorry that you went to the trouble of telephoning me from Palm Beach last night, but when I talked with your house in the afternoon and tried to find out where I could reach you, I understood them to say that you would not arrive in New York until tonight or tomorrow morning and that you were motoring and could not be reached by telegraph. I took the liberty of saying that if by chance they heard from you, I would like to have you telephone me. I am sorry you were put to so much trouble.

Briefly, my reason for wanting to talk with you was because of the sudden break in the market price of Union Trust Stock yesterday. There was one lot of around a thousand shares which came on the market the day before and was offered at 74, and when it was reported to me I said I knew of no one interested at that price. Later in the day part of it was sold at 72, and the broker advised me that was the bottom price on the balance of his order, and I still told him I knew of no one interested. During the last hour of trading, when I was in our annual stockholders' meeting, this broker sold the stock at the bid price and it went to 69½, of which I bought for you 474 Shares at that price, and previous to the execution of that, 15 Shares at 70½, so that yesterday I bought a total of 489 Shares. It is quite apparent to me that this particular holding was some distressed stock and that the owner had to have some money quick.

This morning the market was better, and today I have purchased for you a total of 75 Shares at 70, and the market closed 70 bid. The low price today was 70 and the high 70½.

I have charged your account today with \$32,966.70, covering the cost of 474 Shares at 69½ plus commission.

Unless I hear from you to the contrary, I will continue to buy such amounts as come out at 70 or better, keeping of course within the limits of the total amount of stock which you authorized me to buy. My records indicate that at the close of business today I have authority to buy a total of 3,755 Shares.

Very truly yours,

WMB:EMS

*President.*

---

EXHIBIT U-4-14

[Copy]

JANUARY 20TH, 1931.

Mr. KENYON V. PAINTER,  
*3240 Fairmount Blvd., Cleveland, Heights, Ohio*

DEAR MR. PAINTER: I have today charged your account \$1,054.50 covering purchase 15 Shares Union Trust Company at 70 plus brokers' commission.

I wish to confirm telephone message of this morning in which I advised you that our brokers yesterday purchased for your account 215 Shares at 70 plus commission.

We have today purchased 100 Shares for you at 70. The market closed 70½ bid for 6 Shares, and 72 asked.

Very truly yours,

WMB:EMS

*President.*

Original carbon copy of this letter is in Confidential file in Mr. Cox's office.

175541-34-PT 20-8

## EXHIBIT U-4-15

[Copy]

JANUARY 26TH, 1931

Mr. KENYON V. PAINTER  
 3240 Fairmount Blvd., Cleveland Heights, O.

DEAR MR. PAINTER: I wish to advise that I have today charged your account \$11,740.10 covering purchase of 167 Shares Union Trust Co. at 70 plus brokers' commission.

There were no sales of Union Trust Stock on the local Exchange today.

Very truly yours,

WMB:EMS

*President.*

Original carbon copy of this letter is in Confidential file in Mr. Cox's office.

## EXHIBIT U-4-16

FEBRUARY 5TH, 1931.

Mr. KENYON V. PAINTER  
 3240 Fairmount Blvd., Cleveland Heights, O.

DEAR MR. PAINTER: I wish to advise that we have today purchased for your account 180 Shares Union Trust Company Stock at 70 plus brokers' commission.

Our brokers report total sales of 300 Shares today, the high being 70½ and low 70.

Very truly yours,

WMB:EMS

*President.*

Original carbon copy of this letter is in Confidential file in Mr. Cox's office.

## EXHIBIT U-4-17

THE UNION TRUST COMPANY,  
 Cleveland, Ohio, April 6, 1931.

Mr. CARLSON: I wish you would say to Mr. Painter that I am very glad he reduced the bid on the remaining block of 193 Shares to 68½, because I had a memorandum to talk to him about that this morning, but was not permitted to come to the office or use the telephone; and for the next week or ten days I would not feel adverse to having the bid reduced to even 68, and then watch the market so that if a block of 200 shares or more should be offered, drop the bid a full point at once and let it stay down for a few days to see if the stock is purchased elsewhere.

This is just a suggestion which you can talk over with Mr. Painter, but of course follow his instructions as to any bid at all.

WMB:EMS

W. M. BALDWIN, *President.*

4/7/1931, Order reduced to 68.

This stationary is for inter-department and inter-office use only

(Exhibits U-4-18 through U-4-19 face this page)

## EXHIBIT U-4-20

GENERAL CODE OF OHIO—SECTION 13105-1

*False Statements; penalty.*—Whoever knowingly makes or causes to be made, either directly or indirectly, or through any agency whatsoever, any false statement in writing, with intent that it shall be relied upon, or, knowing that a false statement in writing has been made by another with such intent, respecting the financial condition, property indebtedness, means, or ability to pay, of himself or any other person, firm or corporation, in whom or which he is interested or for whom or which he is acting, and upon the faith thereof he or some other person acting for or in collusion with him or with his knowledge, procures in any form whatsoever, either the delivery of personal property, or chose in action, the payment of money, the making of a loan or credit, the extension of a credit, the discount of an account receivable, or the making, acceptance, discount or endorse-

U-4-18

KENYON V. PAINTER  
3340 FAIRMONT BOULEVARD  
SHAKER HEIGHTS  
CLEVELAND  
OHIO

July 16, 1931

Mr. W. M. Baldwin, President,  
The Union Trust Co.,  
Cleveland, Ohio.

Dear Mr. Baldwin:-

On July 13th I wrote you as follows:-

"As I am leaving for Europe on July 16th, I wish to verify the open orders which you have to purchase additional stock of The Union Trust Company, as follows:-

500 shares @ 57-1/4
100 " @ 57-3/8
100 " @ 57-1/2
100 " @ 57-5/8
100 " @ 57-3/4
280 " @ 59

I hereby authorize you during my absence to purchase any additional amount up to \_\_\_\_\_ Shares at such prices as you may determine from time to time."

It has occurred to me that this might be asking you to assume more responsibility than you cared to and therefore I will cancel the letter and also ask you to cancel buying orders in Union Trust and then to place the following.

BUY

2,000 Shares Union Trust @ 58
2,000 " " " @ 57-1/2
2,000 " " " @ 57
4,000 Chesapeake & Ohio @ 27
3,000 Missouri Pacific Preferred @ 50
2,000 U. S. Steel @ 29 1/2

*7/16 1931 - BX 11/10/31  
not placed as yet  
Order placed 8/3/31*

All stocks bought will be held as security until I return and if my present note is used up, I will sign another or arrange it in any way satisfactory. If you have any suggestions to make as to the above orders, please advise me.

Sincerely yours,

*K. V. Painter*

This letter will receive our attention.

1746

~~Handwritten scribble~~

September 30, 1932

Mr. W. M. Baldwin, President,  
The Union Trust Company,  
Cleveland, Ohio.

Dear Mr. Baldwin:-

The Akeley Company writes me that there has just come to the fore the possibility of a sale of equipment to the Fox Film Corporation.

They tell me that they understand from a meeting between the Western Electric Company and the Fox Corporation, that they will be in the market for about fifty (50) outfits.

We need all the influence we can get together to try and put over the sale of our equipment to them. It would be of great benefit to me in a financial way, if the Akeley Company can get this order.

The Banking interests represented in the Fox Film Corporation is the Chase National Bank. If they (The Fox Film Corporation) were approached through their Banking interests, it would bear great influence in the sale of this equipment.

The Akeley-equipment stands way ahead of any other competitor in quality, performance and price. I would greatly appreciate it if you would approach this matter with the Chase National Bank as they, without doubt, will be called upon in connection with the same. This is important.

Sincerely,

*K. V. Painter*

K. V. Painter

*Handwritten initials*

EXHIBIT U-4-19

CLEVELAND, OHIO

Aug

19 31

\$ 300,000.00

On Demand, FOR VALUE RECEIVED I PROMISE TO PAY TO THE ORDER OF

### THE UNION TRUST COMPANY

Three hundred thousand & no/100ths ----- DOLLARS

AT ITS OFFICE IN THE CITY OF CLEVELAND, OHIO, WITH INTEREST AT THE RATE OF 4 1/2 PER CENT PER ANNUM, PAYABLE QUARTERLY ON THE 1st DAYS OF JANUARY, APRIL, JULY AND OCTOBER, UNTIL PRINCIPAL IS PAID.

The undersigned has \$ deposited with and hereby pledges and assigns to said company as collateral security for the payment of this and any and every liability or liabilities of the undersigned to said company direct or contingent, due to or to become due, or which may hereafter be contracted or existing, and whether the same may have been or shall be participated in whole or part to others by trust agreement or otherwise, or in any manner acquired by or accruing to said company whether by agreement with the undersigned or by assignment or by endorsement to it by any one whomsoever, the following property, viz:

- Title to Real Estate Under Agreement dated July 13, 1931
- 22,807.78 Note The State Road Land Co. secured by 1st Mtg.
- 8,000 shs The Akeley Camera Inc. Com.
- 760.00 Note of A. R. Corlett due 12/15/29
- 700.00 Note of Charles H. Clark due 1/12/30
- 200 shs The Niagara Share Corp of Maryland Com Temp Ctf
- Warrant to Subscribe for 20 shs The Niagara Share Corp of Maryland Com.
- 258,747.99 Note of The Van Sweringen Co. dated 10/21/26 due 2/21/31
- 22,500 shs The Manufacturers Trust Co. Cap.
- 6,684 shs The Glidden Co. Com.
- 2,000 shs The White Motor Co. Cap.

(over) Now on Deposit

together with all other securities in the possession of said Company belonging to the undersigned or in which the undersigned has an interest, hereby agreeing to deliver to said Company additional securities to its satisfaction upon its demand; also hereby giving the said Company a lien for the amount of all said liabilities of the undersigned to said Company upon all property or securities which now are or may hereafter be pledged with said Company by the undersigned or in the possession of said Company in which the undersigned has any interest. On the non-performance of said promise or upon the non-payment of any of said liabilities, or upon the failure of the undersigned forthwith to furnish satisfactory additional security on demand, at the option of said Company, this obligation shall become immediately due and payable, and said Company is hereby given full power to collect, sell, assign and deliver the whole of said securities or any part thereof or any substitutes therefor, or additions thereto, through any stock exchange, broker's board, or broker or at private sale without advertisement or notice, the same being hereby expressly waived; or said Company at its option may sell the whole or any part of said securities or property at public sale, upon notice published once in any newspaper printed in the City of Cleveland not less than ten (10) days prior to such sale, at which public sale said Company may purchase said securities or property or any part thereof free from any right of redemption on the part of the undersigned, which is hereby expressly waived and released. Upon any such sale, after deducting all costs and expenses of every kind, said Company may apply the residue of the proceeds of such sale as it shall deem proper toward the payment of any one or more or all of the liabilities of the undersigned to said Company whether due or not due, retaining the surplus to the undersigned. Any holder of this note shall likewise have all of the aforesaid rights and powers with respect to security and additional security for this note and the sale and disposition of the such security and the proceeds thereof.

The undersigned hereby authorizes any attorney-at-law in the State of Ohio or any other State or Territory of the United States, at any time after the above sum becomes due to appear for the undersigned in any Court in the State of Ohio or any other State or Territory of the United States, and to waive the hearing and service of process and confess judgment against the undersigned in favor of the payee or any holder of this note for the amount appearing due and the costs of suit and thereupon to release all errors and waive all rights of appeal and stay of execution. The makers of this note, when more than one, shall be jointly and severally liable hereon.

K. V. Painter

O. K.

Form No. O-225 5M 6-30

ADDRESS

EXHIBIT U-4-23(1)





ment of a bill of exchange, promissory note or other commercial paper, either for the benefit of himself, or such person, firm or corporation, shall, if the value of the thing or amount of the loan, credit or benefit procured is thirty-five dollars or more, be deemed guilty of a felony, and be fined not more than one thousand dollars or imprisoned in the Ohio penitentiary not more than six years or both, or if the value be less than that sum, be deemed guilty of a misdemeanor, and be fined not more than one hundred dollars or imprisoned in the county jail or work-house not more than six months, or both.

## EXHIBIT U-4-21

## THE UNION TRUST COMPANY

CLEVELAND, OHIO, *July 13, 1931.*

RALPH WILLIAMS, Asst. Vice President,  
BANK.

DEAR MR. WILLIAMS: This morning Mr. Painter signed a new agreement pledging real estate under his present and future loans, and I am enclosing herewith copy of this agreement. I am also returning for your loan files the appraisal Mr. Painter signed on the 21st of May, 1931, together with some appraisals of Mr. Stuber and other data Mr. Baldwin handed to me.

Very truly yours,

L. C. GILGER, *Assistant Secretary.*

LCC G  
Encs.

This stationary is for inter-department and inter-office use only

## EXHIBIT U-4-22

COPY

## THE UNION TRUST COMPANY MAIN OFFICE

CLEVELAND, *October 8th, 1931.*

Mr. K. V. PAINTER,  
*3240 Fairmount Blvd.,  
Shaker Heights, O.*

DEAR MR. PAINTER: Referring to your letter of October 3rd, I wish to report that under date of October 6th I arranged a loan at the Chemical Bank & Trust Company, New York, of \$305,000.00, which loan is dated October 6th, 1931, payable April 6th, 1932, with interest at 4% per annum. A copy of the note which I delivered to them is herewith enclosed, and on the reverse side of the note you will find a list of the collateral.

I return herewith your note dated October 5th, 1931, for \$300,000.00, which you gave to me to use. I also return your note dated September 18th, 1931, for \$350,000.00, to the Chemical Bank & Trust Company, which was not used. I also enclose your note dated March 6th, 1931, for an original amount of \$350,000.00, to the Chemical Bank & Trust Company.

I have credited your account with our company \$5,000.00, being the additional principal amount of the loan above referred to. I have charged your account \$644.44, being interest paid the Chemical Bank & Trust Company for the period September 18th to October 6th, as follows:

September 18th	\$350,000.00—8 days @ 4%-----	\$311. 11
September 26th	to October 6th 300,000.00—10 " @ 4%-----	333. 33
		\$644. 44

Kindly acknowledge receipt of the enclosures on the carbon copy of this letter.

Very truly yours,

*President.*

WMB.EMS  
Encls.

10/8/31

Received the above enclosures.

K. V. PAINTER

Please sign and return.

(Exhibit U-4-23 (1) and U-4-23 (2) face this page)

## EXHIBIT U-4-25

KENYON V. PAINTER,  
3240 FAIRMONT BOULEVARD, SHAKER HEIGHTS,  
Cleveland, Ohio, Nov. 23, 1930.

DEAR MR. BALDWIN: We are leaving this morning for St. Joseph. I see yesterday about 400 Union Trust sold. Would it not be a good thing to lower our bid?

As I said, I am very glad to try to take up all Union Trust sold—but of course we do not want to give more than necessary for it.

Say we take

1000 more at 69  
1000 more at 68½  
1000 more at 68

so on down until we have 5000 shares. Hope to be back in a few days.

Sincerely

K. V. PAINTER.

## EXHIBIT U-2-1

## THE UNION TRUST COMPANY

EXTRACTS FROM REPORT OF LAUBSCHER AND SMITH, ACCOUNTANTS AND AUDITORS  
1814 STANDARD BANK BLDG., CLEVELAND.

Loans made by the Union Trust Company to O. P. and M. J. Van Sweringen and controlled companies. The Vaness Company loan of \$2,000,000.00 and participation of \$2,800,000.00 in \$9,000,000.00 loan to O. P. and M. J. Van Sweringen.

NOVEMBER 13, 1933.

Mr. O. L. Cox,  
*Special Deputy Superintendent of Banks.*

DEAR MR. COX: While the report prepared under the direction of Mr. R. M. Huston, Chief Investigator, does not uncover anything that is new to us, it provides an excellent summary of the data and information pertaining to certain loans made by The Union Trust Company.

The report appears to be unusually accurate. It has not been compared with our records. Here and there I have come upon small inaccuracies which I have corrected in the margin.

The report is attached.

Very truly yours,

G. R. HERZOG.

GRH:A

CLEVELAND, OHIO, November 8, 1933.

Mr. I. J. FULTON,  
*Superintendent of Banks, State of Ohio.*

Attention: Mr. R. M. Huston, Special Investigator.

DEAR SIR: Pursuant to request we have examined the records of The Union Trust Company and The Guardian Trust Company, Cleveland, pertaining to The Vaness Company loan of \$2,000,000.00 and participation of \$2,800,000.00 by The Union Trust Company in a \$9,000,000.00 loan to O. P. and M. J. Van Sweringen and from our examination we have prepared the accompanying Comments and Exhibits.

Also contained in this report will be found Comments and Exhibits referring to loan No. 78311, amount \$5,000,000.00 to O. P. and M. J. Van Sweringen, and loan No. 69434, amount \$2,100,000.00 to the Metropolitan Utilities, Inc., details of which will be covered fully in subsequent reports.

Very truly yours,

(Signed) LAUBSCHER and SMITH,  
*Accountants and Auditors.*

## EXHIBIT U-2-2

## COMMENTS

## LOANS MADE BY THE UNION TRUST COMPANY

*O. P. and M. J. Van Sweringen and controlled companies*

The Vaness Company loan of \$2,000,000.00 and participation of \$2,800,000.00 in \$9,000,000.00 loan to O. P. and M. J. Van Sweringen.

Examination of the loan records of The Union Trust Company disclosed that O. P. and M. J. Van Sweringen and Companies controlled by them, were indebted to The Union Trust Company on April 1st, 1933 as follows:

The Vaness Company	\$304, 183. 75
O. P. and M. J. Van Sweringen	2, 800, 000. 00
“ “ “	4, 100, 000. 00
“ “ “	1, 093, 717. 46
Daisy Hill Company	487, 000. 00
“ “ “	51, 000. 00
The Van Sweringen Company	400, 000. 00
The Van Sweringen Company	80, 000. 00
The Vaness Company and The Terminal Building Company	557, 000. 00
Cleveland Interurban Railroad Company	45, 000. 00
Metropolitan Utilities Company	2, 100, 000. 00
The Higbee Company	317, 000. 00
Total	<u>12, 334, 901. 21</u>

*The Glenville Syndicate:*

This syndicate was formed about August 1st, 1913 by W. S. Hayden and J. R. Nutt. Its purpose was to acquire a large number of parcels of real estate in a certain district in the City of Cleveland, Ohio at an estimated cost of \$1,500,000.00.

Exhibit showing the “Holders of Certificates of Participation in the Glenville Syndicate” is included on page — of this report, and shows the total interest by participants to be \$687,500.00 on August 24th, 1922.

Letter dated October 16th, 1913, addressed to the Syndicate and signed by O. P. Van Sweringen, covers an agreement by the latter to purchase from the Syndicate “certain property on Hill Street and such property on Pittsburgh, Broadway, Orange and Ontario, and intersecting streets as the Syndicate may think it wise to buy.”

Pursuant to the above, the Van Sweringen interests purchased the lands acquired by the Syndicate and large profits were realized by the members thereof, most of whom at one time or another served as directors of The Union Trust Company.

*The Vaness Company:*

This company was incorporated under the laws of Delaware on January 9th, 1922; same being designed as a personal corporation vehicle for O. P. and M. J. Van Sweringen and their associates.

The original shareholders were as follows:

J. R. Nutt	16,250 shares
C. L. Bradley	16,250 shares
Warren S. Hayden	16,250 shares
Otto Miller	16,250 shares
O. P. and M. J. Van Sweringen	97,500 shares
Total authorized	<u>162,500 shares</u>

An agreement was entered into as of July 15th, 1922 by and between The Union Trust Company, as Trustee, and each of the above named persons, whereby the Trustee held as trustee, all the voting common stock for the lives of the six persons named and for twenty-one years after the death of the last survivor. The Trustee was required to deliver proxies to vote the stock of the two Van Sweringens, Nutt, Bradley, Hayden, and Miller for the stock deposited by them respectively during the life of the agreement regardless of who owned the “certificate of interest.”

## EXHIBIT U-2-3

On or about January 11th, 1924 O. P. and M. J. Van Sweringen purchased the stock held by Warren S. Hayden and Otto Miller making the stock ownership in The Vaness Company as follows:

J. R. Nutt.....	16,250 shares
C. L. Bradley.....	16,250 shares
O. P. and M. J. Van Sweringen.....	130,000 shares
<b>Total.....</b>	<b>162,500 shares</b>

A new agreement was drawn between The Union Trust Company, as Trustee, and each of the aforementioned persons. The provisions of the new agreement were substantially the same as those contained in the previous agreement.

The trust files of The Union Trust Company, Trustee, indicate that the above trust agreement was terminated in 1927 at which time options were granted by J. R. Nutt and C. L. Bradley to Oris P. and Mantis J. Van Sweringen covering purchase by the Van Sweringens of the interest owned by J. R. Nutt and C. L. Bradley in the event of their death.

Under General Comments we have set forth information to show relations between O. P. and M. J. Van Sweringen, J. R. Nutt, Charles L. Bradley, and others, same being in the form of extracts from the testimony of George Whitney, a partner of the firm of J. P. Morgan & Company, and of O. P. Van Sweringen, president of The Vaness Company, given by them at the hearings before the Committee on Banking and Currency, United States Senate, investigating "Stock Exchange Practices."

On Exhibits M, N, O, and P, attached to and made a part of this report, we have listed the directors of The Union Trust Company, and members of the Executive Committees as of July 28th, 1928; November 1st, 1929; May 13th, 1930; and October 30th 1930, same being the dates on which the loan reported herein was made. The Exhibits referred to list all of the directors of the bank as of each of the above dates, together with their then direct liability to The Union Trust Company for loans over \$50,000.00 and the direct liability over \$50,000.00 of corporations, individuals, etc., in which the directors may have been interested.

Also designated thereon will be found the directors who were members of the Executive, Discount, Finance, Securities and Investment, and Trust Committees.

The comments submitted herewith are confined, so far as is possible, to the facts relating to the present indebtedness of O. P. and M. J. Van Sweringen amounting to \$9,000,000.00 in which the participation of The Union Trust Company amounted to \$2,800,000.00 on April 1st, 1933.

This obligation to The Union Trust Company originated a number of years prior to July 27th, 1928; however an examination of the books of the bank as of this date showed five loans unpaid in the name of The Vaness Company as follows:

Date	Loan No.	Amount
(1) December 28, 1927.....	26399	\$250,000 00
(2) February 17, 1928.....	29160	500,000 00
(3) February 20, 1928.....	29162	500,000 00
(4) January 14, 1928.....	27338	500,000 00
(5) March 1, 1928.....	29700	250,000 00
<b>Total.....</b>		<b>\$2,000,000 00</b>

The collateral security for the loans was as follows:

## EXHIBIT U-2-4

(1)	3,000 shares	New York, Chicago and St. Louis RR Common
(2)	6,000 "	New York, Chicago and St. Louis RR Common
(3)	6,000 "	New York, Chicago and St. Louis RR Common
(4)	32,600 "	The Terminal Properties Co. 1st Preferred
	27,300 "	The Terminal Properties Co. 2nd Preferred

93,300 " The Terminal Properties Co. Common  
 (5) 3,000 " New York, Chicago and St. Louis Common

Under date of July 27th, 1928, loan No. 37659, amount \$2,000,000.00 was set up in the name of The Vaness Company. This loan refunded the five aforementioned loans totaling the same amount.

Comparison of the collateral given to secure the loans which were refunded with that given to secure the new note is stated below:

	Loans Nos. 26399, 29160, 29162, 27338, and 29700 By The Union Trust Co to The Vaness Co Total Amount \$2,- 000,000 00	July 27, 1928 Loan No. 37659 By The Union Trust Co. to The Vaness Co. Amount \$2,000,000 00
New York, Chicago and St. Louis RR Common.....	18,000 shares.....	0.
The Terminal Properties Company 1st Preferred.....	32,600 shares.....	32,631 shares.
The Terminal Properties Company 2nd Preferred.....	27,300 shares.....	30,255 shares.
The Terminal Properties Company Common.....	93,300 shares.....	95,600 shares.

The collateral security covering the new note did not include the 18,000 shares of New York, Chicago and St. Louis RR common which, together with The Terminal Properties Company stock, was pledged on the refunded loans. The Nickel Plate shares, having a market value of \$2,263,500.00, were released to The Vaness Company and additional shares of The Terminal Properties Company stock were substituted as follows:

1st Preferred.....	31 shares.....	Par Value.....	\$3,100 00
2nd Preferred.....	2955 shares.....	Par Value.....	295,500 00
Common.....	2300 shares.....	Par Value.....	230,000 00
Total par value.....			\$528,600 00

The Terminal Properties Company stock which was pledged as security for the loan was as follows:

32,631 shares 1st Preferred of which, according to the records examined, 23,044 shares were in the name of The Vaness Company and 9,587 in the name of M. J. Van Sweringen.

30,255 shares 2nd Preferred of which, according to the records examined, 29,425 shares were in the name of The Vaness Company and 830 in the name of O. P. and M. J. Van Sweringen.

95,600 shares Common of which, according to the records examined, 43,620 were in the name of The Vaness Company and 51,980 shares in the name of O. P. and M. J. Van Sweringen.

The loan and collateral as given were approved by the Finance Committee on July 30th, 1928, same being recorded on page 2655 of the minutes.

The Terminal Properties Company was incorporated under the laws of Delaware on June 15th, 1915 with authorized capital as follows:

EXHIBIT U-2-5

1st Preferred 50,000 shares Par Value \$100.00 ea. \$5,000,000.00  
 2nd Preferred 35,000 shares Par Value \$100.00 ea. 3,500,000.00  
 Common 100,000 shares Par Value \$100.00 ea. 10,000,000.00

The wholly owned subsidiaries of The Terminal Properties Company on July 27th, 1928 were:

The Cleveland and Youngstown Railroad Company  
 The Terminal Building Company  
 The Cleveland Terminal Buildings Company  
 The Terminal Hotels Company  
 The Van Sweringen Company  
 The Shaker Company

The records examined also indicate that Building Arts Exhibit, Inc., and The Huron Fourth Company were also wholly owned subsidiaries. It is not known whether or not these were owned at July 27th, 1928.

According to information procured from the credit files of The Union Trust Company, the following shares of The Terminal Properties Company were outstanding on May 31st, 1928:

1st Preferred.....	32,893 shares
2nd Preferred.....	35,000 shares
Common.....	100,000 shares

Accrued and unpaid dividends on the Preferred stock to May 31st, 1928 totalled \$5,505,510.00.

On July 27th, 1928 the common stock was held as follows:

The Vaness Company.....	44,045 shares
O. P. and M. J. Van Sweringen.....	51,980 shares
Others.....	3,975 shares

Total..... 100,000 shares

List in detail is attached hereto on page

Copies of Balance Sheets of The Terminal Properties Company contained in the credit files of The Union Trust Company are included herewith on pages Examination of same gives the following information:

(1) They are unsigned and apparently not prepared by Public Accountants, but were undoubtedly furnished by The Terminal Properties Company as a result of request for same by The Union Trust Company.

(2) Two statements are dated December 31st, 1927, one of which sets forth the consolidated condition of The Terminal Properties Company and subsidiaries, and the other sets forth the condition of The Terminal Properties Company without consolidation with its wholly owned subsidiaries.

The statement last referred to sets forth a "deficit" of \$3,821,930.57 and a net worth for the First and Second Preferred and Common stock of \$12,967,369.43. However, it will be noted by reference to the consolidated statement that the actual "deficit" was \$19,696,007.16 and the actual book value of the First and Second Preferred and Common stock on December 31st, 1927 was nothing. According to the consolidated statement referred to, the assets were \$13,356,633.32 and the liabilities \$16,263,340.48 on December 31st, 1927.

The same condition existed on December 31st, 1928 when the consolidated statement of The Terminal Properties Company and wholly owned subsidiaries shows assets of \$21,327,417.28 and liabilities of \$22,811,466.10.

#### EXHIBIT U-2-6

No statements were found in the files from which to determine the financial condition of this company at the date of this loan (July 27th, 1928), but the fact that the statements referred to (December 31st, 1927 and December 31st, 1928) show liabilities in excess of assets would indicate that this condition existed on July 27th, 1928, the date of the loan.

No payments were made on the principal between July 27th, 1928 and November 1st, 1929; however on this latter date same was credited in full, and a new note was made in the same name (The Vaness Company NO. 61949, amount \$2,000,000.00) which note represented a participation by The Union Trust Company in a \$9,000,000.00 demand loan to the company which was participated in by the following:

Cleveland Trust Company.....	\$3, 300, 000. 00
Midland Bank.....	1, 200, 000. 00
Guardian Trust Company.....	2, 500, 000. 00
Union Trust Company.....	2, 000, 000. 00
Total.....	\$9, 000, 000. 00

The collateral securing the \$9,000,000.00 note was as follows:

(1) 32,893 shares	The Terminal Properties Co.....	1st Preferred.
(2) 33,187 shares	The Terminal Properties Co.....	2nd Preferred.
(3) 99,222 "	The Terminal Properties Co.....	Common.
(4) 122,000 "	The Van Sweringen Company.....	Common.
(5) 100 "	The Cleveland Terminals Building Company.....	Common.

The foregoing shares were found to have been issued as follows:

(1) The Vaness Company-----	\$23, 306
M. J. Van Sweringen-----	9, 587
	32, 893
(2) The Vaness Company-----	32, 357
O. P. and M. J. Van Sweringen-----	830
	33, 187
(3) The Vaness Company-----	47, 233
O. P. and M. J. Van Sweringen-----	51, 980
C. W. Stage-----	3
J. P. Murphy-----	3
D. S. Barrett, Jr-----	3
	99, 222
(4) The Terminal Properties Company-----	121, 995
Unidentified-----	5
	122, 000
(5) The Terminal Building Company-----	89
John P. Murphy-----	2
D. S. Barrett, Jr-----	2
M. J. Van Sweringen-----	2
O. P. Van Sweringen-----	2
Ralph H. Sharpe-----	1
C. L. Bradley-----	2
	100

EXHIBIT U-2-7

Comparison of the collateral given to secure the \$9,000,000.00 obligation with that given to secure the \$2,000,000.00 note is set forth following:

	July 27, 1928 Loan No 37659 By The Union Trust Co to The Vaness Co Amount \$2,000,000 00	Nov 1, 1929 Loan No. 61949 By The Union Trust Co. to The Vaness Co \$2,000- 000 00 Participation in \$9,000,000 00 Loan
The Terminal Properties Company 1st Preferred-----	32,631 shares-----	32,893 shares
The Terminal Properties Company 2nd Preferred-----	30,255 shares-----	33,187 shares
The Terminal Properties Company Common-----	95,600 shares-----	99,222 shares
The Van Sweringen Company Common-----	-----	122,000 shares
The Cleveland Terminals Building Company Common-----	-----	100 shares

A study of the above collateral gives the following information:

(1) Increase in par value of collateral pledged to secure the \$9,000,000 00 note was only approximately \$681,600.00 in excess to the par value of stock securing the \$2,000,000.00 note

(2) As related hereinbefore, according to consolidated balance sheet of the company contained in the credit files of The Union Trust Company, the liabilities of The Terminal Properties Company and wholly owned subsidiaries exceeded their book assets on December 31st, 1928. No information was available from which to determine whether or not this condition still existed on November 1st, 1929, the date of this participation note.

(3) It will be noted that in addition to the stock of the Terminal Properties Company there was also pledged on this participation loan:

The Van Sweringen Company (Common)-----	122, 000 shares
The Cleveland Terminal Building Company (Common)-----	100 shares



This stock represented all of the outstanding stock of these companies, which companies were wholly owned subsidiaries of The Terminal Properties Company. Without further information we are unable to see how the addition of the stock of The Van Sweringen Company (122,000 shares) and The Cleveland Terminals Building Company (100 shares) as collateral would materially strengthen the security covering the \$9,000,000.00 note inasmuch as the note was also secured by stock of the parent company (The Terminal Properties Company) as follows:

First Preferred.....	100%	of outstanding
Second Preferred.....	95%	of outstanding
Common.....	99%	of outstanding

Approval of the new loan is recorded on page 5161 of the Finance Committee minutes under date of November 2nd, 1929.

## EXHIBIT U-2-8

No payments were made on this note from its date to May 13th, 1930; however on this date same was credited in full and a new note made in the same name (The Vaness Company) for \$2,800,000.00, this being an increase of \$800,000.00 over loan No. 61949 which was cancelled.

Examination of the records indicate that this loan (No. 70739, amount \$2,800,000.00) covered a further and additional participation in the \$9,000,000.00 loan hereinbefore set forth. Examination of the collateral loan record covering the loan shows the following pledge to secure same.

- |   |        |
|---|--------|
| (1) 122,000 shares The Van Sweringen Company..... | Common |
| (2) 600,000 shares Van Sweringen Corporation..... | Common |

These shares were issued in the name of the following:

- |  |          |
|--|----------|
| (1) The Terminal Properties Company..... | 121, 995 |
| Unidentified.....                        | 5        |
|  | 122, 000 |
| (2) The Terminal Building Company.....   | 600, 000 |

Comparison of the collateral given to secure the new \$9,000,000.00 note with collateral given on the former \$9,000,000.00 and \$2,000,000.00 notes is set forth below:

	July 27, 1928 Loan No. 37659 By The Union Trust Co. to The Vaness Co. Amount \$2,000,000.00	Nov. 1, 1929 Loan No. 61949 By The Union Trust Co. to The Vaness Co. \$2,000,000 00 Participation in \$9,000,000 00 Loan	May 13, 1930 Loan No. 70739 By The Union Trust Co. to The Vaness Co. \$2,800,000 00 Participation in \$9,000,000.00 Loan
The Terminal Properties Co. 1st Preferred.	32,631 shrs.....	32,893 shrs.....	
The Terminal Properties Co. 2nd Preferred	30,255 shrs.....	33,187 shrs.....	
The Terminal Properties Co. Common.	95,000 shrs.....	99,222 shrs.....	
The Van Sweringen Company Common	-----	122,000 shrs.....	122,000 shrs.
The Cleveland Terminals Building Company Common	-----	100 shrs.....	
Van Sweringen Corporation Common.	-----	-----	600,000 shrs.

Copies of authorization by the other participants in this loan are attached to this memo and it will be noted by reference thereto, that no mention is made regarding the release of 32,893 shares of The Terminal Properties Company first preferred; 33,187 shares of The Terminal Properties Company second preferred; and 99,222 shares of The Terminal Properties Company common, which shares had been pledged to secure the loan being refunded, however, consent was given to the substitution of 600,000 shares of Van Sweringen Corporation common for 100 shares of The Cleveland Terminals Building Company common.

No reasons are given in the Director's minutes of The Union Trust Company or The Guardian Trust Company for refunding of this loan at this time, or for the release of the collateral security consisting of The Terminal Properties Company and The Cleveland Terminal Building Company stock, and substitution therefore of 600,000 shares of Van Sweringen Corporation common stock.

A study of the files of The Guardian Trust Company and The Union Trust Company indicate the following possible reasons:

## EXHIBIT U-2-9

(1) So that a new corporation known as the Van Sweringen Corporation could be formed, which corporation did acquire the assets of The Terminal Properties Company and wholly owned subsidiary, The Cleveland Terminals Building Company.

(2) So that this new corporation (The Van Sweringen Corporation) could issue \$30,000,000.00 five year 6% Gold Notes and attached warrants dated May 1st, 1930 to mature May 1st, 1935, and with 1,744,800 shares of no par value common stock, and warrants for the purchase of 240,000 additional shares of such common stock, acquire the assets of The Terminal Properties Company and The Cleveland Terminals Building Company.

(3) On or about May 13th, 1930 The Cleveland Terminals Building Company (wholly owned by The Terminal Properties Company) caused an entry to be placed on their books setting up the appraised value of certain building sites (air rights) in the terminal group at \$16,285,000.00, which apparently had not previously been carried on the books as an asset.

(4) According to Moody's Manual of Investments and according to prospectus issued by The Guaranty Trust Company in connection with the sale of the \$30,000,000.00 Five year 6% Gold Bonds, 1,744,800 shares of the Van Sweringen Corporation common stock were issued to the stockholders of The Terminal Properties Company (1,744,800 X \$25.00=\$43,620,000.00) in payment for the assets acquired, which included The aforesaid asset titled "Building sites (air rights) and leasehold interests—as appraised at May 13th, 1930, by Brown, Wheelock: Harris, Vought & Company, \$16,285,000.00.

(5) Profits arising from the transactions described above are believed to have reverted substantially to The Vaness Company, O. P. and M. J. Van Sweringen and J. P. Morgan & Company.

(6) The stockholders of The Vaness Company were:  
O. P. and M. J. Van Sweringen.  
J. R. Nutt.  
C. L. Bradley.

The collateral released, namely, The Terminal Properties Company and The Cleveland Terminals Building Co. stock, was valued by the stockholders thereof at approximately \$43,620,000.00 on or about May 13th, 1930, at which time the assets of the company were sold to the Van Sweringen Corporation.

The value of the collateral substituted (600,000 shares Van Sweringen Corporation common), valued on the same basis, would have been worth \$15,000,000.00; however both valuations are arrived at after adding \$16,285,000.00 appreciation covering appraised values of "air rights."

To have secured the new loan as fully as the loan which was refunded, there should have been a pledge of approximately all of the Van Sweringen Corporation shares issued (1,744,800) instead of only 600,000.

## EXHIBIT U-2-10

Authorization of the new loan is recorded in the minutes of the Finance Committee, page 6000, under date of May 13, 1930, and formal approval on page 6017 under date of May 14, 1930.

According to information secured, participation in the new note was as follows:

The Cleveland Trust Company	2,500,000.00
The Midland Bank	1,200,000.00
The Guardian Trust Company	2,500,000.00
The Union Trust Company	2,800,000.00
Total	\$9,000,000.00

It will be noted that The Union Trust Company's participation in this note increased \$800,000.00 over its participation in the note of November 1st, 1929, while the participation of The Cleveland Trust Company decreased in a like amount.

No payments were made on the principal of this loan from the date it was made to October 30th, 1930. On this latter date the loan was credited in full and a new loan set up in the name of O. P. and M. J. Van Sweringen, same being loan No. 78310, amount \$2,800,000.00. This note covered a continued partici-

pation in the \$9,000,000.00 loan, excepting, however, this new note was signed by O. P. and M. J. Van Sweringen instead of The Vaness Company.

Collateral security pledged to secure the new note is as follows:

97,500 shares The Vaness Company, common, issued in the name of Winfred C. Bloom.

Comparison of the collateral security for each of the foregoing loans is set forth as follows:

	July 27, 1928, Loan No 37659, By The Union Trust Co to The Vaness Co., Amount \$2,000,000 00	Nov 1, 1929, Loan No 61949, By The Union Trust Co to The Vaness Co., \$2,000,000 00 Participation in \$9,000,000 00 Loan	May 13, 1930, Loan No 70739, By The Union Trust Co. to The Vaness Co., \$2,800,000 00 Participation in \$9,000,000 00 Loan	Oct 30, 1930, Loan No 78310, By The Union Trust Co to O. P. and M. J. Van Sweringen \$2,800,000 00 Participation in \$9,000,000 00 Loan
The Terminal Properties Co 1st Preferred.....	Shrs. 32, 631	Shrs 32, 893	Shrs.	Shrs.
The Terminal Properties Co 2nd Preferred.....	30, 255	33, 187		
The Terminal Properties Co Common.....	95, 600	99, 222		
The Van Sweringen Company Common.....		122, 000	122, 000	
The Cleveland Terminal Building Co Common.....		100		
Van Sweringen Corporation Common.....			600, 000	
The Vaness Company Common.....				97, 500

#### EXHIBIT U-2-11

No reasons are given in the corporate minute books of The Union Trust Company and The Guardian Trust Company for the retirement of The Vaness Company note and substitution therefore of a note of like amount signed by O. P. and M. J. Van Sweringen, or for the release of the stock pledged to secure The Vaness Company note and substitution of The Vaness Company stock securing the O. P. and M. J. Van Sweringen note.

In connection with the above we set forth the following information:

(1) On or about October 30, 1930 The Vaness Company borrowed the sum of \$16,000,000.00 from J. P. Morgan and Company. The proceeds of this loan, according to testimony of O. P. Van Sweringen given in connection with the recent hearings before the committee on banking, United States Senate, was used for the purchase of \$10,264,900.49 worth of United States Government securities: \$3,555,992.88 to pay an indebtedness to Paine, Webber and Company; and \$2,179,106.63 cash for general corporate purposes.

(2) On or about October 30, 1930 The Cleveland Terminals Building Company borrowed \$23,500,000.00 from J. P. Morgan and Company. According to testimony of O. P. Van Sweringen, the proceeds were used—\$5,000,000.00 for the purchase of 500,000 shares of Alleghany Corporation common stock: \$15,940,331.02 for payment of indebtedness to Paine, Webber & Company; and \$2,500,000.00 cash for general corporate purposes.

(3) Copy of letter to Messrs. J. P. Morgan and Company dated October 30, 1930, signed by The Vaness Company by O. P. Van Sweringen, President and by Charles Stage, Secretary, and also signed by O. P. Van Sweringen, individually and M. J. Van Sweringen, individually, is set forth following, together with testimony of O. P. Van Sweringen in regard to same, given in connection with the recent hearings before the Committee on banking and currency, United States Senate, investigating Stock Exchange Practices.

(Part 2: Pages 740-42)

Mr. PECORA. Have you a letter or copy of a letter which the Vaness Co. addressed to J. P. Morgan & Co. under date of October 30, 1930?

Mr. VAN SWERINGEN. I have a copy of that letter.

Mr. PECORA. Well, I have what purports to be a photostat copy of it furnished to me by J. P. Morgan & Co., and, as I read it, will you follow me with your copy?

Mr. VAN SWERINGEN. I will.

Mr. PECORA (reading):

THE VANESS COMPANY,  
TERMINAL TOWER, CLEVELAND,  
New York, N.Y., October 30, 1930.

EXHIBIT U-2-12

Messrs. J. P. MORGAN & Co.,  
23 Wall Street, New York City.

DEAR SIR: In entering into our agreement with you of even date, we have discussed with you our understanding as to future commitments of companies hereinafter named, owned or controlled by the Vaness Co. and the stock of which will be security either directly—

Mr. VAN SWERINGEN. Pardon me just a minute.

Mr. MURPHY. You have there two letters of the same date.

Mr. VAN SWERINGEN. There are two letters of that date. Yes, sir. Pardon me.

Mr. PECORA. Have you got it now?

Mr. VAN SWERINGEN. I have.

Mr. PECORA. I will start again. (Reading:)

DEAR SIR: In entering into our agreement with you of even date, we have discussed with you our understanding as to future commitments of companies hereinafter named, owned or controlled by The Vaness Company and the stock of which will be security either directly or indirectly for the advances you are agreeing to make, viz, Van Sweringen Corporation. The Cleveland Terminals Building Company, The Van Sweringen Company, The Shaker Company, and The Terminal Building Company.

Mr. VAN SWERINGEN. That corresponds with this.

Mr. PECORA. That corresponds. (Continuing reading:)

While the Van Sweringen Corporation is solely a holding company, the other companies are operating companies controlling and developing important real estate properties.

We are glad to confirm the understanding between us, which is as follows:

That, except by mutual agreement, so long as the loans to be made pursuant to said agreement of October 30, 1930, are outstanding, The Vaness Company will not and the undersigned will not suffer or permit any of these subsidiary companies to incur any substantial liabilities or commitments for capital purposes, including the purchase of securities or the acquisition or construction of additional properties. By the term "substantial" we mean expenditures or commitments for any one company, other than the Van Sweringen Corporation which would aggregate more than \$1,000,000. In the case of the Van Sweringen Corporation, we confirm the understanding that without your approval, it will incur no further obligations, except such as may be necessary to meet interest on its indebtedness, taxes, or other current expenses. Nor will The Vaness Company pledge or permit any subsidiary to pledge any book account or obligation owing to The Vaness Company or any subsidiary, as the case may be, from any other subsidiary company.

It is also understood that, except by mutual agreement, no important assets of any of the subsidiary companies above named will be transferred to any other company owned or controlled by any of the undersigned. However, it may be desirable to effect consolidations of one or more of the subsidiaries named or the acquisition by one of the entire assets of the other, but before taking any such steps we will be glad to advise with you and will not permit such action to be

EXHIBIT U-2-13

taken if, in your opinion, it would in any way prejudice the security of your loans.

It is also understood that you have agreed to the transfer or exchange of certain real estate or real estate interests between The Terminal Building Co., subsidiaries of Metropolitan Utilities, the Nickel Plate, and The Cleveland Terminals Building Company, pursuant to plans now under discussion, to effect the delivery of an easement from The Cleveland Terminals Building Company to The Cleveland Union Terminals Company for the latter's East Approach, which transfer or exchange will not decrease the values behind your advances by more than Three Million Dollars (\$3,000,000.00). In general, we, of course, will conduct the business of this company and its subsidiaries to the end that the equities which are security for the advances you are making shall not be impaired, and we shall be pleased to keep you currently fully advised of any plans or any development with respect to The Vaness Company or its subsidiaries which might result in any material change in its or their assets, liabilities, or income.

Very truly yours,

THE VANESS COMPANY,  
By O. P. VAN SWERINGEN, *President*.  
By CHARLES STAGE, *Secretary*.

And then the letter is also signed by—

And O. P. Van Sweringen, individually, and M. J. Van Sweringen, individually.

Mr. PECORA. Now didn't you virtually agree in this letter that you would be guided entirely in the financial operations of the Vaness Co. by the bankers?

Mr. VAN SWERINGEN. That is not quite the way to put it.

Mr. PECORA. Isn't that the gist of this letter?

Mr. VAN SWERINGEN. We agreed to certain restrictions that would involve the credit that they were extending to us at that time. These were protective features to conserve that security.

Mr. PECORA. Weren't you doing something more than that? Weren't you definitely committing yourselves to make no further—to do no further financing except where necessary in their judgment?

Mr. VAN SWERINGEN. We were making a covenant not to expand or to weaken what we had pledged. That is done in bond issues in general terms right and left. You can pick up hundreds of them and find covenants of this character.

Mr. PECORA. Who prepared this letter?

Mr. VAN SWERINGEN. Why, I could not tell you where that originated.

Mr. PECORA. Have you a full and complete copy of it before you?

#### EXHIBIT U-2-14

Mr. VAN SWERINGEN. I have a copy of it.

Mr. PECORA. Has the Vaness Co. and office in New York, or did it have in October 1930?

Mr. VAN SWERINGEN. No. But at that time I was in New York.

Mr. PECORA. You notice that this letter is written on the letterhead of The Vaness Company, giving its Cleveland address, but that the letter itself is dated New York, N.Y., October 30, 1930?

Mr. VAN SWERINGEN. Yes, sir, that is true. In other words, it is on our stationery and seemingly written in New York, and I am quite sure it was.

Mr. PECORA. At what place in New York? Whose office?

Mr. VAN SWERINGEN. Why, I do not know. It may have been drafted at the hotel, or it may have been drafted at the time—probably—well, that is guess work. It may have been drafted there or it may have been drafted right at the Morgan's while we were trying to complete these arrangements.

Mr. PECORA. Well now—

Mr. VAN SWERINGEN. Just a minute Mr. Murphy tells me that it was.

Mr. PECORA. Drawn in the office of J. P. Morgan & Co.?

Mr. VAN SWERINGEN. Yes. Written there.

(4) On the same date as the forgoing letter and agreement mentioned therein, the Vaness Company was relieved of its liability to the Cleveland Banks on the \$9,000,000.00 participation note, and the collateral (122,000 shares Van Sweringen Company and 600,000 shares Van Sweringen Corporation) securing same was released.

(5) As of this same date (October 30, 1930) the new note for \$9,000,000.00 was given and the collateral consisting of 97,500 shares of the Vaness Company stock was posted as security for payment of same.

(6) On this date, or on a subsequent date, or dates, The Vaness Company was permitted to pledge practically all of its assets, together with the assets of its subsidiaries, to secure the loans of J. P. Morgan & Company.

Contained in the assets of The Vaness Company at October 31st, 1930 were listed securities having a market value, at the time, of \$13,857,504.10 and contained in the assets of The Cleveland Terminals Building Company (wholly owned by The Vaness Company) were listed stocks having a market value as of September 30th, 1930 of approximately \$38,059,684.88. These securities, together with other assets, were removed from the portfolios of The Vaness Company and its subsidiary and pledged to secure the notes of J. P. Morgan & Company.

Even though The Union Trust Company, as trustee for the participants in the \$9,000,000.00 loan, held 60% of the outstanding stock of The Vaness Company as collateral for the note due them, The Vaness Company made the pledge as described hereinbefore, thus causing the security of the participants to be junior to that of the New York bankers.

According to the records examined, no payments have been made to date on the principal of the \$9,000,000.00 loan. Unpaid interest accrued by The Union Trust Company on their \$2,800,000.00 participation totaled \$391,774.64 at September 1st, 1933.

## EXHIBIT U-2-15

## GENERAL

It is also noted that as of this same date (October 30, 1930) other "Van Sweringen" loans were refinanced and collateral security substitutions were made, details of which will be covered in subsequent remarks; however the records of The Union Trust Company give the following information in regard to The Vaness Company loan: Demand loan No. 78311, amount \$5,000,000.00, was set up in the name of O. P. and M. J. Van Sweringen which loans refunded demand loan No. 61739 for the same amount in the name of The Vaness Company.

Collateral security for the cancelled note (61739-Vaness Company) is listed following, together with the estimated values based, by us, on market values as of October 30, 1930 which were furnished us by the Statistical Department of The Union Trust Company.

Midland Bank, 8,260 shares @ 295.....	\$2,436,700.00
Cleveland Railway Company, 32,000 C. of D. @ 77.....	2,464,000.00
United Corporation, 6,000 shares @ 22½.....	132,750.00
Western Reserve Investing Corporation, 3,000 units @ 85.....	255,000.00

Total estimated values October 30, 1930..... \$5,288,450.00

Collateral given on the new note (Loan #78311, O. P. and M. J. Van Sweringen) as follows:

## Listed Securities:

United Corporation Common, 6,000 shares @ 22½.....	\$132,750.00
Western Reserve Investing Corporation Com., 3,000 units @ 85.....	255,000.00
Newton Steel Common, 1,400 shares @ 20½.....	28,175.00
Niagara & Hudson Power Corporation, 4,000 shares @ 12½.....	48,500.00
Peerless Motor Car Corporation, 33,000 shares @ 3¾.....	123,750.00
Standard Brands, Inc., 5,000 shares @ 16¼.....	81,250.00

Total..... \$669,425.00

## Van Sweringen Controlled Companies:

Trustees of Calumet Trust Company.....	Shares 17,999½
Vaness Company Preferred.....	9,000
Vaness Company Common.....	16,250
Metropolitan Utilities.....	10,296

And equities in shares of stock also pledged on Loan by The Union Trust Company, Amount \$1,422,500.00 (Participation in \$3,100,000.00 Loan) to Metropolitan Utilities, Inc. as follows:

Traction Stores, Common.....	Shares 100
Cleveland Traction Terminal Common.....	100
Cleveland Interurban Railroad Common.....	1,465
Cleveland and Youngstown Railroad Common.....	5,800

these are also so-called "Van Sweringen Controlled."

## EXHIBIT U-2-16

The \$5,000,000.00 O. P. and M. J. Van Sweringen loan as outlined above was merely a conversion of the existing \$5,000,000.00 Vaness Company loan.

Included in the collateral which the bank held as security for the cancelled Vaness Company loan were securities estimated to have a market value at October 30th, 1930 of \$4,900,700.00 which securities were surrendered and are believed to have been used as a pledge by The Vaness Company or The Cleveland Terminals Building Company to secure loans totaling \$39,500,000.00 from J. P. Morgan & Company.

In place of the above mentioned collateral, the bank accepted securities having an estimated market value of \$281,675.00 and stocks of several "Van Sweringen Controlled" holding companies together with purported equities in shares of stock of other "Van Sweringen Controlled" companies which the Union Trust Company already held as collateral for other loans.

PARTIAL TRANSCRIPT OF TESTIMONY OF GEORGE WHITNEY AND O. P. VAN SWERINGEN GIVEN AT HEARING BEFORE THE COMMITTEE ON BANKING AND CURRENCY, UNITED STATES SENATE, INVESTIGATING STOCK EXCHANGE PRACTICES

The following extracts of testimony were taken from the testimony of Mr. George Whitney, a partner of the firm of J. P. Morgan & Company, and of O. P. Van Sweringen, president of The Vaness Company, given by them at the present hearings on Stock Exchange Practices before the United States Committee on Banking and Currency. This is submitted to show relations between O. P. and M. J. Van Sweringen, J. R. Nutt, Charles L. Bradley, and others.

(Part 1—pages 176 and 177)

Mr. PECORA. Now, Mr. Whitney, at about the same time was a similar invitation extended to Mr. Joseph Nutt to subscribe for shares of Alleghany common stock at \$20 per share?

Mr. WHITNEY. Let me look at the list.

Senator TOWNSEND. He is on the list.

Mr. WHITNEY. Yes, I am sure he is, Mr. Pecora, because you all know Mr. Nutt has been associated with the Van Sweringens in this thing for a great many years, and probably was put on there at their suggestion. There were various other names on there that were put on at the Van Sweringen's suggestion, various friends who were interested with them.

Mr. PECORA. Mr. Nutt at that time was treasurer of the Republican National Committee, wasn't he?

Mr. WHITNEY. I don't know.

Mr. PECORA. You don't know about that?

Mr. WHITNEY. I don't deny it, but I don't know it.

Senator BYRNES. Mr. Whitney, you did offer Mr. Nutt 3,000 shares as against the 2,000 you offered Mr. Raskob?

Mr. WHITNEY. That is right, Senator. [Laughter in the room.]

Senator GORE. You say you are a Republican?

Mr. WHITNEY. Yes, sir. But I didn't suggest Mr. Nutt

The CHAIRMAN. Didn't Mr. Nutt take the shares?

Mr. WHITNEY. Oh, I assume so, if he is on the list, because I don't think this list represents any of those who were the final subscribers.

EXHIBIT U-2-17

The CHAIRMAN. Are you an officer of Johns-Manville, Mr. Whitney?

Mr. WHITNEY. I am a director; yes, sir.

The CHAIRMAN. How long have you been?

Mr. WHITNEY. I think it is '27; since 1927.

Senator COUZENS. Why would Mr. Nutt have to buy through your company when he was so close to the Van Sweringens?

Mr. WHITNEY. I don't know, sir. I just don't know.

(Part 2, page 569)

O. P. VAN SWERINGEN. Mr. Pecora, I have given you an outline of the purpose of the Alleghany Corporation as we saw it, and the nature of the other, the Chesapeake Corporation, as we saw it, step by step, in a chronological way, and their general operation in a way that I thought might be helpful to you.

Mr. PECORA. Mr. Van Sweringen, the purpose of the organization of the Chesapeake Corporation, and also of the Alleghany Corporation, was essentially to acquire control through the medium of stock ownership of various railroad lines.

Mr. VAN SWERINGEN. That is right, or portions of them in some instances.

Mr. PECORA. Now, according to this prepared statement that you have just read into the record, you invade the railroad field, so to speak, back in the year 1916. Is that correct?

Mr. VAN SWERINGEN. Our first undertaking was in 1916.

Mr. PECORA. That was in connection with your acquisition of the Nickel Plate Road.

Mr. VAN SWERINGEN. That is true.

Mr. PECORA. Who was associated with you in that acquisition?

Mr. VAN SWERINGEN. My brother, Mr. C. L. Bradley, Mr. J. R. Nutt, and quite a few local people there had portions of that investment.

Mr. PECORA. Let me digress for just a moment to ask you: Who prepared this statement which you have read into the record?

Mr. VAN SWERINGEN. I did.

Mr. PECORA. Did you confer with any other individuals who collaborated with you in the preparation of this statement?

Mr. VAN SWERINGEN. Oh, yes; I submitted it to our people, in our office, to have it checked as to its accuracy, and had several thoughts expressed to me, not all of which I followed. Frankly, I kept it pretty much as I had it.

Mr. PECORA. To whom did you submit it?

Mr. VAN SWERINGEN. To our local counsel, and to Mr. Bradley and others in our office who might have to do with various portions of it.

Mr. PECORA. Can you mention the name of such others?

Mr. VAN SWERINGEN. I do not have anyone outstanding in that matter in mind. Just the general discussion throughout the office.

Mr. PECORA. Do you mean that you cannot recall the names of any other individuals with whom you conferred in connection with this statement and before this statement was given final form?

Mr. VAN SWERINGEN. Only in a very general way did I do that, make any inquiries.

Mr. PECORA. Will you give the names of all other individuals with whom you say you conferred, or whom you consulted?

EXHIBIT U-2-18

Mr. VAN SWERINGEN. Whom did I name, Mr. Bradley and Mr. Nutt?

Mr. PECORA. Mr. Bradley and Mr. Nutt.

Mr. VAN SWERINGEN. Yes, I named Mr. Bradley and Mr. Nutt.

Mr. PECORA. Yes. Anybody else?

Mr. VAN SWERINGEN. Mr. Murphy, Mr. Bernet, I had him verify it.

Mr. PECORA. I did not hear you.

Mr. VAN SWERINGEN. Mr. Bernet, and Mr. Ginn and Mr. Barrett.

(Part 2, page 571)

Mr. PECORA. Well, didn't you anticipate that you were going to be questioned about the very matters that you have embodied in this statement that you have read into the record?

Mr. VAN SWERINGEN. I anticipated that that might be so. But I had no knowledge that it was so.

Mr. PECORA. Well, I might say to your credit that you had the vision of a seer in that respect. [Laughter.] Of course, you have anticipated it correctly. Now, you say in this prepared statement of yours as follows:

"We had heard that the Nickel Plate Stock control might be acquired; that is, that the New York Central interests might be willing to dispose of it."

When you say "we" in that respect, to whom do you refer?

Mr. VAN SWERINGEN. In that instance I would have to have in mind my brother and myself and probably our immediate associates.

Mr. PECORA. Well, who are your immediate associates?

Mr. VAN SWERINGEN. Why, the men I have just named here; Mr. Bradley and Mr. Nutt, at that time.

(Part 2, page 597)

Mr. PECORA. Then you say in your prepared statement as follows:

"In the meantime the Nickel Plate was prospering and was accumulating money under the able management of Mr. J. J. Bernet, whom we had engaged as President when we first acquired the Nickel Plate \* \* \*"

Whom do you mean by "we" in that part of your statement?

Mr. VAN SWERINGEN. Those interests that I have described.

Mr. PECORA. Who are they?

Mr. VAN SWERINGEN. The same ones that we have just alked about here this morning.

Mr. PECORA. That is, you, your brother, Mr. Bradley, Mr. Nutt, and other gentlemen whom you have not yet named?

Mr. VAN SWERINGEN. Yes; that is it.

Mr. PECORA. Is that right?

Mr. VAN SWERINGEN. That is right; yes.

Mr. PECORA. But you individuals did not then actually own the stock of the Nickel Plate Road, did you?



Mr. VAN SWERINGEN. Individuals, did you say?

Mr. PECORA. That stock was then owned by the Nickel Plate Securities Corporation, was it not?

Mr. VAN SWERINGEN. Yes.

Mr. PECORA. But you, and your associates, meaning the gentlemen whom you have named, and some of whom you have not yet named, controlled the Nickel Plate Securities Corporation, did you not?

Mr. VAN SWERINGEN. Yes, sir.

Mr. PECORA. Through stock ownership?

EXHIBIT U-2-19

Mr. VAN SWERINGEN. Yes, sir. That is what is meant by "we."

(Part 2, Page 600)

Mr. PECORA. Now, tell us about this Vaness Co. When was the Vaness Co. organized?

Mr. VAN SWERINGEN. I have got to get that. [After conferring with associates.] The charter is dated January 9, 1922, I am told.

Mr. PECORA. Did you and your associates cause it to be organized?

Mr. VAN SWERINGEN. We did.

Mr. PECORA. Did you and your associates own all of its capital stock.

Mr. VAN SWERINGEN. All of its common stock. [After conferring with associates.] All of its capital stock.

The CHAIRMAN. That was a holding company, was it?

Mr. VAN SWERINGEN. Well, it was a company which did hold it; Yes, sir. Hold these assets.

Mr. PECORA. You say it was organized in January, 1922? Is that the date, sir?

Mr. VAN SWERINGEN. That is what I am told here. [After conferring with associates.] That is the date of the charter.

Mr. PECORA. Yes. And all of its capital stock was issued to you and your associates.

Mr. VAN SWERINGEN. That is the way it is in my mind.

Mr. PECORA. Now, you only had two associates besides your brother in that transaction, did you not? That is, Mr. J. R. Nutt and Mr. C. L. Bradley?

Mr. VAN SWERINGEN. I think for a time we had two other associates whom we bought out.

Mr. PECORA. Now, what kind of business was conducted or transacted by this Vaness Co.?

Mr. VAN SWERINGEN. It was originally formed to hold and to own securities and other assets that principally surrounded the ownership of O. P. and M. J. Van Sweringen.

(Part 2, Page 602)

Mr. PECORA. Now, what was the financial set-up of the Vaness Co. when it was organized in 1922?

Mr. VAN SWERINGEN. I might add right in there that it was originally designed as our own personal basket. It took a little different form as time went on.

Mr. PECORA. It was designed as a personal corporation vehicle for you and your associates; is that a fair statement?

Mr. VAN SWERINGEN. Yes, that is a very fair statement

(Part 2, Page 605)

Mr. PECORA. At \$80. Now, Mr. Van Sweringen, at that time who held the capital stock of the Nickel Plate Securities Corporation?

Mr. VAN SWERINGEN. Our interests, as I have described them heretofore.

Mr. PECORA. What is that?

Mr. VAN SWERINGEN. Our interests, as I have described them heretofore.

Mr. PECORA. Well, by your interests, whom do you mean?

Mr. VAN SWERINGEN. I mean my brother and myself and Mr. Bradley and Mr. Nutt and a few other holders that were close.

Mr. PECORA. Were there any stockholders other than your own immediate group or interest?

Mr. VAN SWERINGEN. In the small percent that I have just noted.

## EXHIBIT U-2-20

(Part 2, Page 608)

Mr. PECORA. Well, the transaction, as I gather it from your explanation, was briefly this: That the Nickel Plate R.R. Co. purchased 70,000 of these shares for \$5,600,000, which moneys it raised through the sale of mortgage bonds to the public, and then the other 3,000 shares were purchased by the Nickel Plate Securities Corporation for \$1,700,000, which it obtained as a loan from the Vaness Co. Wherein in that operation did you and any of your associates put up any of your own cash?

Mr. VAN SWERINGEN. Through the Vaness Co. operation we either had to put up collateral or cash before we got money at any stage of the game, or credit, one or the other.

Mr. PECORA. Can you tell us—

Mr. VAN SWERINGEN (interposing). And we owned that corporation.

Mr. PECORA. You owned the Vaness Co.?

Mr. VAN SWERINGEN. Yes.

Mr. PECORA. The Vaness Co. in its original set-up merely acquired some shares of the Securities Co., the Nickel Plate Securities Co., and in return for capital stock which you and your associates received; is that right?

Mr. VAN SWERINGEN. Now, you are back to the place where I could not answer before, because you pick a date as to that transaction and then skip over for more than a year without the intervening transactions. It is as to those intervening transactions that I want the information, and that is what I promise to give you when I can get it.

Mr. PECORA. Can you now recall any moneys that you and your associates actually took out of your pocket to enable the Nickel Plate Railroad and the Nickel Plate Securities Corporation to acquire these 73,000 shares of the capital common stock of the Chesapeake & Ohio?

Mr. VAN SWERINGEN. You are trying to have me answer without the facts again, Mr. Pecora.

Mr. PECORA. I am trying to have you answer on the basis of your best recollection.

Mr. VAN SWERINGEN. I haven't any best recollection. That is my trouble. The record is the best thing I can get you, and we will have that in the morning or tonight.

Mr. PECORA. Have you any recollection at all of you and your associates having furnished out of your own means any of this consideration of \$7,300,000 for the 73,000 Chesapeake & Ohio shares?

Mr. VAN SWERINGEN. You will have that answer in the morning.

(Part 2, Pages 635 and 636)

Mr. PECORA. Was Mr. J. Arthur House one of your associates in these various Van Sweringen enterprises.

Mr. VAN SWERINGEN. Mr. House was a director of the Nickel Plate. That is the only association that I recollect.

Mr. PECORA. When you say "The Nickel Plate" do you mean the operating company, the railroad, or the Securities Company?

Mr. VAN SWERINGEN. The Railroad Co.

Mr. PECORA. You mean the Railroad Co.

Mr. VAN SWERINGEN. Yes, sir.

Mr. PECORA. Was he also at the time the president of the Guardian Savings & Trust Co. of Cleveland?

## EXHIBIT U-2-21

Mr. VAN SWERINGEN. Oh, yes; and for a great many years.

Mr. PECORA. Isn't it a fact that either the Nickel Plate Railroad or the holding company known as the Nickel Plate Securities Corporation, and the Vaness Co. from time to time obtained large loans from the Guardian Savings & Trust Co. of Cleveland?

Mr. VAN SWERINGEN. I cannot be quite as comprehensive as that, but some of the companies with which we had to do did a banking business there, and it might well be true that they borrowed money from time to time. I know I testified about one loan that was made in the course of these proceedings.

Mr. PECORA. Have you any failure of recollection about the names of the banks from whom your companies from time to time borrowed moneys?

Mr. VAN SWERINGEN. That is very awkwardly put, if you don't mind. [Laughter.] I wouldn't attempt from recollection to undertake to give you the transaction for loans of the different interests in the different place. I think that you will appreciate that that is difficult to do.

Mr. PECORA. Did any of the companies with which you and your associates were in any way identified, and which are commonly referred to as the Van Sweringen interests, borrow moneys from time to time from the Guardian Savings & Trust Company of Cleveland?

Mr. VAN SWERINGEN. Yes. There is no doubt but what some of them did. We did business there for a great many years, or some of the companies did.

Mr. PECORA. Did some of the companies borrow money also from time to time from the Union Trust Company of Cleveland?

Mr. VAN SWERINGEN. They did.

Mr. PECORA. You have already told us that Mr. Joseph R. Nutt was one of the gentlemen who was associated with you and your brother in these various enterprises.

Mr. VAN SWERINGEN. Yes, sir.

Mr. PECORA. He was one of the group which you called your associates, wasn't he?

Mr. VAN SWERINGEN. Yes; he was one of the stockholders of the Vaness Co.

Mr. PECORA. And of other companies with which your interests were identified.

Mr. VAN SWERINGEN. He undoubtedly was. But you might be more comprehensible there.

Mr. PECORA. At the time of the obtaining of loans from the Union Trust Company of Cleveland was Mr. Joseph R. Nutt the president and chairman of the board of that trust company?

Mr. VAN SWERINGEN. Pardon me, but I missed the first part of that question.

Mr. PECORA. The committee reporter might read it to you. [Which was done.]

Mr. VAN SWERINGEN. He might have been.

(Part 2—pages 642 and 643)

Mr. PECORA. Now you referred to a Mr. Ginn as counsel for you in attendance at this hearing. Was not Mr. Ginn or his law firm the attorney for the Union Trust Co. of Cleveland at the time that the Vaness Co. and others of your companies obtained loans from that trust company?

Mr. GINN. May I answer that question, Mr. Chairman?

Mr. PECORA. I would rather have the witness answer it first.

#### EXHIBIT U-2-22

Mr. GINN. I prefer to answer it first, if I may, Mr. Chairman.

Mr. PECORA. Let the witness answer it first, and if your recollection varies from his answer you may state.

Mr. GINN. As counsel—

Senator ADAMS. Is this one of the counsel?

Senator BARKLEY. Let the witness give his recollection, and then you can answer.

Mr. VAN SWERINGEN. Mr. Ginn, I think, can answer that better than I can.

Senator BARKLEY. Do you know whether that is true?

Mr. VAN SWERINGEN. I think he had better answer that.

Mr. PECORA. Do you know whether it is the fact?

Mr. VAN SWERINGEN. I have understood he was counsel for them in some matters.

Mr. PECORA. Counsel for the trust company?

Mr. VAN SWERINGEN. But he will have to confirm it.

Mr. PECORA. Counsel for the trust company?

Mr. VAN SWERINGEN. He will have to confirm that. I cannot.

Mr. PECORA. If Mr. Ginn wants to answer that, very well.

Senator BARKLEY. If Mr. Ginn desires to answer the chairman will permit him to do so.

Mr. GINN. The witness has answered the question as I would have answered it. At the time that you mentioned our firm was counsel for the Union Trust Company in certain matters. We had no retainer of any kind or character from the Union Trust Co.

Senator BARKLEY. Well, why was there any hesitation about giving that information at the start?

Mr. VAN SWERINGEN. I did not hesitate. I commented that I thought he could answer for himself better than I could, being right here.

Senator BARKLEY. Yes; but you——

Mr. VAN SWERINGEN. And then when you asked me I told you that I had understood that he had been counsel in several matters.

Senator BARKLEY. Your offer to let him answer it was after he had arisen and asked that he might answer it. Until that time you seemed to display no recollection on the subject.

Mr. VAN SWERINGEN. Pardon me; I think he arose rather quickly when the question was asked.

Mr. PECORA. Was Mr. Ginn or his law firm, or any law partner or associate of his, counsel for the Vaness Co. at any time in the past?

(Mr. Van Sweringen conferred with his associates.)

(At this point there was some disturbance and laughter in the room.)

Mr. VAN SWERINGEN (After conferring with associates). Many times.

Senator BARKLEY. The congregation will please be in order.

Mr. VAN SWERINGEN. You got the answer to that?

Mr. PECORA. You think he was at many times?

Mr. VAN SWERINGEN. Yes.

(Part 2—pages 702 and 703)

Mr. PECORA. Now, it was also testified to heretofore that a number of the persons who were invited by J. P. Morgan & Co. to subscribe for Alleghany Corporation common shares at \$20 per share, were suggested by the Van Sweringen interests. Can you tell us who those persons were?

EXHIBIT U-2-23

Mr. VAN SWERINGEN. I can tell you some of them.

Mr. PECORA. Will you please do so?

Mr. VAN SWERINGEN. I think I will start first with Mr. Nutt, Mr. J. R. Nutt, and Mr. Barrett—if I had a list of the shareholders I could tell you better. Mr. Fitzpatrick, Mr. Harahan, Mr. Bradley——

Mr. PECORA (interposing). Now, possibly for your convenience, Mr. Van Sweringen, let me turn over to you a printed copy of the testimony to which I have alluded, printed for the use of this committee, pages 138 and 139 of part 1 thereof. Will you just look at the names shown on that list on those two pages, and just go down the list, and when you come across a name that was recommended by the Van Sweringen interests, will you indicate that name to the Committee? Start at the beginning.

Mr. VAN SWERINGEN. This is going to be a little bit of a memory test for me again.

Mr. PECORA. Well, we will hope for good results.

Mr. VAN SWERINGEN. I will try to do better. I have already mentioned Mr. Barrett, and I think Mr. Baker, but I am not sure. He was an attorney in the proceedings at the time.

Mr. PECORA. Do you mean Newton D. Baker?

Mr. VAN SWERINGEN. Yes, sir.

Mr. PECORA. And Mr. Barrett, do you say?

Mr. VAN SWERINGEN. Yes, sir.

Mr. PECORA. What is his name?

Mr. VAN SWERINGEN. D. S. Barrett, Jr., Mr. Bernet, Mr. Charles Bradley, Mr. Herbert Fitzpatrick—but I did give his name, did I not? Mr. Michael Gallagher, Mr. Harahan, I did mention, I think.

Mr. PECORA. Mr. W. J. Harahan?

Mr. VAN SWERINGEN. Yes, sir. And Henry A. Marting.

Mr. PECORA. Henry A. Marting?

Mr. VAN SWERINGEN. Yes, sir. And Mr. Murphy—Mr. John P. Murphy, pardon me. W. L. Ross, John Sherwin, Sr. And the record shows G.D., but I suspect it was K.D., Steere.

Mr. PECORA. Was he one of the partners of the brokerage firm of Paine, Webber & Co.?

Mr. VAN SWERINGEN. Yes, sir. And he used to be in our organization. Subject to any inaccuracies of recollection I would say that that was in general it.

(Part 2—page 706)

Mr. PECORA. Who were the directors of the Alleghany Corporation at the outset?

Mr. VAN SWERINGEN. I was its president, and—

Mr. PECORA (interposing). You were its president?

Mr. VAN SWERINGEN. Yes, sir. And Mr. C. L. Bradley, Mr. J. R. Nutt, Mr. M. J. Van Sweringen and Mr. D. S. Barrett, Jr.

Mr. PECORA. Now, they were all persons associated with you, commencing back in 1916, weren't they?

Mr. VAN SWERINGEN. Yes, sir. With the exception of my brother who commenced quite a number of years sooner.

## EXHIBIT U-2-24

Mr. PECORA. Now, Mr. Van Sweringen, were any of these option warrants offered to the public?

Mr. VAN SWERINGEN. In the sale of preferred stock there are some warrants.

(Part 2—pages 714 and 715)

Mr. PECORA. All right. Thank you. Now, Mr. Van Sweringen, you have stated that upon the organization of the Alleghany Corporation the Van Sweringen interests acquired  $2\frac{1}{4}$  million shares of the common stock thereof at \$20 per share, in addition to 1,725,000 option warrants at a cost price of \$1 per warrant. You also testified, as I recall it, that J. P. Morgan & Co. at the same time acquired a large block of common stock of the Alleghany Corporation, also at \$20 per share, and that they invited certain persons whom you named on yesterday to subscribe for some of those shares, at the same price of \$20 a share. Now, among the persons you say you recommended to J. P. Morgan & Co. that this invitation to subscribe at \$20 per share should be extended, were Mr. Nutt and Mr. Bradley, two of your associates. What was the occasion for your making that recommendation to J. P. Morgan & Co. in view of the fact that the Van Sweringen interests, which included these two gentlemen, had acquired  $2\frac{1}{4}$  million shares directly at \$20 a share?

Mr. VAN SWERINGEN. So that they might themselves have those individually, apart from the Vaness Co.

Mr. PECORA. Couldn't they have had those out of the  $2\frac{1}{4}$  million shares of the Van Sweringen interests?

Mr. VAN SWERINGEN. Well, we, as I have heretofore testified, had a desire at that time to have the number of shares that I have indicated, for the Vaness Co.

Mr. PECORA. Couldn't that desire have been fulfilled or satisfied out of the  $2\frac{1}{4}$  million shares which the Vaness Co. got?

Mr. VAN SWERINGEN. Well, as a matter of fact, it was not satisfied.

Mr. PECORA. What is that?

Mr. VAN SWERINGEN. It was not satisfied out of the  $2\frac{1}{4}$  million shares, that is true.

Mr. PECORA. But, couldn't those individual desires that you have referred to have been satisfied out of the stock which the Van Sweringen interests acquired from the Alleghany Corporation, just as well as out of the stock which J. P. Morgan & Co. acquired from that corporation?

Mr. VAN SWERINGEN. I do not like to treat that as desires that had to be satisfied, although it was our thought that it would be nice if they could have those shares.

Mr. PECORA. Why couldn't you have given them those shares out of the  $2\frac{1}{4}$  million shares which you acquired?

Mr. VAN SWERINGEN. Well, that could have been done, I suppose, but it was not done.

## EXHIBIT U-2-25

Mr. PECORA. Do you know of any reason why it was not done in that way?

Mr. VAN SWERINGEN. Prompted by what I have heretofore said, that we wanted the number of shares that we got as we then saw it.

Mr. PECORA. Well, now, Mr. Nutt and Mr. Bradley each had a very large interest in the Vaness Co., didn't they?

Mr. VAN SWERINGEN. They did.

Mr. PECORA. Why was it necessary to enable them to acquire those additional blocks of stock at \$20 per share which they acquired through J. P. Morgan & Co.

Mr. VAN SWERINGEN. It wasn't compulsory.

Mr. PECORA. Well, why was it done, Mr. Van Sweringen? I am trying to find out why it was done in that way.

Mr. VAN SWERINGEN. We thought it was a desirable thing to do.

Mr. PECORA. For what reason?

Mr. VAN SWERINGEN. That they would appreciate having the shares and being able to buy them at that time, because we were all looking forward to the future.

Mr. PECORA. Well, couldn't they have gotten those shares from the Vaness Company at the same terms?

Mr. VAN SWERINGEN. In view of the fact that we four had all the common stock of the Vaness Co. I suppose that could have been done.

Mr. PECORA. Was there any reason why it was not done in that way?

Mr. VAN SWERINGEN. It was not material as to their being had at all, as a matter of fact.

Mr. PECORA. Had they asked you—

Mr. VAN SWERINGEN (continuing). I mean out of the shares that we got.

Mr. PECORA (continuing). To get the right to subscribe for those additional shares from J. P. Morgan & Co. instead of from the Vaness Co.

Mr. VAN SWERINGEN. Had they asked me?

Mr. PECORA. Yes.

Mr. VAN SWERINGEN. I do not really know. I don't remember.

COMMENTS RELATIVE TO THE MINUTES OF MEETINGS OF THE DISCOUNT COMMITTEE, EXECUTIVE COMMITTEE, AND THE BOARD OF DIRECTORS AT WHICH MEETINGS LOAN NO. 37659 BY THE UNION TRUST COMPANY TO THE VANESS COMPANY, DATE JULY 27, 1928, AMOUNT \$2,000,000.00 WAS RATIFIED.

#### Discount Committee, July 30, 1928

Present: Otto Miller, Director—Executive Committee—Discount Committee; Thomas P. Robbins, Director—Executive Committee—Discount Committee; G. A. Tomlinson, Director—Executive Committee—Discount Committee; Whitney Warner, Director—Executive Committee—Discount Committee; J. R. Kraus, Director—Executive Committee—Discount Committee; J. G. Geddes, Vice President; John Sherwin, Jr., Vice President; Geo. P. Steele, Vice President; W. Tonks, Vice President—Credit Manager; R. S. Crawford, Vice President—Secretary.

#### EXHIBIT U-2-26

#### Executive Committee, August 6, 1928

Present: Otto Miller, Director—Executive Committee—Discount Committee; Thomas P. Robbins, Director—Executive Committee—Discount Committee; Whitney Warner, Director—Executive Committee—Discount Committee; J. R. Kraus, Director—Executive Committee—Discount Committee; J. R. Nutt, Director—Executive Committee—Discount Committee; W. M. Baldwin, Director—Executive Committee—Discount Committee; Emil Joseph, Director—Executive Committee; E. J. Kulas, Director—Executive Committee; Windsor T. White, Director—Executive Committee; C. E. Farnsworth, Vice President; J. P. Harris, Vice President.

#### Board of Directors, August 14, 1928.

Present: Thos. P. Robbins, Executive Committee—Discount Committee; J. R. Nutt, Executive Committee—Discount Committee; W. M. Baldwin, Executive Committee—Discount Committee; Geo. A. Coulton, Executive Committee—Discount Committee; Geo. Bartol, W. P. Belden, Alexander C. Brown, E. F. Carter, Geo. P. Comey, Henry W. Corning, F. B. Fretter, W. H. Gerhauser, Thomas S. Grasselli, Geo. H. Hodgson, David L. Johnson, Emil Joseph, Executive Committee; Robert C. Norton, E. J. Siller, Fred R. White, Windsor T. White, Executive Committee; Allard Smith, Vice President; R. S. Crawford, Vice President—Secretary.

It will be noted that five out of ten members of the discount committee were present at the Discount Committee meeting, at which meeting this loan was ratified. There were also present five officers of the bank who (according to the By-laws in effect at that time) were not qualified to act as members of the committee, and who were not directors; therefore three votes were sufficient to ratify the loan.

## EXHIBIT U-2-27

The Executive Committee met on August 6th, 1928 and approved the Minutes of the Discount Committee meeting of July 30, 1928 and ratified all loans approved by that Committee to August 1, 1928, including the Vaness Co. loan.

According to the Executive Committee minutes, there were present nine members out of twenty-three which (according to the by-laws in effect at the time) constituted a quorum. Included in the nine qualified to vote were four members who had acted upon the loan as members of the Discount Committee and J. R. Nutt who was financially interested in the borrower. In addition to the members above named there were also present C. E. Farnsworth and J. P. Harris, both Vice-Presidents of the bank who were not qualified to act as members of the committee and who were not directors.

The Board of Directors met on August 14th, 1928 at which meeting the minutes of the Executive Committee meeting of August 6th, 1928 were read and upon motion were approved and confirmed.

According to the director's minutes there were present at the meeting twenty directors out of sixty-four which number (according to the by-laws then in effect) was thirteen less than required to make a quorum.

It is also noted that at the following Director's meeting held on August 28th, 1928, although there was not a quorum present, the minutes of the Executive Committee meetings of August 20th, 1928 and August 27th, 1928 were read and upon motion were approved and confirmed.

At the Director's meeting of September 11th, 1928, a quorum being present (thirty-five out of sixty-four) the following resolution was made:

"Upon motion duly made, seconded, and unanimously carried it was  
RESOLVED that the minutes of the meetings of June 26, 1928, July 24th, 1928, August 14th, 1928, and August 28, 1928 at which quorums were not present, are hereby ratified, adopted and confirmed as the actions of this Board."

An analysis of the directors present at the meetings set forth in the above resolution gives the following information:

Seven of the directors who voted on September 11th, 1928 for the above resolution were not present at any of the four meetings which actions they ratified.

Fourteen of the thirty-five directors who voted for the foregoing resolution were not present at the meetings held on July 10th and July 24th, 1928.

Twenty-one out of thirty-five of the directors who voted for the resolution on September 11th, 1928 covering ratification of the actions of the Board on August 14th, 1928, were not present at the meeting of August 14th, 1928.

## EXHIBIT U-2-28

The fourteen who were present at both the Director's meetings (August 14th and September 11th, 1928) are as follows: J. R. Nutt, Executive Committee—Discount Committee; Geo. A. Coulton, Executive Committee—Discount Committee; W. M. Baldwin, Executive Committee—Discount Committee; Thomas P. Robbins, Executive Committee—Discount Committee; E. F. Carter, Geo. P. Comey, F. B. Fretter, Geo. H. Hodgson, Emil Joseph, Robert C. Norton, E. J. Siller, Henry W. Corning, W. P. Belden, Alexander C. Brown.

COMMENTS RELATIVE TO THE MINUTES OF MEETINGS OF THE DISCOUNT COMMITTEE, EXECUTIVE COMMITTEE, AND THE BOARD OF DIRECTORS AT WHICH MEETINGS LOAN NO. 61949 BY THE UNION TRUST COMPANY TO THE VANESS COMPANY, DATED NOVEMBER 1, 1929, AMOUNT \$2,000,000 (PARTICIPATION IN \$9,000,000.00) WAS RATIFIED:

## Finance Committee, November 2, 1929.

Present: Geo. A. Coulton, Director—Executive Committee—Finance Committee; J. R. Krause, Director—Executive Committee—Finance Committee; Thomas P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; E. R. Grasselli, Director—Executive Committee—Finance Committee; C. E. Farnsworth, Vice President; Wm. Tonks, Vice President—Credit Manager; R. S. Crawford, Vice President—Secretary.

## Executive Committee, November 4, 1929.

Present: J. R. Nutt, Director—Executive Committee—Finance Committee; G. A. Coulton, Director—Executive Committee—Finance Committee; J. R. Krause, Director—Executive Committee—Finance Committee; W. M. Baldwin,

Director—Executive Committee—Finance Committee; Thomas P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee.

F. H. Ginn, Director—Executive Committee; W. A. Harshaw, Director—Executive Committee; W. S. Hayden, Director—Executive Committee; Emil Joseph, Director—Executive Committee; Kenyon V. Painter, Director—Executive Committee; C. E. Farnsworth, Vice President.

## EXHIBIT U-2-29

Board of Directors, November 12, 1929.

Present: George A. Coulton, Executive Committee—Finance Committee; J. R. Krause, Executive Committee—Finance Committee; J. R. Nutt, Executive Committee—Finance Committee; W. H. Baldwin, Executive Committee—Finance Committee; Thomas P. Robbins, Executive Committee—Finance Committee; F. P. Root, Executive Committee—Finance Committee; E. R. Grasselli, Executive Committee—Finance Committee; F. H. Ginn, Executive Committee; W. A. Harshaw, Executive Committee; W. S. Hayden, Executive Committee; Emil Joseph, Executive Committee; Kenyon V. Painter, Executive Committee; George Bartol, E. F. Carter, George P. Comey, Henry W. Corning, W. J. Crawford, Jr., F. B. Fretter, George C. Gordon, George Gund, F. H. Haserot, George H. Hodgson, David L. Johnson, Adrian D. Joyce; E. J. Kulas, Executive Committee; E. P. Lenihan, Bascom Little, H. V. Mitchell, Herman Moss, Laurence H. Norton, Robert C. Norton, Carl N. Osborne, Samuel Lewis Smith, Andrew Squire, Whitney Warner, Fred R. White.

There were present five of the eight members of the Finance Committee together with three officers of the bank who (according to the by-laws in effect then) were qualified to act as alternates to sit instead of the absent members

## EXHIBIT U-2-30

The Executive Committee which met on November 4th, 1929 unanimously approved and confirmed the minutes of the Finance Committee meeting of November 2nd, 1929. There were present at this meeting eleven out of fourteen members. Four of the eleven present acted on the loans as members of the Finance Committee whose votes, together with the vote of J. R. Nutt (who was interested in the borrower,) and the vote of W. M. Baldwin, constituted a majority. In addition to the above there was also present C. E. Farnsworth, Vice President, who was not qualified to act on the Committee.

The Board of Directors met on November 12th, 1929 at which meeting the minutes of the Executive Committee meeting of November 4th, 1929 were read, and upon motion duly made, seconded, and unanimously carried were approved and confirmed.

Under date of January 9th, 1929, by action of the Board of Directors, the Code of By-laws of the Union Trust Company were amended in several respects, one of which was as follows:

Article II, Section 8, to read as follows:

**CERTAIN LOANS.** No loan shall be made to an officer of the bank, or to a syndicate or partnership in which an officer is a participant or a partner unless first approved by the Executive or Finance Committee. When a loan is applied for, or has been currently made, by or to a corporation in which an officer has a substantial interest, it shall be the duty of that officer to state immediately the fact of his interest therein to the Executive or Finance Committee.

There is nothing contained in the minutes of the Finance Committee, Executive Committee or Board of Directors to indicate that the by-laws as above set forth were complied with.

COMMENTS RELATIVE TO THE MINUTES OF MEETINGS OF THE FINANCE COMMITTEE, EXECUTIVE COMMITTEE, AND THE BOARD OF DIRECTORS AT WHICH MEETING LOAN NO. 70739 BY THE UNION TRUST COMPANY TO THE VANESS COMPANY, DATED MAY 13, 1930, AMOUNT \$2,800,000. (PARTICIPATION IN \$9,000,000.00) WAS RATIFIED:

Finance Committee, May 14, 1930.

Present: J. R. Krause, Director—Executive Committee—Finance Committee; W. M. Baldwin, Director—Executive Committee—Finance Committee; Otto Miller, Director—Executive Committee—Finance Committee; Thomas P. Rob-



bins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; C. E. Farnsworth, Vice President; H. E. Hills, Vice President; George P. Steele, Vice President; William Tonks, Vice President—Credit Manager; R. E. Crawford, Vice President—Secretary.

## EXHIBIT U-2-31

## EXECUTIVE COMMITTEE, MAY 19, 1930

Present: G. A. Coulton, Director—Executive Committee—Finance Committee; W. M. Baldwin, Director—Executive Committee—Finance Committee; Thomas P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; F. H. Ginn, Director—Executive Committee; W. S. Hayden, Director—Executive Committee; Emil Joseph, Director—Executive Committee; John A. Kling, Director—Executive Committee; E. J. Kulas, Director—Executive Committee; Kenyon V. Painter, Director—Executive Committee; J. P. Harris, Vice President.

## BOARD OF DIRECTORS, MAY 28, 1930

Present: G. A. Coulton, Executive Committee—Finance Committee; W. M. Baldwin, Executive Committee—Finance Committee; Thomas P. Robbins, Executive Committee—Finance Committee; F. P. Root, Executive Committee—Finance Committee; E. R. Grasselli, Executive Committee—Finance Committee; F. H. Ginn, Executive Committee; W. S. Hayden, Executive Committee; Emil Joseph, Executive Committee; John A. Kling, Executive Committee; E. S. Barkwill, W. P. Belden, George P. Comey, Henry W. Corning, W. J. Crawford, Jr., Thomas S. Grasselli, George Gund, J. A. Hadden, W. A. Harshaw, F. H. Haserot, Parmely W. Herrick, Geo. H. Hodgson, David L. Johnson, Adrian D. Joyce, Ralph T. King, Herman Moss, P. A. Myers, Laurence H. Norton, Robert C. Norton, Carl N. Osborne, Samuel Lewis Smith, Andrew Squire; J. P. Harris, Vice President.

## EXHIBIT U-2-32

It will be noted that five of the eight members of the Finance Committee were present at the meeting on May 14th, 1930, also five officers of the bank, three of whom were qualified under the amended by-laws to act as alternates for the absent members.

At the Executive Committee meeting held May 19th, 1930, there were present ten of the seventeen members and J. P. Harris, Vice President.

The minutes of the Executive Committee were read and unanimously approved by the directors at their meeting held on May 28th, 1930, at which meeting there were present thirty-one of the sixty directors and J. P. Harris, Vice President.

COMMENTS RELATIVE TO THE MINUTES OF MEETINGS OF THE FINANCE COMMITTEE, EXECUTIVE COMMITTEE, AND THE BOARD OF DIRECTORS AT WHICH MEETINGS LOAN NO. 78310 BY THE UNION TRUST COMPANY TO O. P. AND M. J. VAN SWERINGEN, DATED OCTOBER 30, 1930, AMOUNT \$2,800,000.00 (PARTICIPATION IN \$9,000,000.00) WAS CONSIDERED AND APPROVED

## Finance Committee, October 28, 1930

Present: Geo. A. Coulton, Director—Executive Committee—Finance Committee; J. R. Kraus, Director—Executive Committee—Finance Committee; W. M. Baldwin, Director—Executive Committee—Finance Committee; E. R. Grasselli, Director—Executive Committee—Finance Committee; Otto Miller, Director—Executive Committee—Finance Committee; Thomas P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; C. E. Farnsworth, Vice President; C. B. Gleason, Vice President; J. P. Harris, Vice President; Geo. P. Steele, Vice President; R. S. Crawford, Vice President-Secretary.

## Finance Committee, October 31, 1930

Present: Geo. A. Coulton, Director—Executive Committee—Finance Committee; J. R. Kraus, Director—Executive Committee—Finance Committee; Allard Smith, Director—Executive Committee—Finance Committee; Thomas P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; C. E. Farnsworth, Vice President; J. G. Geddes, Vice President; H. E. Hills, Vice President.

## EXHIBIT U-2-33

George P. Steele, Vice President; R. S. Crawford, Vice President and Secretary.

## EXECUTIVE COMMITTEE, NOVEMBER 3, 1930

Present: G. A. Coulton, Executive Committee—Finance Committee; Allard Smith, Executive Committee—Finance Committee; Thomas P. Robbins, Executive Committee—Finance Committee; F. P. Root, Executive Committee—Finance Committee; Otto Miller, Executive Committee—Finance Committee; E. R. Grasselli, Executive Committee—Finance Committee; F. H. Ginn, Director—Executive Committee; W. S. Hayden, Director—Executive Committee; Emil Joseph, Director—Executive Committee; John A. Kling, Director—Executive Committee; E. J. Kulas, Director—Executive Committee; Kenyon V. Painter, Director—Executive Committee; Windsor T. White, Director—Executive Committee; J. P. Harris, Vice President.

## EXECUTIVE COMMITTEE, NOVEMBER 10, 1930

Present: J. R. Nutt, Executive Committee—Finance Committee; G. A. Coulton, Executive Committee—Finance Committee; W. M. Baldwin, Executive Committee—Finance Committee; Otto Miller, Executive Committee—Finance Committee; Thos. P. Robbins, Executive Committee—Finance Committee; F. P. Root, Executive Committee—Finance Committee; W. A. Harshaw, Director—Executive Committee; W. S. Hayden, Director—Executive Committee; Emil Joseph, Director—Executive Committee; John A. Kling, Director—Executive Committee; E. J. Kulas, Director—Executive Committee; Kenyon V. Painter, Director—Executive Committee; Windsor T. White, Director—Executive Committee.

## EXHIBIT U-2-34

## BOARD OF DIRECTORS, NOVEMBER 12, 1930

Present: G. A. Coulton, Director—Executive Committee—Finance Committee; W. M. Baldwin, Director—Executive Committee—Finance Committee; J. R. Kraus, Director—Executive Committee—Finance Committee; Otto Miller, Director—Executive Committee—Finance Committee; Thos. P. Robbins, Director—Executive Committee—Finance Committee; F. P. Root, Director—Executive Committee—Finance Committee; Allard Smith, Director—Executive Committee—Finance Committee; F. H. Ginn, Executive Committee; Emil Joseph, Executive Committee; Kenyon V. Painter, Executive Committee; Windsor T. White, Executive Committee; Geo. P. Comey, Henry W. Corning, W. J. Crawford, Jr., W. H. Gerhauser, Tom M. Girdler, Geo. C. Gordon, Geo. Gund, F. H. Haserot, Parmely W. Herrick, Geo. H. Hodgson, Adrian D. Joyce, E. P. Lenihan, Herman Moss, Laurence H. Norton, Robert C. Norton, Carl N. Osborne, Samuel Lewis Smith, Andrew Squire, Whitney Warner, Fred R. White, J. P. Harris.

Details of agreement of the Finance Committee covering loans to O. P. and M. J. Van Sweringen, The Vaness Company, and the Metropolitan Utilities, Inc. contained in the minutes of October 28th, 1930 is shown on Exhibit E-1 of this report and Finance Committee minutes of October 31st, 1930 contain the approval of the committee covering the loans.

Minutes of the Executive Committee of November 3rd, 1930 contain the committee's unanimous approval of the minutes of the Finance Committee Meetings from October 27th, 1930 to November 1st, 1930. Minutes of the Executive Committee under date of November 10th, 1930 contain approval of all loans as of November 5th, 1930.

## EXHIBIT U-2-35

Board of Directors meeting of November 12th, 1930 contains their unanimous approval and confirmation of the minutes of the Executive Committee meetings held on November 3rd, 1930 and November 10th, 1930.

## EXHIBIT A

CLEVELAND, OHIO, *May 12th, 1930.*THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: Reference is made to The Vaness Company loan in the amount of \$9,000,000.00, in which we have a participation. The collateral under this loan was as follows:

100 shares of The Cleveland Terminals Building Company common stock,  
122,000 shares of The Van Sweringen Company common stock,  
32,893 shares of The Terminal Properties Company first preferred stock,  
33,187 shares of The Terminal Properties Company second preferred stock,  
99,222 shares of The Terminal Properties Company common stock.

On May 10th, we agreed to the substitution of 600,000 shares of Van Sweringen Corporation common stock in place of 100 shares of The Cleveland Terminals Building Company common stock, and we hereby agree to a new loan to be made by The Vaness Company, in the amount of \$9,000,000.00 to be dated May 13, 1930, the collateral under which loan is to be as follows:

600,000 shares of Van Sweringen Corporation common stock,  
122,000 shares of The Van Sweringen Company common stock.

Our participation in this new loan is to be \$1,200,000.00

Very truly yours,

THE MIDLAND BANK.

By JOHN SHERWIN, JR. (Signed)  
*Pres.*

## EXHIBIT B

THE GUARDIAN TRUST COMPANY,  
*Cleveland, Ohio, January 23, 1933.*Mr. W. J. O'NEILL,  
*Vice President, The Union Trust Company,*  
*Cleveland, Ohio.*

DEAR MR. O'NEILL: Referring to your letter of January 18th and to our telephone conversation pertaining to it on Friday of last week, the stock held by you in The Vaness Corporation, as Trustee for the participants in the Nine-

## EXHIBIT U-23-6

Million-Dollar loan, represents sixty percent interest of the entire capital of The Vaness Company.

It seems to me that owing to the fact that the Trustee has such a large stock interest he should be represented in some manner in a corporation setup for 1933, especially in view of the fact that no payments are being made upon the interest or principal of the participated loan.

I am aware of the fact that most of the securities in the Vaness portfolio, upon which we depended when we made the loan, have been shifted to New York. Whether or not the pledging of these securities was done with or without the knowledge of the Trustee I am not advised but, irrespective of that, it may be that in the future some policy may be taken by the Vaness management which would be harmful to our interests and I feel that the banks should have someone representing them on the Board who would know in advance of the establishment of any policy which might affect our loan one way or another and advise the interested banks promptly in reference thereto.

It is for the purpose of having this matter discussed that I feel disposed to withhold our consent to the proxy requested.

I would like to know what you think about the suggestion and how The Cleveland Trust would feel about it also.

With kind regards, I am,

Very truly yours,

(Signed) H. C. ROBINSON,  
*Executive Vice President.*

HCR-CT.

## EXHIBIT C

JANUARY 26, 1933.

Mr. H. C. ROBINSON, *Executive Vice President, The Guardian Trust Company,*  
*Cleveland, Ohio.*

(RE: O. P. and M. J. Van Sweringen Loan Proposed proxy on Vaness Company Stock)

DEAR MR. ROBINSON: Referring to the suggestion in your letter of the 23rd instant as to the pledging of Vaness Company stock in New York, it appears that on or about October 30, 1930 the note of The Vaness Company for \$9,000,000., representing a loan in which the banks had participated, was canceled and the collateral surrendered, and there was substituted therefor the note of O. P. and M. J. Van Sweringen, with 97,500 shares of stock of the Vaness Company as collateral, and certificates of participation in this new loan were issued to the banks. Therefore, the banks, as participants in this loan, would not be in a position to object to the pledge made by The Vaness Company in New York, and it is my understanding that all of the local banks knew at that time that the New York pledge was being made.

In this connection it is interesting to note that on November 6th, 1930 notes of Metropolitan Utilities, Inc., representing its loan, participated in by the Cleveland banks, which note bore the guaranty of the Vaness Company, were surrendered, and notes of Metropolitan Utilities, Inc., bearing the guaranty of O. P. and M. J. Van Sweringen were substituted, and that at this time the old

## EXHIBIT U-2-37

certificates of participation were taken up and new certificates showing the change in the guaranty, were issued. On November 20th, 1930 new notes were again substituted, bearing the guaranty of The Vaness Company instead of the guaranty of O. P. and M. J. Van Sweringen. While the writer does not know it, it appears to him likely that between the dates of November 6th, 1930 and November 20th, 1930 the New York pledge was made, and it seems likely also that the New York creditors required that there be no substantial outstanding liability of The Vaness Company, even a contingent liability such as its guaranty on the Metropolitan Utilities, Inc. loan, at the time when the New York pledge was being made.

We have now received the consent of the Cleveland Trust Company and The Midland Bank to the giving of the proxy requested by the Vaness Company management. At our request the annual meeting of the Vaness Company was postponed for one week. This will give the banks an opportunity to consider whether or not they wish to have representation on the new Board.

Very truly yours,

*Vice President.*

WJO'N-c

## EXHIBIT D

THE CLEVELAND TRUST COMPANY,  
*December 7, 1932.*

Mr. J. R. KRAUS, *Chairman of Board*  
*The Union Trust Company, Cleveland, Ohio.*

DEAR MR. KRAUS: I have been advised by J. P. Morgan & Company that they are holding enclosed list of collateral on the loan to the Vaness Company as of close of business December 3, 1932.

Very truly yours,

JOHN SHERWIN, JR. (Signed)  
*Vice President W (?)*

JSJr:W

## LIST

*The Vaness Company*

1,350,000	Shs. Alleghany Corp. \$30 Warrants
655,892	" Alleghany Corp. Com.
765	" Alleghany Corp. Pfd. Ex Warrants
2,400	" Alleghany Corp. Pfd. \$30 Warrants
1,230	" Alleghany Corp. Pfd. \$40 Warrants

40,393 Shs.	Cleveland Railway Co. Com. C/D
10,900 "	Erie R.R. Co. 2nd Pfd.
3,000 "	Missouri Pacific R.R. Co. Com.
3,300 "	Chesapeake Corp.
5,000 "	Otis Steel Co. Com.
8,260 "	Midland Bank of Cleveland
1,244,580 "	Van Sweringen Corp. Com.
122,000 "	Van Sweringen Company
17,000 "	Terminal Building Co.

## EXHIBIT U-2-38

250 Shs.	Huron Fourth Co.
196 "	Long Lake Co.
\$270,000.00	Cleveland Terminal Building
\$1,250,000.00	Higbee Co. 5% Notes due 10-30-32 (carried as past due)
\$13,787,000.00	Van Sweringen Corp. 5 year 6% Notes due 5-1-35
\$71,000.00	Participation in Higbee Co. Note
\$817,460.36	Long Lake Co. Notes
\$170,430.29	Terminal Hotels Co. Note
\$6,261,697.59	Van Sweringen Co. Notes
\$554,103.00	Metropolitan Utilities, Inc. Notes
\$207,176.60	Terminal Building Co. Notes
\$2,595,398.85	Van Sweringen Corp. Note
\$3,833.54	Cash in Special Deposit

\*See footnote below for an uncorrelated collateral reference.

## EXHIBIT E

## UNION CLEVELAND CORPORATION

CLEVELAND, OHIO, June 3, 1933.

Mr. O. L. Cox, *Conservator,*  
*The Union Trust Company, Cleveland, Ohio.*

DEAR MR. COX: In our recent conversation you requested that we determine, if possible, the relative position of The Union Trust Company and J. P. Morgan & Company toward the Van Sweringen enterprises. We hand you herewith a notebook containing the statements submitted by Mr. Anzalone, Assistant Treasurer of the Vaness Company, an analysis of these statements insofar as possible, and an analysis of the various Union Trust Company loans.

It is our opinion that J. P. Morgan & Company and any banks who may have participated, benefitted at the expense of The Union Trust Company through the transfer of marketable collateral in October 1930 in the following manner:

In October 1929 The Union Trust Company loaned Vaness Company \$5,000,000 secured by collateral having a market value at that time of approximately \$7,295,750. Of this total market value, approximately \$6,522,500 represented local securities having a relatively limited market (See Schedule "B" under "Union Trust Interests" in note-book.) At about the same time The Vaness Company borrowed substantial sums from J. P. Morgan & Company, the Midland Bank of Cleveland, and through O. P. and M. J. Van Sweringen from the Chemical National Bank of New York. Proceeds of these loans were paid to Paine Webber & Company where the Van Sweringens had a margin account. In the spring of 1930 all of these loans, except the Union Trust loan and Misland loan, were paid off. In October 1930, when the Morgan interests advanced \$39,500,000 to the Van Sweringens, collateral having a market value of \$4,936,000 was taken from the Union Trust \$5,000,000 loan and deposited as collateral to the Morgan loans. In exchange the Union Trust received other marketable collateral having a value of only \$538,700, and the common stock of a number of holding companies, which had no market and were junior to such an amount of indebtedness as to

## EXHIBIT U-2-39

make their value questionable. At the same time the obligation of the Vaness Company was converted into one of O. P. and M. J. Van Sweringen, who had already guaranteed \$39,500,000 of notes payable to Morgan.

Inasmuch as J. P. Morgan & Company and various New York banks had had financial dealings with the Van Sweringens over a considerable period of time, and had secured substantial profits through the building up and financing of

various holding companies (such as Chesapeake Corporation, Alleghany Corporation and Van Sweringen Corporation,) it seems that the obligation of these New York interests to the Van Sweringen enterprises was certainly as great, if not greater, than that of the Cleveland banks. While there may have been some excuse for the New York interests taking a prior position to the Cleveland bank loans, made for the development of the local real estate projects, there certainly was no excuse for taking the marketable collateral from the Union Trust Company \$5,000,000 loan. There is no information in our files to indicate why The Union Trust Company permitted the New York interests to take this collateral from the \$5,000,000 loan, to which they were not entitled, nor why the Union Trust Company permitted the other banks referred to above to be paid in the spring of 1930 without having its own loan paid.

We are not making any comment at this time on the \$2,800,000 loan to O. P. and M. J. Van Sweringen, inasmuch as we believe this loan should be approached from a different angle. Details as to the origin and changes in this loan, however, are included in the report. You will note in going through the report that we have not covered the various railroad holding and operating companies controlled by the Van Sweringen interests.

Very truly yours,

C. C. MERRIFIELD (Signed),  
Assistant Treasurer.

EXHIBIT E-1

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO  
CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of Credit Department

OCTOBER 28, 1930

O. P. & M. J. VAN SWERINGEN, VANESS COMPANY, METROPOLITAN UTILITIES  
INC.:

It was agreed to accept participation of \$2,800,000 in a loan of \$9,000,000.00 to O. P. and M. J. Van Sweringen, to be secured by 60% of the entire issue of common stock of the Vaness Company. The other participants in this loan are The Cleveland Trust Company, The Guardian Trust Company and The Midland Bank.

EXHIBIT U-2-40

It was agreed to loan O. P. and M. J. Van Sweringen \$5,000,000 to be secured by collateral—

9,000 shares Vaness Company preferred  
1,400 shares Newton Steel Company common  
4,000 shares Niagara & Hudson Power Corp.  
33,000 shares Peerless Motor Car Corp. common  
5,000 shares Standard Brands, Inc.  
6,000 shares United Corporation common  
3,000 shares Western Reserve Investing Corporation common  
3,000 units Western Reserve Investing Corporation pfd. and common  
17,999½ shares Calumet Trust  
16,250 shares Vaness Company common  
10,296 shares Metropolitan Utilities, Inc.

and—

100 share Traction Stores common  
100 shares Cleveland Traction Terminal common  
1,465 shares Cleveland Interurban Railroad common  
5,800 shares Cleveland and Youngstown Railroad common previously pledged to secure loan of \$3,100,000.00 of Metropolitan Utilities, Inc.  
the above two loans being accepted in lieu of similar amounts now loaned to the Vaness Company.

It was agreed to accept the personal guarantee of O. P. and M. J. Van Sweringen in lieu of the present guarantee of the Vaness Company on participation of \$1,422,500.00 in a loan of \$3,100,000 to Metropolitan Utilities, Inc.

FINANCE COMMITTEE  
R. S. CRAWFORD,  
Secretary.

RSC (initialed in pencil)

WMB

EXHIBIT F

CLEVELAND, OHIO, *May 10th, 1930.*

The UNION TRUST COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: Reference is made to The Vaness Company loan in the amount of \$9,000,000.00, in which we have a participation. The collateral under this loan is now as follows:

- 100 shares of The Cleveland Terminals Building Company common stock
- 122,000 shares of The Van Sweringen Company common stock,
- 32,893 shares of The Terminal Properties Company first preferred stock,
- 33,187 shares of The Terminal Properties Company second preferred stock,
- 99,222 shares of The Terminal Properties Company common stock

We hereby agree to the substitution by The Vaness Company of 600,000 shares of Van Sweringen Corporation common stock in place of the 100 shares of The Cleveland Terminals Building Company common stock, and further agree to your delivery to The Vaness Company of said 100 shares of The Cleveland

EXHIBIT U-2-41

Terminals Building Company common stock when they have delivered to you the 600,000 shares of Van Sweringen Corporation common stock.

Very truly yours,

THE GUARDIAN TRUST COMPANY.  
By J. A. HOUSE (Signed),  
*President.*

Participation \$2,500,000.00.

THE MIDLAND BANK,  
By E. E. BARKER (Signed),  
*Vice President.*

Participation \$1,200,000.00.

THE CLEVELAND TRUST COMPANY  
By HARRIS CREECH (Signed),  
*President.*

Participation \$3,300,000.00.

"5-10-30 approved by Mr. Nutt for Union Trust Co. W. J. O'N." (In pencil)

EXHIBIT G

CLEVELAND, OHIO, *May 10, 1930.*

Received of The Union Trust Company Certificates for an aggregate of one hundred (100) shares of the common stock of The Cleveland Terminals Building Company, released as collateral from the \$9,000,000.00 loan of the undersigned, evidenced by its note to The Union Trust Company, dated November 1st, 1929, upon substitution therefor of Certificates Nos. X4 and X5 for five hundred thousand (500,000) and one hundred thousand (100,000) shares respectively of the common stock of Van Sweringen Corporation, in the name of the Terminal Building Company, with the consent to hypothecate and blank endorsements. Said certificates of The Cleveland Terminals Building Company stock are accompanied by certificates of authority to pledge signed by the respective stockholders and also received herewith, and said certificates are issued in the following names and endorsed in blank—

Certificate number	In name of	Number of shares	Certificate number	In name of	Number of shares
2	John P. Murphy .....	2	9	Ralph H. Sharpe .....	1
4	D. S. Barrett, Jr. ....	2	10	The Terminal Building Co..	89
7	M. J. Van Sweringen .....	2	11	C. L. Bradley .....	2
8	O. P. Van Sweringen .....	2			

THE VANESS COMPANY,  
By J. J. ANZALONE (Signed),  
*Ass't. Treas.*

"5-10-30 Rec'd the substitute collateral described above.

The Union Trust Co.

By W. J. O'Neill, V.P." (in ink)

## EXHIBIT U-4

SEPTEMBER 17, 1931.

Mr. O. P. VAN SWERINGEN  
*Terminal Tower Cleveland, Ohio.*

MY DEAR MR. VAN SWERINGEN: In accordance with our telephone conversation, we have issued Certificate of Deposit for \$350,000.00 payable to The Union Trust Company, Trustee under agreement dated October 25th, 1923, among the Clover Leaf Company, Walter L. Ross, and the Union Trust Company. The certificate is payable March 15th, 1932, and is to draw interest from September 15th, 1931, at the rate of 2½% per annum.

Inasmuch as the Alleghany Corporation is interested in this matter, our attorney thinks it would be proper for the Alleghany Corporation to write us a letter approving the above deposit and, if this is agreeable to you, will you kindly have such a letter written to us in due course.

Very truly yours,

\_\_\_\_\_, \_\_\_\_\_, *President.*

WMB:EMS

Business extension has copy of this letter.

## EXHIBIT U-5

December 16, 1930.

Mr. G. A. COULTON,  
*Vice Chairman of the Board*

BANK

Re: O. P. & M. J. Van Sweringen \$5,000,000 Collateral Loan

DEAR MR. COULTON: Following up my talk with you yesterday I checked up the Collateral Loan Department files and find that there is no evidence in the files of authority to O. P. and M. J. Van Sweringen to pledge stock of The Cleveland Interurban Railway Company, Cleveland Traction Terminals and Traction Stores Company. Outside of the qualifying shares of Directors all of this stock stands in the name of Metropolitan Utilities, Inc.

I talked to Mr. Murphy on the telephone last night and he said that the Van Sweringens had borrowed the money on our \$5,000,000 loan and others, to enable the Vaness Company to pay off certain obligations. He mentioned specifically one obligation of \$4,000,000. He also said that he thought this action warranted the Vaness Company in allowing the Van Sweringens to pledge the stock in question for the \$5,000,000 loan. Even this does not show what warrant there is for using the assets of Metropolitan Utilities, Inc., which is a subsidiary of The Vaness Company.

Mr. Murphy said that the transactions showing the authority of Metropolitan Utilities to permit the pledge of its assets by the Van Sweringens had not been spelled out on the corporate records but as soon as he returns from New York he will go into the matter and try to furnish us with the desired evidence.

It seems to me that this ought to be followed closely and that we ought to be sure that the corporate records are in proper shape.

Very truly yours,

\_\_\_\_\_, \_\_\_\_\_,  
*Vice President.*

WJO'N-c

## EXHIBIT U-6

FEBRUARY 29, 1928.

The VAN SWERINGEN Co.,  
*Marshall Building, Cleveland, Ohio*

GENTLEMEN: We have today received from Mr. K. V. Painter and are enclosing herewith two copies of a certain agreement that Mr. Painter advises us he entered into with your company on October 21, 1926, for the sale of certain premises. The agreement, we note, is in memorandum form and we are forwarding the enclosed copy to you at Mr. Painter's suggestion

Yours very truly,

L. C. GILGER, *Asst. Secretary.*

LCG:HK

175541-34-Pr 20-10



## EXHIBIT U-7

OCTOBER 27, 1928.

The VAN SWERINGEN COMPANY,  
Terminal Tower, Cleveland, Ohio.  
Attention—Mr. T. W. Boutall

GENTLEMEN: Enclosed we are handing to you the old note of The Cleveland Interurban Railroad Company payable on demand, dated July 30, 1925, for \$1,776,303.00, payable to the order of The Van Sweringen Company and endorsed in blank.

Kindly acknowledge receipt of this note on the accompanying copy of this letter.

Yours very truly,

L. C. GILGER, *Assistant Secretary.*

LCG:HW  
Enc.

## EXHIBIT U-11

COPY OF DATA SUBMITTED TO CLEVELAND NEWSPAPERS BY MR. FALKENSTEIN  
ON SUNDAY, SEPT. 10, 1933

## THE VAN SWERINGEN SWITCH IN COLLATERAL

An incomplete statement was made by Edward J. Falkenstein, accountant-examiner for the Special Banking Committee of the State Senate, at its hearing Friday respecting the switch in collateral behind the Van Sweringen loans at The Union Trust Company. Because of the unusual interest which Cleveland has in the activities of the companies involved the Senate Committee wishes to make a complete statement, and to clear up any misconceptions respecting this important testimony.

The history of these loans and the collateral switches is rather involved, but will be traced as thoroughly as is necessary to gain a clear picture. Market values are accepted from notation made in the files of the Union Trust Co.

Any letters quoted were found in the same place.

On October 29, 1929 The Union Trust Co. loaned The Vaness Company \$5,000,000.00, secured by

		10-29-29 market value
32,000 shs.	Cleveland Railway Co.....	@100 \$3, 200, 000
6,500 "	Midland Bank.....	465 3, 022, 50
30,000 "	Alleghany Corp., Com.....	20% 618, 750
6,000 "	United Corporation Com.....	25% 154, 500
3,000 units	Western Reserve Inv. Corp. 6% Pfd..	* 100 300, 000
		<hr/>
		\$7, 295, 750

On June 20, 1930 an additional 1760 shares of Midland Bank (market @340—total \$598,400) were substituted for the 30,000 shares of Alleghany Corporation (market was 19½—total market value \$585,000) \$5,972,400

On October 14, 1930 an added 50,000 shares of Van Sweringen Corporation common (no market) were pledged as additional collateral to the same loan \$5, 089, 810

On October 30, 1930 the loan was paid with a new loan of \$5,000,000 to O.P. and M. J. Van Sweringen secured by collateral having a market value of \$672,200.:

		10-30-30 market value
4,000 shs.	Niagara Hudson Power Corp.	@ 12½ 50, 000
	Com.....	16¼ 81, 250
5,000 "	Standard Brands Inc. Com.....	85 255, 000
3,000 units	Western Reserve Inv. Corp. Com...	20% 28, 700
1,400 shs.	Newton Steel Co., Com.....	3¼ 123, 750
33,000 "	Peerless Motor Car Corp. Com...	22% 133, 500
6,000 "	United Corp. Com.....	no market
9,000 "	Vaness Company Pfd.....	" "
16,500 "	" " Com.....	" "
3,000 "	Western Reserve Inv. Corp.....	" "
17,999½ "	Calumet Trust Cdfs.....	" "
10,296 "	Metropolitan Utilities Inc. Com...	" "
		<hr/>
		\$672, 200

\* No market. Indicated value \$100.

and equity in the following, subject to a previous pledge under Metropolitan Utilities Inc. \$3,100,000 loan:

100 shs.	Traction Stores Co. Com.....	no market
5,800 "	Cleveland & Youngstown R.R. Com. "	" "
100 "	Cleveland Traction & Terminal com. "	" "
1,465 "	Cleveland Interurban R.R. Co.Com. "	" "

## EXHIBIT U-11a

At this time there was released from collateral held behind this loan the following securities:

		market value 10-30-30	
32,000 shs.	Cleveland Railway Co.....	@ 77	\$2, 464, 000
8,260 "	Midland Bank.....	300	2, 478, 000
			<hr/>
50,000 "	Van Sweringen Corp. Com.....	no market	\$4, 942, 000

Thus the original obligation of \$5,000,000 of the Vaness Co. was paid off by an obligation of the same amount by O.P. and M. J. Van Sweringen. The collateral released had a market value of approximately \$4,936,000 as of Oct. 30, 1930 and the new collateral having a value as above noted of \$672,200.

Another set of loans had been made by the Union at the same time. The first of these was \$9,000,000 loan participated in by four Cleveland banks as of Nov. 1, 1929. The participations were as follows:

Union Trust Co.....	\$2, 000, 000
Guardian Trust Co.....	2, 500, 000
Midland Bank.....	1, 200, 000
Cleveland Trust Co.....	3, 300, 000
	<hr/>
	\$9, 000, 000

The following collateral was held in trust for the participants by The Union Trust Co.:

32,893 shs.	Terminal Properties, 1st Pfd.....	no market
33,187 "	Terminal Properties, 2nd Pfd.....	" "
99,222 "	Terminal Properties, Common.....	" "
122,000 "	Van Sweringen Company Com.....	" "
100 "	Cleveland terminal Building Co. Com. "	" "

On the 13th of May, 1930 The Union Trust's participation was increased by \$800,000, and The Cleveland Trust's participation decreased by the same amount. A release of 100 shares of The Cleveland Terminal Building Co. Com., was agreed to and was replaced by 600,000 shares of Van Sweringen Corporation common.

On October 30, 1930 the first participation note for \$9,000,000 made by the Vaness Co. was paid off and collateral released. The payment was made through a loan to O. P. and M. J. Van Sweringen for \$9,000,000, and the collateral accepted was: 97,500 shares of Vaness Co. Com. This represented 60% of the issue of common stock of this corporation. The participation remained the same as of May 13, 1930.

In the two transactions the banks of Cleveland had suffered in realizable values as to collateral. The substitution on the \$5,000,000 loan had resulted in a loss to The Union Trust of collateral having market value approaching \$4,270,-

## EXHIBIT U-11b

000. The substitution on the \$9,000,000 participation resulted in a loss to the four participants of collateral having no market value, but holding a senior position to the collateral received as far as earnings was concerned.

Correspondence and notations in the Union exist to prove that the collateral having immediate market value was sent to New York to J. P. Morgan & Co. where it was deposited against the \$39,000.00 loans made by that institution to the Van Sweringens.

Following is an excerpt from a communication made within the Union to one of its officials:

"In October 1930, when the Morgan interests advanced \$39,500,000 to the Van Sweringens, collateral having a market value of \$4,936,000 was taken from the Union Trust \$5,000,000 loan and deposited as collateral to the Morgan loans.

In exchange the Union Trust received other marketable collateral having a value of only \$672,200, and the common stock of a number of holding companies, which had no market and were junior to such an amount of indebtedness as to make their value questionable. At the same time the obligation of the Vaness Company was converted into one of O. P. and M. J. Van Sweringen, who had already guaranteed \$39,500,000 of notes payable to Morgan.

Inasmuch as J. P. Morgan & Co. and various New York banks had had financial dealings with the Van Sweringens over a considerable period of time, and had secured substantial profits through the building up and financing of various holding companies (such as Chesapeake Corporation, Alleghaney Corp. and Van Sweringen Corp) it seems that the obligation of these New York interests to the Van Sweringen enterprises was certainly as great if not greater than that of the Cleveland Banks. While there may have been some excuse for the New York interests taking a prior position to the Cleveland bank loans made for the development of the local real estate projects, there certainly was no excuse for taking the marketable collateral from The Union Trust Company \$5,000,000 loan. There is no information in our files to indicate why The Union Trust Company permitted the New York interests to take this collateral from the \$5,000,000 loan, to which they were not entitled, nor why The Union Trust Company permitted the other banks referred to above to be paid in the spring of 1930 without having its own loan paid."

#### EXHIBIT U-12

In the testimony of Edward J. Falkenstein before the Senate Committee on Banking reference was made to a so-called "switch" in collateral permitted by the officers of The Union Trust Company in respect to certain Van Sweringen loans. This was further elaborated by statements given by Mr. Falkenstein to the newspapers and by them published shortly after he testified before the Committee. In his memorandum in regard to this matter filed with the Committee it is stated that "the Committee wishes to clear up any misunderstanding regarding this important testimony."

The following statement is submitted with the desire of giving the Committee more complete information regarding this subject, and to present more accurately the information which was before the officers of the bank, and which entered into their decision in approving this transaction.

On October 30, 1930, The Vaness Company had a demand loan of \$5,000,000 at the bank, secured by the following collateral:

- 32,000 shares Cleveland Railway Company
- 8,260 shares Midland Bank
- 6,000 shares United Corporation: Common
- 3,000 units Western Reserve Investment Corporation, Preferred and common
- 50,000 shares Van Sweringen Corporation, Common

The Vaness Company at this time was a company owning chiefly the interests of the Van Sweringens in their various real estate and railroad undertakings. Mr. O. P. Van Sweringen as President of The Vaness Company came to us and advised that the Company was faced with certain commitments which must be financed in order to preserve these interests intact. He advised further that arrangements had been made with New York bankers for the raising of \$39,500,000 to meet these necessities by a five-year funded loan with interest at 6%. It was then that Mr. O. P. Van Sweringen proposed that he and his brother, Mr. M. J. Van Sweringen, become personally responsible for our Vaness Company loans, giving their own notes in payment and pledging their own collateral together with certain of the collateral then securing these loans. It should be remarked that Messrs. O. P. and M. J. Van Sweringen did not owe these obligations and were not even endorers of them.

It was apparent to the officers of the bank that the stock of the Cleveland Railway and of the Midland Bank, being salable only on the local stock exchange would not under the then conditions realize the quoted prices, and that the proposed arrangement with the New York banks which contemplated the use of certain of the collateral then pledged under The Vaness Company loan and the payment of this loan by the personal note of O. P. and Mr. M. J. Van Sweringen had the advantage of the personal responsibility of O. P. and M. J. Van Sweringen, which we considered very substantial as well as the additional collateral offered to back up this note, which included all of that then securing The Vaness Company loan except the 32,000 shares of Cleveland Railway stock, the 8,260 shares of Midland Bank stock and 50,000 shares of Van Sweringen Corporation stock, the latter being an unlisted security and entirely held by The Vaness

Company. Accordingly, The Vaness Company note was discharged by the new loan to O. P. and M. J. Van Sweringen for \$5,000,000 secured by new collateral as follows:

4,000 shares	Niagara and Hudson Power Corporation Common
5,000 shares	Standard Brands, Inc., Common
1,400 shares	Newton Steel Company, Common
33,000 shares	Peerless Motor Car Corporation, Common
9,000 shares	Vaness Company, Preferred
16,250 shares	Vaness Company, Common
3,000 units	Western Reserve Investment Corporation, Common
17,999 $\frac{1}{2}$	Calumet Land Trust Certificates
10,296 shares	Metropolitan Utilities, Inc., Common

and also equities in certain securities previously pledged, as set up in

## EXHIBIT U-12a

Mr. Falkenstein's statement. Of the collateral for the old loan, the following was included in the security for the new loan:

3,000 units	Western Reserve Investment Corporation Preferred and Common
6,000 shares	United Corporation, Common.

Of the old collateral, giving it the market value ascribed to it in the Falkenstein report, the following were withdrawn:

32,000 shares	Cleveland Railway Company, at 77	\$2,464,000
8,260 shares	Midland Bank, at 300	2,478,000
50,000 shares	Van Sweringen Corporation Common, No market value	

Total	\$4,942,000
-------	-------------

The Vaness Company is a holding company, and the value of its stock is not difficult to estimate. A complete financial statement of The Vaness Company as of September 30, 1930, was before us at the time of the decision to make the new loan. Based upon this statement, adjusted to October 30, 1930, the net worth of its shares pledged as collateral to this loan, exclusive of the value of Metropolitan Utilities, Inc., stock, also pledged to this loan, would have been as follows:

9,000 shares	Vaness Company, Preferred	\$900,000
16,250 shares	Vaness Company, Common	6,372,000

Total	\$7,272,000
-------	-------------

This does not take into account, as stated, the value of Metropolitan Utilities, Inc., of which The Vaness Company owned all the stock of 10,296 shares, all of which was pledged on this loan. At that date the total book value of the properties owned by Metropolitan Utilities, Inc. through its ownership of all the stock in its subsidiaries, was \$6,784,821. In this value the \$10.00 per share paid to owners of Cleveland Railway stock is not included, although the cost thereof was \$3,105,580, and the rights acquired through the payment of this \$10.00 are valuable.

Although the stock of The Vaness Company pledged on this loan was not listed, it was considered to have substantial value at the time in excess of \$7,272,000 above stated. The Calumet Land Trust Certificates, representing ownership in valuable Chicago real estate, also had substantial intrinsic value, although no market quotations were available because it was not listed on any exchange.

The listed stocks taken in as new collateral on this loan, not including the Western Reserve Investment Corporation units and the United Corporation stock, which were also collateral for the old loan, had a then market value of \$283,700, according to the Falkenstein figures. There was thus a demonstrable value of over \$7,500,000 of collateral against this loan, ignoring entirely some very substantial values behind some of the unlisted collateral. From the standpoint of collateral alone, as is evident from the information just given, this so-called "switch" of collateral not only did not destroy the security, but instead bettered it.

As has been stated, the foregoing resume of information then existing and before the officers of the bank shows what factors entered into the decision of the officers at the time. The action taken was not the result of individual decision or action of one or two officers, but was the decision of the Finance Com-

mittee of the bank held in due course with all the foregoing information before them. It was the belief of this committee that the intrinsic value of the collateral received in this exchange was of a value equal to if not greater than that of the securities surrendered.

## EXHIBIT U-12b

It is also proper to state that the Van Sweringen interests had for several years been among the bank's largest depositors and most profitable customers.

It was in line with the general banking policy of the committee not only to continue but to anticipate profitable business and to extend credit to old customers whose operations, capabilities and resources had long been familiar to the officers of the company.

In considering a comparison of the collateral under the new loan to that under the old loan we have taken into account the 50,000 shares of Van Sweringen Corporation common which were under the old loan and not under the new. As this was the property of The Vaness Company, it has been considered in arriving at the liquidating value of the Vaness stock pledged under the new loan, but for the purposes of comparison only it must be apparent that the collateral accepted for the new loan was justifiably worth at the time at least \$1,000,000 more than the collateral surrendered, and that in addition thereto there was the personal responsibility of O. P. and M. J. Van Sweringen, who had a very substantial net worth.

Of course the officers of the bank acted in the light of information then existing and of conditions as they then were, but if we consider the matter from the standpoint of present conditions of the collateral which was removed, the 32,000 shares of Cleveland Railway common have a present market value of about \$1,156,000, and the Midland Bank stock has no present market value. The listed collateral which did not appear under the new loan therefore, has suffered a market depreciation of \$3,686,000.

Of the new collateral, the listed stocks then worth \$283,700, were, as of September 8, 1933, worth \$306,659, and the pledged stock of The Vaness Company as of July 15, 1933, had a net worth on the same basis as above mentioned, which does not include the value of Metropolitan Utilities, Inc., of \$4,820,000. At that date the actual investment in the properties represented by Metropolitan Utilities, Inc., was \$6,906,000, the increase of over \$100,000 in this investment having been by way of improvements in the physical properties of the companies wholly owned by Metropolitan Utilities, Inc. It therefore must also be equally apparent that the collateral which was pledged under the new loan is now worth more than the collateral surrendered by a margin of nearly \$4,000,000, although admittedly not readily realizable under present economic conditions.

(Signed W. M. BALDWIN)

## EXHIBIT U-13

THE UNION TRUST COMPANY,  
Cleveland, Ohio, February 7, 1929.

(Officers)

Memorandum to—

Mr. R. S. CRAWFORD

Mr. RALPH WILLIAMS

Referring to letter written by Mr. Nutt yesterday to Mr. M. J. Van Sweringen relative to Mr. D. S. Barrett, Jr. acting as agent for The Union Trust Co. in securing from us the stocks now held as collateral to the loans of The Vaness Company and General Securities Corporation, delivering them to J. P. Morgan & Co. and receiving for us an amount in cash sufficient to liquidate the loans.

Mr. Nutt talked to Mr. M. J. Van Sweringen after Mr. M. J. Van Sweringen had received the letter referred to above and Mr. Van Sweringen said that it was not their desire to liquidate these loans entirely, but they would like to continue part of them and deposit with us as collateral the common stock of the Allegheny Corporation. Mr. Nutt told Mr. Van Sweringen that The Union Trust Company wants to do just what they would like in this matter and would accept the Allegheny common stock as collateral to such part of these loans that is not liquidated.

Mr. Nutt telephoned to me the above last evening, and requested me to advise you.

STANLEY ZEIT, *Secretary to Mr. Nutt.*

RSM

## EXHIBIT U-14

THE UNION TRUST COMPANY,  
Cleveland, Ohio, February 5th, 1929.

Memorandum (officers):

## RE ORGANIZATION ALLEGHANY CORPORATION

Mr. M. J. Van Sweringen requests that we appoint Mr. D. S. Barrett, Jr. as agent for the Union Trust Company, to take to New York and deliver to J. P. Morgan & Company all the stock of the New York, Chicago & St. Louis Railroad Company and the Chesapeake Corporation which we now hold as collateral for loans of The Vaness Company and the General Securities Corporation. Against this delivery Mr. Barrett will receive for our account cash sufficient to liquidate the loans for which this collateral is held.

I told Mr. Van Sweringen this would be satisfactory to us, and we would be glad to have Mr. Barrett act as our agent. This will probably be done some time next week.

J. R. NUTT, *President.*

RSM

(This stationery is for inter-department and inter-office use only)

## EXHIBIT U-15

Apr. 12 5 12 p.m. 1933

TERMINAL TOWER,  
Cleveland, July 20, 1932.

Mr. R. J. KRAUS,  
*Chairman The Union Trust Company,  
Cleveland, Ohio.*

DEAR MR. KRAUS: Herewith is the statement of O. P. and M. J. Van Sweringen as of March 31, 1932. May I ask that this be put in your confidential file rather than being available for general use? The three copies that I am providing to you, Mr. Greene and Mr. Robinson are the only copies.

If there is any explanation you want about any of it, do not hesitate to let us know.

Very truly yours,

O. P. VAN SWERINGEN.

## EXHIBIT U-15a

The resultant valuation of The Vaness Company common stock shown in the appended statement is of only the assets owned as of March 31, 1932.

The appended statement does not include the 16,250 shares of The Vaness Company common stock pledged to the loan of \$1,200,000.00 shown among the liabilities therein which had a value of:

\$2,723,468.00 at December 31, 1931  
5,371,140.00 at October 30, 1930  
15,138,885.00 at September 30, 1929

## EXHIBIT U-15b

APR 12 5 13 PM 1933

O. P. & M. J. VAN SWERINGEN

Performance bond on State Bank & Trust Company property at Broadway and Ontario dated January 24, 1924; John Connell principal, O. P. & M. J. Van Sweringen, surety, State Banking & Trust Company, obligee.

## AGREEMENTS

*Susan Hoehn Agreement:* The right to put to Messrs. O. P. & M. J. Van Sweringen in whole or in part \$25,000 par value of The Vaness Company 7% preferred stock at par plus interest adjustment.

*Albright Trust:* Parties to an agreement between John J. Albright, party of the first part; Edmund Hayes, party of the second part; William H. Gratwick, party of the third part; and O. P. & M. J. Van Sweringen, parties of the fourth part.

Agreement dated January 15, 1923, made on behalf of The Vaness Company as undisclosed principal to create a trust in certain securities then consisting of Terminal Properties Company stocks and certain bonds, which bonds have been paid. This trust created certain rights in Messrs. Albright and Hayes, which rights are subject to prior rights in Messrs. O. P. & M. J. Van Sweringen (The Vaness Company), and the interest of Mr. Hayes has been acquired by The Vaness Company. The trust is probably not sufficient to pay out the obligations owing to Messrs. O. P. & M. J. Van Sweringen (The Vaness Company), and consequently the value of the rights of Mr. Albright is probably nothing.

## EXHIBIT U-15c

## CONTINGENT LIABILITIES

Guarantee of The Vaness Company \$18,250,000.00 note to J. P. Morgan & Co., dated October 31, 1930, due May 1, 1935.

Guarantee of The Cleveland Terminals Building Company \$23,350,000.00 note to J. P. Morgan & Co., dated October 31, 1930, due May 1, 1935.

## LEASES AND BONDS

Parties to an agreement between The Union Trust Company and O. P. & M. J. Van Sweringen dated June 1, 1924, covering purchase of fee to First National parcel, known as 241 Euclid Building, and all of The Union Trust Company's right, title and interest in and to leaseholds on the King, Halle and Price parcels. Original amount of agreement, \$1,400,000; present principal balance \$1,000,000.

Parties to a lease between Siddall, Quail & Henderson, Trustees for Lena and Helen Hobson, lessor, and O. P. & M. J. Van Sweringen, lessee, dated July 1, 1923 for 99 years, renewable, covering lease of premises at 242-248 Superior Avenue, known as Schlather parcel. Leasehold rent \$18,000 per year. Fee purchase option \$300,000 to July 1, 1933.

Parties to a lease between Sam Keller, lessor, and O. P. & M. J. Van Sweringen, lessee, dated May 1, 1924, for 99 years, renewable, covering lease of premises at 238 Superior Avenue, known as Keller parcel. Leasehold rent \$15,000 per annum. Fee option purchase price \$280,000 to May 1, 1939. If option is not exercised by May 1, 1940, lessor has right to terminate lease or may declare lease to continue in full force and demand \$25,000 cash payment as additional rent. Rental bond in effect for \$15,000; surety, Maryland Casualty Company; principal, O. P. & M. J. Van Sweringen; obligee, Sam Keller.

Parties to a lease between Williamson Company, lessor, and O. P. & M. J. Van Sweringen, lessee, dated April 1, 1924, for 90 years and 9 months, renewable, covering lease of premises at 225-239 Euclid Avenue, known as the Williamson parcel. Leasehold rent \$65,000 to May 1, 1934, and \$75,000 from May 1, 1934, on. Rental bond in effect for \$250,000; surety, Maryland Casualty Company; principal, O. P. & M. J. Van Sweringen; obligee, The Williamson Company.

Surety with U. S. Fidelity & Guaranty Company, and Maryland Casualty Co. on surety bond for \$1,000,000 in favor of The Cleveland Union Terminals Company, covering rental of the concession area and traction facilities. Principals—The Vaness Company and The Cleveland Traction Terminals Company.

## EXHIBIT U-15d

APR 12, 5 13 PM 1933

O. P. &amp; M. J. Van Sweringen statement March 31, 1932

	Book Cost 3-31-32, \$112.28 per share	Value 12-31-31, \$167.59 per sh. (a)	Value 10-30-30, \$330.53 per sh. (a)	Value 9-30-29, \$931.62 per sh. (a)
<b>ASSETS</b>				
The Vaness Company Common stock <sup>1</sup> 113,750 shares out of a total of 162,500 shares.....	\$12,771,499.87	\$19,063,362.50	\$37,597,787.50	\$105,971,775.00
Real Estate:				
Shaker Lander Participation.....	340,275.45	340,275.45	340,275.45	340,275.45
Other Real Estate.....	350,400.53	350,400.53	350,400.53	350,400.53
Listed Securities (at cost).....	20,471.40	20,471.40	20,471.40	20,471.40
Accounts Receivable (The Vaness Com- pany).....	158,666.43	158,666.43	158,666.43	158,666.43
Miscellaneous Assets.....	2,090.49	2,090.49	2,090.49	2,090.49
Cash.....	17,405.75	17,405.75	17,405.75	17,405.75
<b>Total assets.....</b>	<b>\$13,660,809.92</b>	<b>\$19,952,672.55</b>	<b>\$38,487,097.55</b>	<b>\$106,861,085.05</b>
<b>LIABILITIES</b>				
Mortgage Payable (assumed).....	\$25,200.00	\$25,200.00	\$25,200.00	\$25,200.00
Notes Payable (\$14,300,000 assumed from The Vaness Co.).....	14,686,000.00	14,686,000.00	14,686,000.00	14,686,000.00
Accounts payable.....	423,638.04	423,638.04	423,638.04	423,638.04
Accrued Interest Payable.....	643,444.33	643,444.33	643,444.33	643,444.33
Accrued Taxes Payable.....	9,254.25	9,254.25	9,254.25	9,254.25
<b>Total liabilities.....</b>	<b>\$15,787,536.62</b>	<b>\$15,787,536.62</b>	<b>\$15,787,536.62</b>	<b>\$15,787,536.62</b>
<b>Net worth.....</b>	<b>\$2,126,726.70</b>	<b>\$4,165,135.93</b>	<b>\$22,699,560.93</b>	<b>\$91,073,548.43</b>
	<b>\$13,660,809.92</b>	<b>\$19,952,672.55</b>	<b>\$38,487,097.55</b>	<b>\$106,861,085.05</b>

Contingent liabilities shown on attached statement.

<sup>1</sup> Held as Vaness Company of Maryland for tax purposes (11,375 shares).

Note (a): The foregoing values for The Vaness Company common stock are based on book values less adjustments for the following:

Market value of listed securities.

The Long Lake Company appraisal of Berwald-Greulund.

The Van Sweringen Company appraisal of Berwald-Greulund.

The Shaker Company vacant land appraisal of Berwald-Greulund; Building and building sites at cost

Shaker Lander equity based on appraisal of Berwald-Greulund.

The Terminal Building Company appraisal of Berwald-Greulund.

Metropolitan Utilities, Inc. payments on Cleveland Railway Company stock deposits deducted.

The Cleveland Terminals Building Company Huron to Eagle land at appraisal of Berwald-Greulund; Building and building sites at book cost; The Higbee Company stock at book cost.

June 6th, 1932.

## EXHIBIT U-16

THE VANESS COMPANY, O. P. &amp; M. J. VAN SWERINGEN

On or about Thursday, December 28, 1932, Mr. C. W. Carlson submitted to me a letter from The Vaness Company signed by J. J. Anzalone, Asst. Treas., dated December 24, 1932, making claim for the dividend payable January 1, 1933, on certain shares of stock of The Cleveland Railway Company issued part in the name of The Union Trust Company, and part in the name of employees of The Union Trust Company as nominees. (A copy of this letter is attached)

Mr. Carlson explained that this stock had been issued in these names since 1929, and that we had paid the dividends when received upon claims made by the Vans similar to the letter referred to above without question. The method of doing this was to clear the dividend checks and issue an official check for the total amount. A dividend record kept by Mr. Carlson indicated that during the period shares of the stock had been issued in his name the dividends had been paid at various times to O. P. & M. J. Van Sweringen, Paine, Webber & Company, Metropolitan Utilities, Inc. and The Vaness Company, as instructed in the letter making claim.

In view of the fact that interest on loans of The Vaness Company to The Union Trust Company is now in default, the question in Mr. Carlson's mind, and



in mine, too, is have we the right to use the present dividend to apply on interest due us and now in default. I discussed the matter with Mr. J. R. Kraus, who was of the opinion that this Cleveland Railway stock was pledged to J. P. Morgan & Company, and for that reason we could not hold the dividend for ourselves. This being the case, we were then confronted with the question of our legal right to pay the proceeds to The Vaness Company when we have knowledge that J. P. Morgan & Company is pledgee. At Mr. Kraus' suggestion I consulted with Mr. W. J. O'Neill regarding the matter and it was his opinion that we should have the consent of J. P. Morgan & Company before making payment to Vaness, and I so advised Mr. Anzalone. Later Mr. J. P. Murphy called me by telephone and stated that he had talked by telephone to counsel for J. P. Morgan & Company, who had suggested that he ask us again to turn the dividend over to Vaness as there was considerable red tape about getting a letter from J. P. Morgan & Company. (I later learned that it was necessary for J. P. Morgan & Company to take the matter up with other banks interested as participants in

## EXHIBIT U-16a

loans, or otherwise, before a letter of instructions could be written) Mr. Murphy also stated that J. P. Morgan & Company had monthly statements showing receipts and disbursements of Vaness which gave full knowledge to J. P. Morgan & Company that these dividends were being paid to and being used by Vaness, and that J. P. Morgan & Company were entirely agreeable to have Vaness use the money. At the close of this talk I advised Mr. Murphy that we were acting on advice of counsel and would require consent of J. P. Morgan & Company before releasing the dividend.

Later Mr. Nutt talked with Mr. Kraus and me in relation to this matter. He said that Mr. M. J. Van Sweringen had spoken to him about it. He called our attention to the fact that we had been paying without question for three years and that we did not take similar precautions in other matters of a similar nature, and that in his opinion the Vans would consider this an unfriendly act if we persisted in our decision. He also stated that he had been importuning the Vans to keep the balances of their various accounts with The Union Trust Company at a high point to help our deposit position. Mr. Kraus then requested me to take the whole matter up with Mr. F. H. Ginn.

On Saturday morning, December 31, 1932, Mr. A. V. Cannon was in the office and Mr. Kraus put the matter up to him informally. His judgment was that we should have consent of J. P. Morgan & Company before paying. I was unable to see Mr. Ginn until Saturday, (12/31/32) about one thirty p. m. Mr. Ginn, after hearing my account of the matter, asked for the original instructions under the terms of which this stock was transferred into the names of The Union Trust Company and its employees. I was unable to produce these instructions at the moment so the matter had to go over until Tuesday, January 3, 1933. On Saturday, I asked Mr. Anzalone to furnish copies of the instructions authorizing these shares to be transferred into the names of the present nominees and we received these on Tuesday, January 3, 1933, and submitted them to Mr. Ginn who asked me to state the facts to Mr. Jack Reavis, which I did. Later Mr. Reavis told me that in their opinion we should have the consent of J. P. Morgan & Company before making payments to Vaness for two reasons:

## EXHIBIT U-16b.

1—That under Ohio law a pledgee is entitled to dividends on stock pledged and if such dividends come into the hands of a third party, such third party (if he has knowledge that the stock is pledged) is obliged to hold them for the pledgee.

2—To obviate future criticism which might be brought against us for not using these dividends against interest due us and now in default. (The consent of J. P. Morgan & Company would indicate that we had no right to use the money for ourselves) Mr. Reavis also called attention to the fact that we received no fee for having this stock in our name and in the names of certain of our employees and consequently there is no reason why we should take any chance in the matter.

After getting this opinion from Mr. Reavis I advised Mr. Anzalone again that on advice of counsel we require consent of J. P. Morgan & Company before making payment.

## EXHIBIT U-17

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO  
CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of Credit Department.

## VANESS COMPANY

November 27, 1933.

Mr. Baldwin, one of the Department of Justice investigators, asked the writer about dividends paid on Vaness Company stock. Mr. Barrett supplied the following information:

On July 1, 1931, the last dividend was paid on the common and preferred stocks of the Vaness Company. The common stock was no par but had been on a basis of \$6 per share per annum for several years. There are 162,500 shares outstanding and the bank has a record of the holders of these shares.

The preferred stock is on a 7% basis and was paying 7% for some years. There are 75 to 100 preferred stockholders, most of whom are friends of the Van Sweringens.

GRH:M

G. R. JERZOG.

## EXHIBIT U-18

O. L. COX, 4-8-33

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO  
CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of Credit Department.

APR 21 5 56 PM 1933

April 17, 1933.

IN RE O. P. & M. J. VAN SWERINGEN, THE VAN SWERINGEN CO., THE DAISY HILL CO., CLEVELAND INTERURBAN CO., METROPOLITAN UTILITIES, TERMINAL BUILDING CO. AND VANESS COMPANY.

At my request, O. P. Van Sweringen called. He was advised of the necessity for the arrangement of a constructive program looking toward liquidation and better security. The desirability of early payment of interest was stressed particularly that on the personal obligations of the two Van Sweringens.

*Understanding:*

1. That tomorrow he would present what he believed to be a digestible outline of the borrowers' position.

2. On the following day he would call personally to discuss the matter.

3. That he concurred in principle as to the necessity for a program on the entire situation, but was not clear that this was possible in view of the distressed and rapidly changing conditions affecting the railroads, properties, and securities.

OLC.S

OSCAR L. COX, *Conservator*.

H. F. Burmester: Note.

L

## EXHIBIT U-19

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO  
CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL  
CREDIT INFORMATION

For exclusive use of Credit Department.

SEPTEMBER 1, 1933.

VAN ESS COMPANY  
O. P. & M. J. VAN SWERINGEN  
VAN SWERINGEN COMPANY  
ALLEGHANY CORPORATION  
DAISY HILL COMPANY  
CHESAPEAKE & OHIO RAILROAD  
MISSOURI PACIFIC RAILROAD  
PERE MARQUETTE RAILROAD  
NICKEL PLATE RAILROAD  
ERIE RAILROAD

Mr. Darwin S. Barrett, Jr., left the attached memorandum pertaining to a special account of the Van Sweringen Company with Mr. O. L. Cox, Special Deputy Superintendent of Banks. The matter referred to is being handled by correspondence.

Subsequent to Mr. Barrett's visit, the writer stopped in the office of the Van Sweringen Company on the 36th Floor of the Terminal Tower Building to talk to Mr. Barrett respecting the necessity for obtaining affidavits from the individuals concerned. At that time Mr. Barrett gave the writer the following information as indicated.

Mr. Barrett agreed with the writer in the statement that the ultimate outcome of the whole Van Sweringen picture depends 75% to 90% upon the railroads, rather than upon the Van Sweringens' real estate or local operations.

The two chief factors with which O. P. and M. J. Van Sweringen have to contend at the present time in connection with their railroad operations are the Alleghany Corporation bonds due in 1950 and the Missouri Pacific reorganization. Concerning the former Mr. Barrett said that with the increased dividends payable by the Chesapeake & Ohio to the Chesapeake Corporation and the possibility of an increase in the disbursements of the Chesapeake Corporation, the total income in all three issues of the Alleghany Corporation would be sufficient to take care of necessary charges, provided that the specific income were not held for specific issues. Under these circumstances he feels that the Messrs. Van Sweringen will not have much difficulty in borrowing in New York City to pay the interest on the Alleghany Corporation bonds due in 1950. Mr. Barrett feels that the time will be reached in the comparatively near future when the collateral securing the 44 and 49 issues will be adjudged at 50% of the bonds outstanding and as a result the income impounded will be released. This would enable the Alleghany Corporation to pay the funds borrowed with which to meet the interest on the 50's. Mr. Barrett feels that the longer the reorganization of the Missouri Pacific can be put off the better will be the position of the equities and it is primarily the equities in which the Messrs. Van Sweringen are interested. It is not to the advantage of O. P. and M. J. Van Sweringen to endeavor to rush through a reorganization at this time.

The Chesapeake & Ohio Railroad, as it is known, is doing very well. Mr. Barrett sees no reason why its prosperity should not continue.

## EXHIBIT U-19a

The Pere Marquette ties in very closely with the Chesapeake & Ohio, distributing West Virginia coal to all parts of Michigan.

The Nickel Plate Railroad and the Erie Railroad have been showing gratifying improvement from month to month.

The Missouri Pacific is the only railroad that promises a serious problem at this time. As suggested previously, the work of reorganization is going along slowly. In answer to a direct question, Mr. Barrett mentioned that the Missouri Pacific or its subsidiaries had fourteen or sixteen oil wells in Texas. The cost of drilling has been paid by profits from the wells. The wells have an aggregate capacity of 200,000 barrels per day but under proration are operating at a capacity of only 1,000 barrels per day. However, the rate received is 85¢ a barrel as compared with 15 to 20¢ a barrel before proration.

Concerning the debts of the Daisy Hill Company, Mr. Barrett explained voluntarily that some years ago the Van Sweringen Company and the Messrs. Van Sweringen personally were buying property between Warrensville Center and the Daisy Hill farm. For the sake of convenience, the property purchased was placed in the name of B. S. Jenks. Purchase money mortgages were given in the instance of some purchases and the name of Jenks consequently appears upon these mortgages. An equitable distribution of this land is in the process of being worked out at this time. If a distribution is agreed upon, Messrs. O. P. and M. J. Van Sweringen will give the bank a mortgage on the free land assigned to them as additional collateral upon the Daisy Hill loan. It was not thought fair to leave all the land with mortgages upon it in the name of B. S. Jenks while the remainder would be transferred and given to us, inasmuch as there was no intention of saddling a debt upon Mr. Jenks.

In closing, Mr. Barrett mentioned that the Messrs. Van Sweringen were very conscious of their heavy obligations and working night and day in order to better the situation.

G. R. JERZOG,  
*Loan Collection Department.*

## EXHIBIT U-20

SEPTEMBER 11TH, 1933

FILE—O. P. &amp; M. J. VAN SWERINGEN

In view of the current public discussion of two of the so-called Van Sweringen obligations to The Union Trust Company, it seems appropriate to supply, as supplementing our inventory already of public record, a schedule of the collateral held by The Union Trust Company at various periods under these obligations and their apparent predecessors. Valuations of the collateral have, of course, varied from time to time. The schedules are as follows.

## EXHIBIT U-20a

(1)

\$2,800,000. DEMAND COLLATERAL LOAN O. P. AND M. J. VAN SWERINGEN

On April 19, 1926, the Vaness Company paid out entirely and was out of debt to the bank until July 21, 1926, when \$225,000 was borrowed. Loans increased gradually, reaching a peak of \$2,250,000 on July 1, 1927. On October 4, 1927, \$1,900,000 was paid after which loans again increased gradually until they reached a peak of \$4,350,000 on June 23, 1928.

On July 28, 1928, \$2,000,000 of the debt of the Vaness Company (then at \$3,350,000) was revamped.

The following notes, aggregating \$2,000,000 were paid:

The Vaness Company dated Jan. 14, 1928.....	\$500, 000
Secured by 32,600 Shs. Terminal Properties, 1st Pfd.	
27,300 Shs. " " 2nd Pfd.	
93,300 Shs. " " Common	
The Vaness Company dated Feb. 17, 1928.....	500, 000
Secured by 5,000 Shs. N. Y., Chicago & St. L. R.R. Common	
The Vaness Company dated Feb. 20, 1928.....	500, 000
Secured by 5,000 Shs. N. Y., Chicago & St. L. R.R. Common	
The Vaness Company dated Dec. 28, 1927.....	250, 000
Secured by 2,500 Shs. N. Y., Chicago & St. L. R.R. Common	
The Vaness Company dated Mar. 1, 1928.....	250, 000
Secured by 2,500 Shs. N. Y., Chicago & St. L. R.R. Common	
	2, 000, 000

The proceeds of the following note was used to pay the above mentioned obligations:

The Vaness Company dated July 28, 1928.....	\$2, 000, 000
Secured by 32,631 Shs. Terminal Properties, 1st Pfd.	
30,255 Shs. " " 2nd Pfd.	
95,600 Shs. " " Common	

On November 1, 1929, the \$2,000,000 note of the Vaness Company was paid by our Corporate Trust Department, made possible by the bank's participating for exactly the same amount (\$2,000,000) in a total loan of \$9,000,000.

The Vaness Company Participation.....	\$2,000,000
Total Loan \$9,000,000 secured by:	
32,893 Shs. Terminal Properties, 1st Pfd.	
33,187 Shs. " " 2nd Pfd.	
99,222 Shs. " " Common	
122,000 Shs. Van Sweringen Company	
100 Shs. Cleveland Terminal Bldg Co.	

## EXHIBIT U-20b

On May 13, 1930, the bank's participation for \$2,000,000 was paid out of a new participation for \$2,800,000 in a total loan of \$9,000,000.

The Vaness Company Participation.....	\$2,800,000
Total Loan, \$9,000,000 secured by:	
122,000 Shs. Van Sweringen Co.	
600,000 Shs. Van Sweringen Corp.	

(At the same time, May 13, 1930, the following loans were also paid:

Hotel Cleveland Co.	\$205,000
Real Estate Loans	135,500
Cleveland Terminal Bldg.	
Co. & Vaness Co. 3-Yr. Notes	\$3,418,000

On October 30, 1930, a participation of \$2,800,000 in a total loan of \$9,000,000 to O. P. & M. J. Van Sweringen was substituted for the participation of \$2,800,000 in the total loan of \$9,000,000 to the Vaness Company.

O. P. and M. J. Van Sweringen Participation.....	\$2,800,000
Total Loan, \$9,000,000 secured by:	
97,500 Shs. (or 60% Common) Vaness Co.	

This balance of \$2,800,000 is outstanding today (~~April 25, 1933~~).

## EXHIBIT U-20c

(2) \$4,100,000. DEMAND COLLATERAL LOAN O. P. AND M. J. VAN SWERINGEN

On October 29, 1929, the bank loaned the Vaness Company \$5,000,000.

The Vaness Company.....	\$5,000,000
-------------------------	-------------

Secured by 32,000 Shs. Cleveland Rwy. Co.  
6,500 Shs. Midland Bank.  
30,000 Shs. Alleghany Corp. Common.  
6,000 Shs. United Corp. Common.  
3,000 Units Western Reserve Inv. Corp.  
6% Pfd.

On June 20, 1930, 1,760 additional shares of the Midland Bank were substituted for the 30,000 shares Alleghany Corporation.

On October 14, 1930, 50,000 shares Van Sweringen Corporation Common were pledged as additional collateral to the same loan.

On October 30, 1930, the above loan was paid with a new loan of \$5,000,000 to O. P. and M. J. Van Sweringen:

O. P. and M. J. Van Sweringen.....	\$5,000,000
------------------------------------	-------------

Secured by 9,000 Shs. Vaness Co. Pfd.  
16,250 Shs. Vaness Co. Common  
4,000 Shs. Niagara Hudson Power Corp. Common  
5,000 Shs. Standard Brands, Inc., Common  
3,000 Shs. Western Reserve Inv. Corp. Common  
3,000 Units Western Reserve Inv. Corp. Common  
17,999½ Shs. Calumet Trust Certificates  
1,400 Shs. Newton Steel Co. Common  
33,000 Shs. Peerless Motor Car Corp. Common  
6,000 Shs. United Corp. Common  
10,296 Shs. Metropolitan Utilities, Inc. Common  
and equity in the following held in Corporate Trust Department

100 Shs. Traction Stores Common  
 5,800 Shs. Cleveland & Youngstown R. R. Common  
 subject to previous pledged under Metropolitan \$3,100,000  
 loan  
 100 Shs. Cleveland Traction Terminal Common  
 1,465 Shs. Cleveland Interurban R.R. Co. Common

## EXHIBIT U-20d

On November 20, 1930, a loan of \$800,000 was made to the Vaness Company and the loan of \$5,000,00 to O. P. and M. J. Van Sweringen was reduced to \$4,200,000. The following collateral was taken from the \$5,000,00 loan and transferred to the \$800,000 loan.

Vaness Company----- \$800, 000

Secured by 4,000 Shs. Niagara Hudson Power Corp. Common.  
 5,000 Shs. Standard Brands, Inc., Common.  
 3,000 Shs. Western Reserve Inv. Corp. Common.  
 3,000 Units Western Reserve Inv. Corp.  
 17,999½ Shs. Calumet Trust Certificates.  
 1,400 Shs. Newton Steel Co. Common.  
 33,000 Shs. Peerless Motor Car Corp. Common.  
 6,000 Shs. United Corporation Common.

This left the O. P. and M. J. Van Sweringen loan as follows:

Balance O. P. and M. J. Van Sweringen----- \$4, 200, 000

Secured by 9,000 Shs. Vaness Co. Pfd.  
 16,250 Shs. Vaness Co. Common.  
 10,296 Shs. Metropolitan Utilities, Inc. Common.  
 Equity in 4 blocks securities as listed previously.

On December 31, 1930, the above loan of \$4,200,000 was paid with a new loan of \$4,200,000.

O. P. and M. J. Van Sweringen----- \$4, 200, 000

Secured by 9,000 Shs. Vaness Co. Pfd.  
 16,250 Shs. Vaness Co. Common.  
 10,296 Shs. Metropolitan Utilities, Inc. Common.

On January 24, 1931, \$100,000 was paid on the principal of the loan.  
 The balance of \$4,100,000 is outstanding today (~~April 25, 1932~~).

## EXHIBIT U-21

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS  
 TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSEN-  
 TIAL CREDIT INFORMATION

For exclusive use of Credit Department.

FILE—DAISY HILL CO

O. P. AND M. J. VAN SWERINGEN  
 METROPOLITAN UTILITIES, INCORPORATED

OCTOBER 27, 1933

Subsequent to the general meeting held on this date to discuss the partici-  
 pating loans of the Van Sweringens, for details of which refer to files on O. P. and  
 M. J. Van Sweringen and Metropolitan Utilities, Incorporated, Mr. Cox met with  
 Messrs. O. P. and M. J. Van Sweringen, at which meeting the writer was present.

Mr. Cox asked the Messrs. Van Sweringen what possibility there was of obtain-  
 ing some payments on some of the loans to this bank. He suggested specifically  
 the payment of salaries to the Van Sweringens by the various railroads they served  
 which salaries could be used to aid the Daisy Hill Company, etc.

Mr. O. P. Van Sweringen remarked that the chief argument his organization  
 had in talking to bond creditors, mortgage creditors, or other creditors of the  
 various Van Sweringen enterprises, was the statement that the two Van Sweringen  
 brothers received not one cent in salary from any of the companies. He further-  
 more explained that neither he nor his brother had been permitted to serve on  
 interlocking railroad directorates. As a result, they placed themselves upon the

boards of weaker railroads so that they could watch the situation more closely, and the railroads were really not in a position to pay any salaries worth while.

The thought of servicing the debt of the Daisy Hill Company through the Vaness Company was suggested by Mr. Cox and Mr. O. P. Van Sweringen, thinking it a good idea because the indebtedness really was a Vaness Company indebtedness taken over by the Daisy Hill Company after it had been transferred to O. P. and M. J. Van Sweringen, said he would look into the matter and see what could be done. His remark suggested that the Vaness Company would be in a position to pay at least interest on the Daisy Hill debt, though he was inclined to feel that the delinquent interest should be placed in note form. Mr. Cox did not concur.

The two places where The Union Trust Company may expect some money from the Van Sweringens in the near future are:

a. The \$80,000 mortgage loan to the Traction Stores Company, on the premises at 2534-2590 Broadway.

b. The \$557,000 collateral loan to the Terminal Building Company and Vaness Company.

The \$80,000 loan is placed in the position of an excellent chance for immediate liquidation due to a sudden turn in events, and Mr. Van Sweringen said that the same possibility was apt to arise with any number of other loans which this bank has made to the Van Sweringen companies. The chance for payment on the

#### EXHIBIT U-21a

\$557,000 obligation lies in the settlement of the dispute between the Nickel Plate and the New York Central upon which the Nickel Plate should start paying interest on the indebtedness and possibly also some on principal.

In closing, Mr. O. P. Van Sweringen mentioned that the depression had deferred everything that they had in mind, but that they were working day and night to restore values. As before, he said that all the information his organization had was at the disposal of any of the banks at any time.

G. R. HERZOG.

#### EXHIBIT U-22

CLEVELAND, *January 6, 1933.*

Mr. A. C. CONEY,  
*Vice President & Manager.*

In accordance with your request, I have secured from records in the accounting department of the Van Sweringen Company recent and comparative financial statements of the Shaker Company and the Van Sweringen Company, with particular reference to the properties securing the issue of Shaker Company First Mortgage and Collateral Trust 6% Bonds dated October 1, 1928, and information of interest relative to the issue of Van Sweringen Company First Mortgage and Collateral Trust 6% Bonds dated October 1, 1928. In the majority of the statements the figures have been rearranged in order to show the picture from the standpoint of our securities, and the figures are from audited reports only where indicated.

Inasmuch as it was necessary to go into considerable detail in the reports, I am summarizing briefly the important points arising from a study of the figures before going into detailed comment regarding them.

#### SUMMARY

Operations of the Van Sweringen Company have been at a substantial loss for at least the past three years, and the Company at the present time has practically no working capital. There are virtually no current assets to meet over \$1,194,000 of accrued taxes and interest, to say nothing of \$761,198 of demand notes payable to banks and individuals, and \$2,027,162 of improvement taxes accrued to October 31, 1932, and over \$6,400,000 of demand notes payable, plus accrued interest, to the Van Ess Company and pledged with J. P. Morgan & Company. Unless a very substantial amount of unpledged property can be liquidated in the near future, the financial position of the Company will rapidly become much worse, and if Van Ess Company should cease to advance working funds the Company would probably find itself unable to meet even its pay roll. While Van Ess Company had been advancing some money during the year 1932, part of this money apparently was secured from J. P. Morgan & Company, and it would appear, therefore, that continuation of a flow of money from Van Ess Company to Van Sweringen Company for working capital might depend upon a continuation of

advances from the Van Ess Company bankers. Even though working funds to meet pay roll, etc. are advanced by Van Ess Company, there is some question as to whether Van Ess Company is in position to advance sufficient money to take care of accrued taxes, interest and principal payments on land contracts and mortgages payable of Van Sweringen Company.

Estimated income for 1933 from the assets pledged for the Van Sweringen Company 6's due October 1, 1938, is as follows:

Funds provided through cash payments on principal of receivables pledged (See page 20)-----	\$51, 229
Interest on mortgages and land contracts pledged-----	36, 218
Net income from properties mortgaged under Shaker Company 6% Bonds due June 1, 1938-----	8, 295
	\$95, 742

EXHIBIT U-22a

The above income might be increased as a result of any improvement in economic conditions during the current year, causing increase in income from the properties under the Shaker Company bonds and increase in payments as to principal and interest on the mortgages and land contracts pledged. At the same time, none of the above \$95,742 may be available for payment of interest on bonds, inasmuch as the Trustee might reserve it to pay taxes on certain unsold lands which it might decide to keep and the unpaid taxes on certain pieces of property on which it holds land contracts and mortgages receivable, where the maker of the payable has been unable to keep up the taxes. Furthermore, part of this money might be necessary to the continued operations of the Van Sweringen Company, since income of that Company is not covering operating expenses.

The fact that the Van Sweringen Company has no working capital, and that the Shaker Company has a deficit in capital and surplus, makes it of extreme importance to bondholders that the best use be made of any income from the collateral pledged back of the bond issue.

The statements attached to this report include the following:

1. Comparative *Income Account of Van Sweringen Company* for years ended December 31, 1929, 1930, 1931, and for the first nine months of 1932. Page 1.
2. *Balance Sheet of The Van Sweringen Company* as of December 31, 1931 and October 31, 1932. Pages 2 & 3.
3. Details of certain accounts of above balance sheet. Pages 4, 5, 6 & 7.
4. *Estimated Income from Shaker Square Building, Moreland Courts Additions, and Tavern* for 1933. Page 8.
5. Schedule of *Leases on Shaker Square Buildings*. Page 9.
6. Comparative Summary of Operations of *Moreland Courts Additions, Shaker Square Buildings, and Shaker Tavern* for nine months ended September 30, 1931 and 1932. Page 10.
7. Comparative Summary of Operations of *Moreland Courts Additions* for first nine months of 1930, 1931 and 1932 (adjusted). Page 11.
8. Comparative Summary of Operations of *Shaker Square Buildings* for first nine months of 1930, 1931 and 1932 adjusted for bad debts and tax adjustments. Page 12.
9. Comparative Summary of Operations of *Shaker Tavern* for first nine months of 1931 and 1932. Page 13.
10. Schedule of *Bad Debt Charges on Shaker Square Buildings* for 1931 and first nine months of 1932. Page 14.
11. *Schedule of Taxes* actually paid in 1930 and 1931 on *Moreland Courts Additions and Shaker Square Buildings*. Page 15.
12. Audit Reports of Operations of *Shaker Company Units* for 1930. Page 16.
13. Comparative Operating Statements from audit reports of *Shaker Square Buildings and Moreland Courts Additions* for 1930 and 1931. Page 17.
14. *Balance Sheet of Shaker Company* as of December 31, 1931 and September 30, 1932. Page 18.
15. Details of certain accounts of above balance sheet. Page 19.
16. *Estimated Cash Payments for 1933 on Receivables* pledged back of Issue of 6% Van Sweringen Company Bonds due 1938. Page 21.



## EXHIBIT U-22b

## ESTIMATED PAYMENTS ON RECEIVABLES IN 1933

I have segregated the individual accounts on which there have been no defaults in principal, and also the accounts on which there have been no defaults on interest. As shown on page 21, the accounts on which there are no past due balances total \$249,604.37, and principal payments due on these accounts in 1933 amount to \$51,228. While there may be payments on some of the accounts which heretofore have been delinquent in principal payments, I believe that we can only count on payments from the accounts where payments have been kept up to date, and for that matter, it is possible that some of these principal payments will not be met during 1933. On page 22 I have segregated the accounts upon which up to December 26, 1932, interest had been paid promptly when due. The balance due on these accounts totals \$254,027.06. In estimating interest payments on collateral, I have figured 6% on the \$249,604 of balances upon which no principal installments are in default, and upon \$254,027 which as of December 26, 1932, had not defaulted on interest payments. While it is possible that some interest will be received on some of the accounts which heretofore have been in default as to interest, it is also likely that a number of the accounts included on pages 21 & 22 will default in interest during 1933. The most, therefore, that the Trustee could count upon from interest on the receivables and land contracts should be approximately \$36,218. This amount, obviously, would be increased by any general improvement in economic conditions and might shrink further if there is no improvement.

To summarize the probable income for 1933 from property pledged back of the Van Sweringen Company 6's due 1938, income should be in the neighborhood of \$8,295 from the Shaker Company units, \$36,218 from interest on receivables and land contracts pledged with the Trustee, and approximately \$51,228 principal payments on these receivables and land contracts. These amounts total \$95,742, which is before making allowance for payment of any unpaid taxes on unsold land or properties covered by payables pledged with the Trustee.

In conclusion, I wish to comment on the cooperation which Mr. Anzalone and Mr. Peckham gave me, and their readiness to secure for me any information which I requested; also as to the excellent condition of their records which permitted them to obtain without delay or trouble details of past operations.

C. C. MERRIFIELD.

CCM:K

## EXHIBIT U-22c

## THE VAN SWERINGEN COMPANY BALANCE SHEET. (PAGES 2 AND 3)

The Van Sweringen Company Balance Sheet for October 31, 1932, shows the Company to be almost without working capital, with only \$4,502 in cash, and the only other possible liquid items (outside of special funds amounting to \$268,493) consisting of accrued interest on Notes Receivable amounting to \$24,277, and accrued interest on mortgages and land contracts (a large part of which are pledged back of the Company's 6% bond issues due in 1935 and 1938). In contrast to this, current liabilities included the following—(See Page 3):

Accounts Payable.....	\$65, 969
Demand Notes Payable—Secured.....	718, 921
Demand Notes Payable—Unsecured.....	42, 277
Accrued Interest on Bonds.....	327, 072
Accrued Interest on Mortgages & Land Contracts payable to Banks and individuals.....	218, 465
1930 Local Taxes.....	38, 532
1931 Local Taxes.....	296, 029
1932 Local Taxes (Estimated).....	247, 730
Total.....	\$1, 954, 995

The above does not include \$2,027,162 of 1930, 1931 and 1932 (estimated to October 31, 1932) improvement taxes which I understand an attempt will be made to fund over a period of ten years, nor does it include \$6,382,490 of demand notes payable to Van Ess Company and pledged with J. P. Morgan & Company, upon which no interest, as far as I could determine, has been paid since the date they were pledged. While I did not have access to the statements of the Van Ess Company, information on the records of Van Sweringen Company notes pledged with J. P. Morgan & Company indicates that the Morgan loan was originally made in the amount of \$16,000,000 in October 1930. Originally the de-

mand note of the Van Sweringen Company was given to Van Ess Company in the amount of \$5,134,154. On March 28, 1931 the Van Sweringen Company executed a note for \$96,794 to Van Ess Company which was pledged with Morgan, and funds covered by this note were a portion of the proceeds of a \$600,000 increase in the loan of Morgan, in which the Midland Bank of Cleveland had a participation. On May 27, 1931 a demand note of the Van Sweringen Company was executed in the amount of \$822,361 and pledged with Morgan as additional collateral under the loan which on that date had grown to \$18,100,000. The \$1,500,000 increase in the Morgan loan was indicated on the Company's record of notes as a New York Trust Company participation. On August 31, 1931, the Van Sweringen Company executed a demand note to Van Ess Company for \$122,175 to be pledged under the Morgan loan. Similarly, on December 31, 1931, a note was executed to Van Ess Company for \$86,212 and pledged under the Morgan loan.

I was advised that Van Sweringen Company did not receive any cash from the above notes, but that they were given to apply on the account of the Van Sweringen Company with Van Ess Company. During the year 1932 the Van Sweringen Company executed notes which up to October 31, 1932 totalled \$120,792 to Van Ess Company for cash. These notes were secured by various land contracts, mortgages and land, as indicated on page 4 under the caption "Unsold Lots, etc." I have been advised recently that on December 1, 1932, the Van Sweringen Company borrowed an additional \$18,000 in cash from Van Ess Company. Mr. Peckham, of the Van Sweringen Company accounting staff, indicated that the notes executed during the year 1932 to Van Ess Company had not been pledged back of the Morgan loan, but were held by Van Ess Company in Cleveland. The Morgan loan on December 1, 1932, amounted to \$18,250,000, and on that date accrued unpaid interest amounted to approximately \$1,680,000. Because of the fact that I did not have access to the Van Ess Company books, I could not definitely determine whether the money which Van Sweringen Company had obtained from Van Ess Company was coming from Van Ess Company resources or through loans from Morgan during 1932.

## EXHIBIT U-22d

In connection with the \$4,237,906 of mortgages and land contracts payable (incurred principally for purchase of farms East of Warrensville Center Road) approximately \$421,440 of these were payable to The Union Trust Company, \$106,050 to The Guardian Trust, and \$234,322 to The Cleveland Trust. There are many of the notes and I did not obtain all the details, but it was my impression that in most instances the amount of these payables had been reduced  $\frac{1}{3}$  to  $\frac{1}{2}$ , except for those of The Union Trust and Guardian Trust where in most cases there had been little or no reduction in principal.

The following table indicates the change in the asset and liability accounts of the Van Sweringen Company from December 31, 1931 to October 31, 1932

*Statement of changes in balance sheets of The Van Sweringen Company between  
December 31, 1931 and October 31, 1932*

PROVIDED		
ASSETS DOWN		
Cash.....		\$27, 064
Notes Receivable.....		4, 730
Other Assets.....		9, 376
Special Funds.....		97, 015
Shaker Company.....		22, 857
Houses.....		22, 264
Unsold Lots.....		681, 379
Taxes & Int. Capitalized..		351, 448
Permanent.....		5, 456
LIABILITIES UP		
Notes Payable.....		9, 301
Taxes Local.....		202, 188
Improvement Taxes.....		732, 345
Accrued Interest.....		311, 815
Van Ess.....		66, 952
		\$2, 544, 190

Statement of changes in balance sheets of The Van Sweringen Company between  
December 31, 1931 and October 31, 1932—Continued

DISPOSED	
ASSETS UP	
Mortgages & Land Contracts.....	\$371, 627
Deferred.....	624, 533
Shaker Lander Participation.....	42, 343
LIABILITIES DOWN	
Accounts Payable.....	4, 618
Mortgages & Land Contracts Payable.....	37, 769
Bonds.....	71, 800
Deferred.....	33, 330
Surplus.....	1, 358, 170
	\$2, 544, 190

VAN SWERINGEN COMPANY OPERATIONS

Comparative operating statements of the Van Sweringen Company for 1929, 1930, 1931 and the first nine months of 1932 are shown on page 1. In none of these years did the Company operate at a profit, and therefore in this period operations were financed through liquidation of properties and through borrowing of working capital. Attention is called to the operating results for 1930 showing a net loss of \$72,362 which should have been \$1,035,762 inasmuch as sales included land and right-of-way sold to the Cleveland Interurban Railway for \$963,400 which had been carried at \$1.00 on the books of the Company. This sale did not result in any addition to the cash of the Van Sweringen Company. It should be remembered that these operating statements include as income interest and rents accrued, which were not all received in cash.

The comparative operating statements indicate that in spite of a substantial decline in income in 1931, the Company did not reduce its operating expenses, although in the first nine months of 1932 considerable progress was made in reducing these expenses. Taxes and fixed charges (which do not include improvement taxes, as they are capitalized) constitute by far the largest part of expenses, and are of such magnitude as to make it questionable if the Company can ever operate at a profit. In other words, it appears reasonable to assume that any future improvement in the working capital position of the Company will come as a result of the liquidation of lots and other properties, rather than from profits

EXHIBIT U-22e

from real estate operations. Possibility of cash income from its subsidiary, the Shaker Company, is covered in the following comment on the Shaker Company. (The Van Sweringen Company also has a lease on the original Moreland Courts Apartment, which is owned by the Shaker Company, and which is operated at a loss by the Van Sweringen Company.)

COMMENT—SHAKER COMPANY: BALANCE SHEET PAGE 18

The Shaker Company has had a deficit in capital and surplus since last year, its liabilities exceeding its assets by \$244,482 on September 30, 1932. The principal changes in the balance sheet since December 31, 1931, consist of an increase in the deficit in working capital from \$16,427 to \$107,961, and a decline in the open account with the Van Sweringen Company from \$5,154,915 to \$5,066,721. Details of the cost of the various properties under the \$2,100,000 6% Mortgage Bond issue on page 19 indicate cost of the buildings, exclusive of land of over \$3,000,000, which would indicate that additional capital to the \$2,100,000 from the Shaker Company Bonds had gone into these properties.

Details of the \$329,109 of first mortgages payable are shown on page 20. It is interesting to note that the interest which was due on the Union Trust loan on June 30, 1932 was not paid, although interest was paid on that date on the Society for Savings loan.

OPERATING STATEMENTS

Figures taken from Ernst & Ernst audit reports for the Shaker Square Buildings and Moreland Courts Additions, before depreciation, are shown on pages 16 & 17. We also have a copy of the audit report for the Shaker Company for

the year ended December 31, 1931 in our files, which is not included in this report. Instead, I have drawn up Comparative Operating Statements of the Shaker Square Buildings and Moreland Courts Additions for the first nine months of 1930, 1931 and 1932, and of the Shaker Tavern for the first nine months of 1931 and 1932.

I have made the comments on operations of these units as concise as possible, avoiding comments on minor changes in the operating statements. However, I have in my working papers monthly operating statements for the above properties for the past three years and can supply complete details regarding the financial statements necessary.

#### SHAKER SQUARE BUILDINGS, COMPARATIVE OPERATING STATEMENTS

Comparative adjusted operating statements for the first nine months of 1930, 1931 and 1932 are shown on page 12. Rentals and services billed to customers, less allowance for reductions in rentals, were virtually the same as for 1932 as 1931. Operating expenses, after adjustment for taxes actually paid and allocated to this unit were virtually the same as for 1931, with the exception of a slight reduction in salaries and wages, and in cost of steam. However, in 1932 the general overhead and legal expenses which previously had been paid by the Van Ess Company were prorated to each of the units, and these charges to Shaker Square Buildings amounted to \$2,183 for the first nine months of 1932. The allowance for bad debts, which amounted to \$23,538 in 1931 and which on the basis of the Company's books, I have prorated between 1930 and 1931 as the accounts were incurred, are shown on page 14. On the same page is a schedule of the allowance for bad debts for the first nine months of 1932. Net income for the first nine months of 1932, after allowance for bad debts but before depreciation, amounted to \$14,009, against \$32,414 in 1931. Comparative monthly reports in our files indicate a steady decline from month to month in income since February 1932, the total billings for November 1932 being the lowest in the last two years. Interest on the Shaker Company 6% Bonds dated October 1, 1928, has been arbitrarily allocated between the various properties, and the amount allocated to the Shaker Square Buildings for nine months in \$33,075.

#### EXHIBIT U-22f

Reference to the Schedule of Present Leases of Shaker Square Buildings will indicate the concessions which it has been necessary to make in rentals. Considering the large losses for bad debts in 1931 and 1932, some consideration might properly be given to the advisability of keeping tenants in the buildings for appearances sake and of making the Square a better shopping center, who are not only unable to pay their rent but have difficulty in paying the service charges which their occupation of the premises entail.

#### MORELAND COURTS ADDITIONS

Operating Statements of Moreland Courts Additions (page 11) for the first nine months of 1932 show total income of \$99,092, after \$13,232 allowance for reduction in leases, against total income of \$134,433 in the corresponding period of 1931. Total operating expenses remained practically unchanged, the reduction in salaries and wages of \$2,300 being offset by the increase in the cost of heating the building and cost of heating water. In this connection, it is interesting to note that the cost of steam and hot water for the Moreland Courts Additions has gone up steadily since 1930, and that for the first nine months of 1932, on the basis of charges made to various properties, the Central Heating Plant showed a profit of \$12,313, before depreciation. Beginning in November, however, the charges to various properties for steam have been made at the rate which the properties would have to pay for steam from the Cleveland Electric Illuminating Company. These charges in the future, while not representing cost, will be somewhat less than previous amounts charged.

In each period since 1930 there was a decline in building management and renting expenses, although the item for general overhead and legal expense appeared in 1932 (as in the case of the Shaker Square Building) in the amount of \$2,933. Net for bond interest (as prorated) for the first nine months of 1932, before depreciation, amounted to \$36,908, compared with \$71,903 in 1931. Interest for this period amounted to \$61,425. It is significant that there have been relatively no bad debt losses from the Moreland Courts Additions, so that virtually all of the income billed may be considered cash income.

## SHAKER TAVERN

Comparative nine months operating statements of Shaker Tavern for 1931 and 1932 are shown on page 13. While there was a decline in dining room sales from \$62,804 to \$37,441, there was a corresponding decline in dining room expense, so that the loss for the nine months period of 1932 of \$7,369 was only \$745 greater than the loss of \$6,624 in 1931. Total net income of the Tavern, before general overhead expenses, amounted to \$146 in the first nine months of 1931, and to a loss of \$1,630 in 1932. However, there was a substantial increase in general overhead expenses from \$16,600 in 1931 to \$19,032 in 1932, which may be attributed to the failure to reduce overhead salaries, to the increase in the cost of steam and water, and to the accruing of personal property taxes.

## TAXES

Because of the fact that the properties have been in operation less than three years, there has been considerable uncertainty about taxes, and because of the variation between taxes accrued by the Company and shown on the audit reports, and the amounts actually paid, I have figured taxes in these reports on the basis of payments actually made. The actual taxes paid for 1930 and 1931 are shown on page 15. In 1931 the Shaker Company, in its allocation of taxes between various properties allocated \$31,654 of taxes to Shaker Square Buildings and \$27,269 to the vacant land. Of this latter amount, approximately \$10,000 represents taxes on the land in the rear of the Shaker Square Buildings which is being partly used for parking space for tenants and patrons, but which is mortgaged to several banks. During the year 1932 a change was made in accruing taxes on the properties so that the taxes on this vacant land in the rear of the Shaker Square Buildings were allocated to the Shaker Square Buildings, thereby increasing the accruals for taxes to approximately \$42,650 per year. In view of present operating conditions, this re-allocation of taxes might be a matter which the Trustee for the bonds might wish to question. The comparative operating statements of the Shaker Square Buildings for nine months 1931 and 1932 (page 12) reflect this adjustment made by the Company on its books. If these statements were set up to show taxes on the Shaker Square Buildings alone, the 9 Mos. report for 1931 and 1932 would show approximately \$7,800 less expense—or in other words, \$7,800 more income for bond interest.

It should be noted in connection with taxes that no taxes are charged against operations of the Shaker Tavern, the taxes on this property being absorbed by the other two units. It is also interesting to note that taxes on the Moreland Courts Additions in 1931 amounted to \$34,453, against \$40,220 in 1930. The decline in taxes on this unit is explained by a reduction in valuation of the property and by an abatement of \$3,865.

## ESTIMATED OPERATING RESULTS FOR 1933

Combined operations of the three units for the first nine months of 1932 show net income, before depreciation, available for bond interest of \$30,255 against \$94,500 of bond interest for this period. Details of this are shown on page 10. Net income available for bond interest for the corresponding period of 1931 amounted to \$87,863. Inasmuch as the audit report of the Shaker Company for the year ended December 31, 1931, showed failure to cover fixed charges on all of its debt (including Shaker Company First Mortgage Leasehold 7% Bonds on the original Moreland Courts Apartments), and since monthly operating results during the current year have shown a steady decline, I have attempted to set up budget operations for the year 1933, based on a study of the monthly statements of the three units pledged under our mortgage and based on present leases in effect for the Shaker Square Buildings. This budget is shown on page 8, with foot note explaining the basis upon which the various figures are arrived at. You will note that I have not attempted to budget the income and expenses of the Shaker Tavern, inasmuch as monthly statements for the past eighteen months of this unit indicate considerable variation in income with a constant loss of between \$2,000 and \$3,000 per month. This apparently has been irrespective of volume of sales in the dining room, which incidentally have shown a steady decline during the current year. Unless radical changes are made in the management of the Tavern during the year 1933, there is no reason to believe that the loss will be much less than for the year 1932, which I have estimated to be approximately \$27,937 before depreciation. On the basis of the budget prepared, total income available for bond interest from the properties pledged under the \$2,100,000 Shaker Company 6% Bonds dated October 1, 1928, will amount to approxi-

mately \$8,295, plus whatever may be realized during 1933 on leases of questionable tenants, as shown on page 9.

The Shaker Tavern presents a very serious problem to the management of the properties, since it has never been charged its share of the taxes and bond interest, and in spite of this fact it has shown large losses each year. I asked Mr. Sharpe what might be the answer to the Tavern situation, and he stated that it was virtually impossible for the Van Sweringen interests to operate the Tavern at a profit. He felt that if the Tavern were ever to make any money it would have to be under the management of some other concern and he has been in active search of a tenant. Inasmuch as the Tavern is obviously absorbing most of the net income of the other two units, it would appear that definite steps should be taken sometime in the near future to close the Tavern if no satisfactory tenant can be found, and if the unit cannot be operated by the Van Sweringen Company at an even break or a small loss.

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EXHIBIT U-23

STATE OF OHIO,  
DEPARTMENT OF BANKS,  
*Columbus, January 3, 1931.*

BOARD OF DIRECTORS,  
THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: This will acknowledge receipt of your Examining Committee Report, same being at close of business November 14th, and on Page 5 of which we note an excessive line of credit to O. P. and M. J. Van Sweringen. It is set up as excessive to the extent of \$2,249,455, which amount has been reduced since November 14th in the sum of \$2,222,500, leaving \$26,955 in excess of the loan limit or 20% of the Bank's capital and surplus. Will be pleased to learn if this liability has been adjusted in accordance with law.

Very truly yours,

O. C. GRAY,  
*Superintendent of Banks.*

WMB.

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EXHIBIT U-24

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Daisy Hill Company, \$537,558.33.

Interest is delinquent since July 1, 1931. Loan is collateralized by 7,935 shares Vaness Co. preferred stock. The Daisy Hill Company is a holding company for the Van Sweringen country estate near Chagrin Falls. This estate is said to contain 625 acres of land most of which is unencumbered. Definite information as to the financial worth of the company is lacking. Loan is classed doubtful.

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EXHIBIT U-25

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL CREDIT INFORMATION

FOR EXCLUSIVE USE OF CREDIT DEPARTMENT

DAISY HILL COMPANY

NOVEMBER 22, 1933.

Inasmuch as the writer's memorandum of October 9, 1933, respecting the Daisy Hill Company appears to have been misfiled, the following information is summarized as a matter of record.

On October 9 Mr. Barrett left with the writer various maps of the property of the Daisy Hill Company as well as figures indicating the original cost, the financial condition of the company on August 31, 1933, and income and expense figures for the eight months ended August 31, 1933. In addition, he gave us a list of the stockholders of the Daisy Hill Company.

Mr. Barrett mentioned that O. P. & M. J. Van Sweringen never had been owners of any of the stock of the Daisy Hill Company. Mr. B. L. Jenks had constructed his home at Kinsman and SOM Center Roads long before the Vans had any idea of locating in that vicinity. Inasmuch as the relationship between O. P. & M. J. Van Sweringen on the one hand and B. L. & Louise D. Jenks on the other hand had always been very warm, i.e., the Jenkses had taken care of the Van Sweringen boys just as if they were their own sons, O. P. & M. J. Van Sweringen wished to do something for them. As a result, the properties surrounding their home were purchased and were placed in the Daisy Hill Company. Furthermore, 24,300 shares of the preferred stock of the Vaness Company were donated to the Daisy Hill Corporation, a wholly owned subsidiary of the Daisy Hill Company, with the thought in mind that this stock would endow the Daisy Hill Company and enable the Jenkses to take care of all expenses incident to the farm from the income. Of course, the present financial difficulties have made this impossible.

The B. L. Jenks home is not on property owned by the Daisy Hill Company but from the chart marked #1 it is apparent that it lies very close to the Daisy Hill Company holdings. The large residence of O. P. & M. J. Van Sweringen is in the southern portion of the Luse parcel.

Chart #1 indicates merely the holdings of the Daisy Hill Company. Other property in the same vicinity is owned by the Van Sweringen Company. The land colored in green is unencumbered and the land colored in pink is mortgaged to the Society for Savings for \$34,000.

Mr. Barrett mentioned that these were numerous other residences upon the property of the Daisy Hill Company, all of which were in existence when the various parcels were purchased. These homes have been improved and are at the present time occupied by the butler, the farm superintendent, the gate keeper, etc. These occupants own their own furniture but the cost of light, heat, etc., is taken care of by the Daisy Hill Company. The furniture in the elaborate home of O. P. & M. J. Van Sweringen belongs to the Vans personally but the home itself is part of the Daisy Hill Company. At the time that the project was formed and developed it was understood that O. P. & M. J. Van Sweringen were to have the privilege of living there rent free.

The Daisy Hill Company has been operating at a deficit, which has been

#### EXHIBIT U-25a

taken care of by Mr. B. L. Jenks out of his personal resources. It is Mr. Barrett's feeling that in another year the income from gross sales will be sufficient to take care of the cost of sales. Income results primarily from the sale of nursery stock. Included in the cost of sales are the salaries of those employees connected with the raising of the nursery stock but the salaries of the employees keeping up the home are included in general maintenance and expense. The writer spoke to Mr. Distel of the Society for Savings respecting the mortgage upon the Daisy Hill property. Mr. Distel stated that the amount of the mortgage was \$34,000 and the delinquent interest \$1,020.00. The note runs from B. L. Jenks. The encumbered parcel includes 400 acres, with twelve different buildings thereon, and on January 2, 1933, the Society for Savings bank appraised the property at \$320,000. Mr. Distel mentioned that the large home of O. P. & M. J. Van Sweringen was not on the property mortgaged to the Society for Savings bank but Mr. Barrett insists that it is.

The matter of an appraisal of the property was discussed with Mr. Cox and Mr. Hills. Inasmuch as the cost would be around \$1,000, the idea was dropped.

G. R. J. HERZOG.

GRH:M

#### EXHIBIT U-26

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

#### HIGBEE COMPANY—\$317,000.00

Company operates a large department store in the new Terminal development. All of the common capital stock of the company is owned by the Van Sweringens. Statement of the company dated Oct. 31, 1932 shows current assets of \$3,670,000, current debts \$3,135,000, other debts of \$1,500,000 and net worth \$3,326,000. Operations for 11 months show sales \$8,989,000 and net loss \$1,195,000. It will

be noted that total debt is in excess of net worth. The \$1,500,000 of debt mentioned above has been subordinated to the other creditors. The company has trusted several parcels of real estate for the prorata benefit of the bank creditors. This real estate was recently appraised at \$1,450,000. Life insurance totaling \$500,000 on the life of Asa Shiverick has also been trusted. No reductions in this loan have been made in more than a year. The examiner believes that the bank creditors are secured but it is very likely that it will take a long time to work out the loan.

## EXHIBIT U-27

## HIGBEE COMPANY AND SUBSIDIARIES

## CONTROL

Entire common stock is held by the Cleveland Terminals Building Company which is a subsidiary of the Van Sweringen Corporation. Voting control at the present time, however, is entirely vested in the first and second preferred stock issues due to the defaults in dividend payments. This voting control is, of course, subject to the rights of the creditors of the company who are in a position to dictate policies.

## MANAGEMENT

Asa Shiverick	.....	President
W. T. Higbee	.....	Vice President
G. E. Merrifield	.....	Vice President and Treasurer
E. H. Pierce	.....	Vice President and Secretary
G. P. Mitchell	.....	Assistant Treasurer

The officers, with the exception of G. E. Merrifield, have been with the concern for a number of years. Asa Shiverick, the president, has been with Higbee's for more than 17 years while W. T. Higbee, a former president, is the son of E. C. Higbee, one of the founders of the business. G. E. Merrifield became associated with the company in November, 1932 and has taken charge of financial matters. He is understood to be a representative of the Morgan interests and has had long experience in the department store field. His previous associations were with Franklin Simon & Company and Associated Dry Goods Company.

## DIRECTORS

Gardner Abbott, Attorney—Tolles Hogsett & Ginn, representing Van Sweringen interests.

T. E. Borton, Borton & Company—representing preferred stock interests.

G. E. Merrifield, Morgan interests.

E. H. Pierce, W. T. Higbee, Asa Shiverick, management.

## HISTORY

The Higbee department store business was originally established in 1860 as a partnership of John G. Hower and Edwin C. Higbee. The Higbee Company was incorporated in Delaware in May, 1913 and the charter amended in March, 1929. The company has three subsidiaries, Renee Inc. and Langley Inc., organized in December, 1929 and the Twelve Seventy Seven Euclid Realty Company, organized in 1919. The first two concerns were organized to carry on certain phases of the merchandising business but they discontinued operation on December 24, 1932 and their remaining assets were transferred to the Higbee Company.

The Twelve Seventy Seven Euclid Realty Company succeeded to the business of the Higbee Realty Company on June 9, 1932 by change of name. The Higbee Realty Company was originally organized in 1919 as a realty holding company, subsequently constructing a building on leased properties on Euclid Avenue at 13th Street which it in turn leased to the Higbee Company. The lease from the Higbee Realty Company to the Higbee Company expired May 31, 1932 and was not renewed. The lease of the Higbee Realty still has some years to run but that



## EXHIBIT U-27a

company has no assets other than the store property which it is unable to rent and has not been in a position to keep its lease in good standing. The holder of the fee has given notice of its intention to forfeit the lease and can do so at any time. The name Higbee Realty Company was probably changed to prevent as much stigma as possible from attaching to the Higbee name by reason of the default of this subsidiary and the consequent default in the payment of rental on the Euclid East 13th Chester Leasehold Trust Certificates which at one time were commonly known as the Higbee Corner Leasehold Trust Certificates.

The Higbee Company has been engaged in a general department store business and for many years was a direct competitor of Halle Brothers Company with its store located at Euclid Avenue and East 13th Street. Higbee's did not carry a complete line of men's furnishings, sport goods and similar lines but specialized in women's furnishings, household goods and related products. As contrasted with the Halle Brothers Company reputation for quality of merchandise and service Higbee's emphasized a combination appeal of price and quality and used sales forcing methods.

Early in 1929 the Van Ess Company, a Van Sweringen affiliate, purchased the entire common stock of the company for \$7,500,000. The stock was subsequently sold to the Cleveland Terminals Building Company in May, 1930. This change in ownership was a forerunner of the removal of the Higbee Company from its location on Euclid Avenue to a specially constructed building in the terminal area where it is now located. The actual shift in location did not come until September 7, 1931.

In making this change the Higbee Company occupied a store building with 1,000,000 square feet of floor space which compared with about 315,000 square feet in the Euclid Avenue store. The rental requirements were increased very substantially as were taxes which are payable by the Higbee Company. In addition, the occupancy of the larger floor space tended to make a larger personnel and larger inventory necessary. All of these factors combined made it imperative that the Higbee Company change the character of its business materially. It was necessary to extend the scope of the business with the addition of the lines of merchandise commonly found in the modern department store, and in general, to increase the volume of business to the point where the larger overhead and operating expenses could be carried.

Obviously, the Higbee Company needed additional capital to accomplish its purposes. Some financing was originally contemplated but it was never carried through and no capital was provided on a permanent basis.

The capitalization of the company at the present time is nominally as presented below. Actually the company is being financed by its various classes of creditors subject to a number of agreements establishing their respective priorities. Everything, however, is on a purely temporary basis pending the consummation of some plan of reorganization or permanent financing.

*Capitalization, March 31, 1933*

Term Indebtedness (Due October 20, 1933).....	\$1, 551, 042
(Renewable for a period of one year.)	
* First Preferred Stock, 7%.....	1, 140, 000
* Second Preferred Stock, 8% Cumulative.....	454, 900
Common Stock—100,000 Shares.....	1, 900, 000
Profit & Loss Deficit.....	3, 852, 328

\* No dividends have been paid on either class of stock since 1931 and at the annual meeting in June 1933, sole voting rights will rest in the preferred stock by reason of the default in dividend payments and other provisions of the preferred issues

## EXHIBIT U-27b

An analysis of the financial condition of this company must of necessity cover a number of different phases of the situation. We preface this discussion with a brief statement regarding the concern's physical properties and a study of the company's operating record in order to give a better basis for understanding the changes in the financial position. In general, the balance of this report may be broken down into the following classifications.

1. Physical Properties.
2. Operation.
3. Financial Position.
  - (a) Current Financial position.
  - (b) Significant changes in financial position in recent years.
  - (c) Discussion of the *relationship of the present creditors* of the company who are in effect supplying the capital for the business subject to several agreements.
4. *Current Operations.*

*Physical properties* (See Comparative Balance Sheets—Exhibit "A")

At the end of the 1933 fiscal year the concern had no investment in buildings and carried its furniture and fixtures at \$473,921 which compares with an original cost of more than \$2,000,000. During the year the entire investment in leasehold improvements at the Euclid Avenue store site was written off and charged to unearned and earned surplus. (Reconciliation of Surplus—Exhibit "C"). In addition, the value of Furniture and Fixtures was written down \$1,479,694 to \$473,921 which perhaps represents a conservative physical valuation of these assets. Giving effect to these adjustments, the only permanent assets of the company at that time were the furniture and fixtures. These write-downs, together with the operating losses, have resulted in the creation of a surplus deficit on the balance sheet which exceeds the combined common and preferred stock, indicating that the company is operating almost entirely on borrowed capital. Aside from the Permanent assets and current assets which will be discussed later, the only assets listed on the balance sheet are Goodwill—\$400,000, Deferred Assets—\$113,547 and Other Assets—\$50,608.

The store building which the company occupies is owned by the Cleveland Terminals Building Company and leased to the Higbee Company for a period of 25 years at a rental equal to 3% of net sales with a minimum rental of \$600,000 per annum. Under the terms of the lease, the Higbee Company is responsible for the payment of taxes on the property. Of this total, \$440,000 is paid to the Metropolitan Life Insurance Company as the holder of \$8,000,000 Cleveland Terminals Building Company First Mortgage 5½% bonds secured by a first lien on the store property. Under the terms of an agreement commented on later, no rental is being paid by or accrued against the Higbee Company at this time. Under the terms of the lease, the Higbee Company is responsible for the payment of taxes on the property.

## EXHIBIT U-27c

*Operations* (See Comparative Operating Statements—Exhibit "B").

*Sales*—The most important consideration in studying the sales record is the effect the shift in the store location and the broadening in the scope of business had upon the volume of sales obtained. During the year ended January 31, 1932 which contained nearly five months of operation at the new site, sales increased moderately to \$12,683,331. Of this amount, \$6,454,617 represented sales in the new store and \$6,145,314 sales at the old site in the first seven months of the period. This would tend to indicate that the company was able to obtain a slightly larger volume of business for a time at its new location, although it should be remembered that the year-end included the busy shopping season. During 1932 the record was not encouraging and the volume of business dropped about \$3,000,000 to \$9,662,850. The decline (23%) was perhaps not out of line with the general experience in the trade but net sales last year were less than at the Euclid Avenue store in either 1930 or 1929 and compare with a volume of \$20,000,000 annually which was estimated as the sales volume necessary to carry the increased overhead and operating expenses incurred by the move to the Terminal Area.

The company operated on a lower margin last year than previously with the cost of sales amounting to 74.9% of net sales compared with 68.3% in the previous year and 67% in each of the years 1929 and 1930. The lower margin may have been the result of more frequent special sales in an effort to stimulate a

greater volume and may have been due in part to a general declining tendency in retail prices.

*Earnings and Operating Expense Analysis.*—The company operated profitably prior to the change in location for an extended period but operations in the first five months of operation at the new site were highly unprofitable with a loss incurred in the amount of \$546,827. In the full fiscal year 1932 the loss aggregated \$1,508,330 which loss would have been greater if an agreement had not been entered into whereby no rental was accrued or paid after July 1, 1932 and certain adjustments were made in interest payments as more fully set forth on later pages. (In addition to the operating loss incurred in this period, extraordinary expenses in the amount of \$597,306 were charged directly to surplus, representing excessive merchandise markdowns and other unusual expenses incidental to the opening of the new store.)

With regard to operating expenses, it is impossible to arrive at any definite conclusions without a more intimate knowledge of the situation. Total expenses increased sharply during the first month of operation in the new store but have since been curtailed and controllable expenses in the year just ended such as salaries and advertising compared very favorably with expenses at the Euclid Avenue store.

The dollar inventory at the end of January, 1933 was carried at less than 50% of the inventory at the end of any of the three preceding years. This is a rather unexpected development in the face of the widened scope of the business and the larger floor space occupied and tends to indicate that the company has been turning over its merchandise at a more rapid rate than formerly. However, this development has probably been due more to the financial difficulties of the company than to a change in merchandising methods and perhaps is more the result of a liquidation of inventories in recent months in an effort to build up cash holdings.

#### EXHIBIT U-27d

In general, the operating record of the company may be regarded as favorable, although sales have failed to approach expectations by a wide margin. Actual operating expenses are not much greater at the Terminal store than they were on Euclid Avenue. The unsatisfactory part of the situation lies in an increase in items of expense which cannot be controlled, such as taxes, rents, interest, and also in the lower gross margin and heavier losses on bad debts which probably may be attributed to general business conditions. We present below a schedule of some of the uncontrollable charges as they were prior to the move from Euclid Avenue, as they would be under the terms of agreement entered into at the time the move was made and finally giving effect to a special agreement dated July 1, 1932. We also include for the sake of comparison actual charges in the year just past

	Prior to change in location (1929)	Agreements originally entered into at the time of the move	Actual charges Year Ended Jan 31, 1933	Present Charges under agreement dated 7-1-32
Rental Charges.....	\$174,624	\$600,000	\$284,140	-----
Interest Expense.....	-----	186,000	120,589	\$61,720
Taxes.....	127,082	293,000	293,617	293,000
	\$301,706	\$1,079,000	\$698,346	\$354,720

From the above figures, it is evident that if the full requirements have been met last year, the loss would have been nearly \$400,000 greater than actually reported, while on the basis of present arrangements, charges will be some \$344,000 less during the current fiscal period than last year. In any case, it is apparent that the change in location has not enabled the company to carry larger charges, such as those listed above. In fact, on the basis of the operating experience since the company moved to the Terminal area, it would have been difficult to carry the rental and tax expense at the old site. It is not possible to determine what the reason for this condition is and it perhaps may be explained by generally unfavorable business conditions.

*Financial position* (See appended balance sheets—Exhibit A).

	3-31-33	1-31-33	1-31-32	1-31-31	1-31-30
Total Current Assets.....	\$2,567,323	\$2,936,584	\$4,641,615	\$5,101,738	\$5,193,245
Cash.....	257,272	338,396	92,284	6,802	28,335
Inventories.....	990,955	880,045	2,057,632	1,817,997	1,768,356
Accounts Receivable.....	1,499,744	1,598,790	2,384,096	2,245,830	2,284,201
Total Current Liabilities.....	2,906,885	2,737,640	3,094,244	2,077,952	2,076,259
Bank Loans.....	1,600,000	1,600,000	1,600,000		
Notes Payable (Rent).....	443,800	443,800			
Accounts.....	447,795	271,273	1,307,790	1,561,936	1,525,797
Tax Liability.....	407,666	362,000	136,367	172,843	203,924
Net Working Capital.....	*39,562	198,944	1,547,401	3,023,786	3,116,986
Impounded Cash.....	203,242				
Term Indebtedness.....	1,551,042	1,500,000	1,500,000		

\* Deficit

#### EXHIBIT U-27e

The current financial position as of March 31, 1933 was very weak. Current assets were exceeded by current liabilities at that date, although that situation may be modified to some extent by offsetting the impounded cash against the bank loans. In view of the obvious need of cash this would not improve but rather tend to weaken the company's position.

According to the audited report of Ernst & Ernst, approximately \$760,000 of the total receivables of \$1,773,790 on January 31, 1933 were receiving special attention from the collection department. The following summary classifies these accounts as to date of charge.

Date of Charge:	Approximate amount
Prior to January 1, 1932.....	\$174,000
January, February and March 1932.....	59,000
April, May and June 1932.....	93,000
July, August and September 1932.....	104,000
Subsequent to October 1, 1932.....	330,000
Total.....	760,000

We do not have comparable figures for previous periods but according to the management the reserve of \$175,000 which has been set up is adequate. This reserve is substantially larger than in previous years but compares with losses on bad accounts of \$207,663 in 1932. In general, there has been a closer control over receivables in recent months than formerly and the amount outstanding has been reduced. Collections, however, tend to be made more rapidly on the better accounts and it appears quite possible that the percentage of doubtful receivables is considerably higher now than formerly particularly in the face of the banking situation in Cleveland. Under the circumstances a larger reserve probably would have been justified.

Inventories are valued at the lower of cost or market and the reserve for anticipated further markdown and cash discount as of January 31, 1931 was substantially larger than previously. In view of firming commodity prices, inventory valuations may be regarded as conservative.

#### SIGNIFICANT CHANGES IN FINANCIAL POSITION

The changes in financial position may be roughly grouped into two classifications. In the first place, there are those which reflect operations, expenditures for permanent assets and perhaps financing other than on a current basis. In the second place, there are changes which are the result of a shift among the current assets or current liabilities, for example, the use of cash to meet current obligations or to build up inventories. In the case of the Higbee Company there have been significant changes of both types.

Under the first heading would fall the substantial reduction in net working capital which took place primarily as a result of operating losses and extraordinary losses incurred and the expenditure of a substantial amount of money for permanent assets (\$2,000,000). In addition, working capital was affected by the securing of a loan of \$1,500,000 from the Cleveland Terminals Building Com-

pany on what amounted to a three-year basis. It is significant to note that the expenditures for permanent assets exceeded the amount of money paid from the Cleveland Terminals Building, the net effect being a reduction in working capital.

## EXHIBIT U-27f

In the second group would fall the borrowing of money from the banks to take the place of money owed to creditors, a fact which is not readily apparent and in general the liquidation of inventories and receivables which has taken place since January 31, 1932 which has enabled the company to build up its cash resources to some extent and also effect a further reduction in payables due trade creditors. There is no definite segregation of funds obtained from the Cleveland Terminals Building Company and the banks but in a general way it is understood that the concern was forced to seek bank loans to take care of trade indebtedness incurred as a result of inventories which were built up at the time of the opening of the new store in September, 1931. At that time the trade became uneasy because of slow payments and the lack of working capital and started pressing for payment. The banks supplied the money to meet a part of this indebtedness and liquidation of inventories and receivables which has gone on rather steadily since that time has supplied additional funds to meet accounts payable.

The confidence of the trade in this company has never been completely reestablished but in some respects has grown less and the banks have been left as an important factor in the company's affairs. Since January 31, 1932 the company has accumulated a moderate amount of cash through the reduction of inventories but this increase has been offset largely by the accrual of taxes.

## STATEMENT OF SOURCE &amp; APPLICATION OF FUNDS

On the following page is presented a statement of the source and application of funds for the three year period from January 31, 1930 to January 31, 1933. This statement shows in detail the changes which have taken place in this period some of which have been described above.

In general, it is evident that the company has maintained operations only through the liquidation of current assets. It is true that money was borrowed from the Cleveland Terminals Building Company and from a group of banks but the money obtained from the Cleveland Terminals Building Company was insufficient to take care of the investment in permanent assets and the money borrowed from the banks was applied, for the most part, to a reduction in other payables. It is true that current liabilities other than the notes payable to banks and accounts payable have increased but this has not been due to additional borrowing but is the result of the failure to pay rental charges and taxes and the consequent accrual of those expenses against the company.

## EXHIBIT U-27g

## HIGBEE COMPANY AND SUBSIDIARIES

*Statement of Source and Application of Funds During the Three Year Period from January 31, 1930 to January 31, 1933*

Funds were obtained from—

Reduction in Current Assets			
Decrease in Receivables.....		\$685, 411	
Decrease in Inventories.....		888, 311	
Decrease in U.S. Govt. Securities.....	\$1, 027, 948		
Less: Increase in cash.....	310, 061		
Increase in Value of Life Insurance.....	34, 948	682, 939	\$2, 256, 661
			<hr/>

*Statement of Source and Application of Funds During the Three Year Period from  
January 31, 1930 to January 31, 1933—Continued*

Funds were obtained from—Continued.

Increase in Current Liabilities

Borrowed from Banks (Notes Payable)-----	\$1, 600, 000		
Borrowed from Clev. Term. Bldg. Co.—Notes Payable----	443, 800		
Borrowed from Clev. Term. Bldg. Co.—Accts. Payable-----	19, 012		
Accrued Int.—Clev. Term. Bldg. Co. (term indebtedness)-----	58, 667		
Accrued Taxes-----	159, 976	\$2,281,453	
Less: Reduction in Accounts Payable-----	1, 273, 536		
“    “    in Divs. Payable and Other Liab.-----	346, 538	1, 620, 074	\$661, 331

Term Indebtedness:

Borrowed from Cleveland Terminals Building Co.-----			1, 500, 000
Refund of Taxes (Incl. adjustment of tax reserves)-----			66, 868
Increase in Reserves-----			7, 500
			<u>\$4, 492, 410</u>

Funds were applied to—

Net Loss-----	1, 730, 750		
Less Depreciation ---	349, 578		1, 381, 172
Extraordinary Losses incidental to reorganization and opening of new store-----			616, 680
Dividend Payments-----	414, 980		
Less Dividends Rescinded-----	150, 000		264, 980
Investment in Permanent Assets.			
Write off of Euclid Ave. Store property-----	1, 940, 163		
Write down of Furniture & Fixtures-----	1, 479, 694		
Depreciation of Permanent Assets charged to operations-----	349, 578		
Depreciation charged to Unearned Surplus-----	20, 066	3, 789, 501	
Less Decrease in Net property accounts-----		1, 693, 842	
Estimated investment in furniture and fixtures-----			2, 095, 659
Reduction in Preferred Stock-----	48, 100		
Plus Premium Paid-----	2, 118		50, 218
Increase in Deferred Assets-----			41, 254
Increase in Other Assets:			
Write-down of investments-----	42, 247		
Less. reduction in net other assets-----	23, 330		
(as appearing on the balance sheets)-----			18, 917
Miscellaneous charges (to unearned surplus)-----			23, 530
			<u>4, 492, 410</u>

## EXHIBIT U-27h

*Relationship of creditors*

We have previously pointed out the fact that this company is being operated almost entirely on borrowed money. No attempt has been made as yet to point out exactly who these creditors are and the terms on which they have advanced capital. The following pages are concerned with the identification of these creditors and a discussion of agreements affecting the credits. The following in summary form are the principal credits in which we are interested:

	Amount of Notes	Im-pounded Cash	Amount 3-31-33
(1) <i>Term Indebtedness: C T B Co (renewable to October 20, 1934)</i> (New York Bank Credit).....			\$1, 551, 042
(2) Bank Loans.....			1, 600, 000
Cleveland Trust Company.....	\$300, 000		
Midland Bank.....	250, 000		
Guardian Trust Company.....	200, 000	\$99, 376	
Union Trust Company.....	317, 000	103, 866	
J. P. Morgan & Company.....	533, 000		
	1, 600, 000	203, 242	
(3) <i>Note Payable to C T B Co for Rent (Held by Metropolitan Life Insurance Company)</i> .....			443, 800
(4) <i>Government Tax Obligation</i> .....			407, 665
(5) <i>Merchandise Creditors</i> .....			186, 168
(6) <i>Miscellaneous</i> .....			269, 252

The bank notes payable were issued in November, 1931 under a special trust agreement depositing certain collateral with the Cleveland Trust Company as Trustee. For the further protection of these notes, another agreement was made which definitely subordinates the term indebtedness to these credits. These agreements will be discussed in our separate comments on these loans. In addition to these agreements, there is a special agreement in effect at the present time which affects the first three credits listed above as well the Cleveland Terminals Building Company as lessor of the store and the Metropolitan Life Insurance Company as the party that should ultimately receive the bulk of the rent paid by reason of its ownership of the \$8,000,000 First Mortgage bonds outstanding against the property. These interests, together with the Cleveland and New York creditors, the Van Ess Company, and finally the Higbee Company are parties to this agreement.

*Special Agreement* dated 7-1-32 renewed and modified February 28, 1933

This agreement provides three things.

- (1) That interest on the bank notes and notes payable to Cleveland Terminals Building Company for rent shall be at the rate of 4%.
- (2) That no interest shall be paid or accrued on the term indebtedness, and
- (3) That no rent shall be paid or accrued.

## EXHIBIT U-27i

These provisions are subject to modification in the event the company should report any earnings and there are definite arrangements for the allocation of such earnings to the payment of rent, the payment of additional interest on the notes payable (up to 6%) and finally to the payment of interest on the term indebtedness. The probability of any earnings is so remote that we are not interested in the detail of these arrangements.

This special agreement is for a period of a year from February 28, 1933 but is subject to renewal or termination every three months. The next renewal date on the notes we hold is June 1, 1933.

Term Indebtedness..... \$1, 551, 042

This indebtedness consists of two notes payable from Higbee Company to Cleveland Terminals Building Company, one of \$258,507 and one of \$1,292,535. These notes were originally due October 20, 1932 but were subject to renewal each year for a period of two years which in effect makes their maturity October 20, 1934. This money was advanced by Cleveland Terminals Building Company to Higbee's in 1931 and Cleveland Terminals Building Company in turn took the notes to New York and used them as part collateral for very substantial loans made by the New York Bank Credit, a group of banks headed by J. P. Morgan & Company to the Cleveland Terminals Building Company and the Van Ess Com-

pany. The \$1,292,535 note bears the endorsement of the Van Ess Company and is pledged with the New York Bank Credit by that company. The notes have 1400 shares of capital stock of the Higbee Realty Company (now Twelve Seventy Seven Euclid Realty Company) pledged as collateral. This stock is apparently without value.

The New York Bank Credit as noted above has a very substantial stake in the terminal development and probably for that reason an arrangement was entered into subordinating this loan to the bank notes payable in order to induce the banks to loan money to the company. This probably also explains the assent of the New York Bank Credit to the Special Agreement which provides that no interest be paid on the Term indebtedness for the present.

The subordination of the term indebtedness is with respect to both principal and interest and is certified on the notes held by the banks. In substance, the following is the opinion of Tolles Hoggsett & Ginn with respect to this subordination.

We are of the opinion that said notes (term indebtedness) are duly subordinated to the bank debt, the subordination having the effect of obligating the holder of the notes to hold in trust any amounts received in payment of principal (and interest in cash of insolvency and other events) and to apply same to the extent necessary to pay any deficiency in the full payment of the \$1,600,000 principal amount of notes payable to the banks.

The subordination of the term indebtedness does not extend to other classes of creditors aside from the banks.

Bank Loans—6%----- \$1,600,000

	Amt of Notes	Impounded Cash
Cleveland Trust Company-----	\$300,000	-----
Midland Bank-----	250,000	-----
Guardian Trust Company-----	200,000	\$99,376
Union Trust Company-----	317,000	103,866
J. P. Morgan & Company-----	533,000	-----
	1,600,000	203,242

#### EXHIBIT U-27j

These notes were originally executed November 17, 1931 under the terms of a trust agreement of that date and are also subject to the terms of the special agreement dated 7-1-32 which provides for a reduction in the interest rate to 4%. These notes are subject to renewal every three months—June 1st, September 1st, December 1st, etc. Each of the notes is a separate instrument, although the collateral is held for the benefit of all of the banks according to their proportionate interest. The Cleveland Trust Company is trustee under this agreement.

The collateral pledged as security for these notes is as follows:

(1) \$500,000 Life insurance on Asa Shiverick. This insurance has a cash surrender value of \$119,353 at the present time.

(2) The equitable title to the air rights on two parcels of land in the terminal area. The legal titles to these properties are held by the Union Trust Company as trustee for the Cleveland Terminals Building Company.

(a) Property fronting 84.8 feet on Superior Avenue and 231 feet on Prospect west of and adjacent to Hotel Cleveland. This property has an area of 33,330 square feet and while unimproved is carried on the books of the Cleveland Terminals Building Company at \$1,725,000.

(b) Property fronting 291.7 feet on Ontario Street and 109.2 feet on Huron Road adjacent to and south of the Builders Exchange Building. This property is unimproved. It has an area of 21,914 square feet and is carried at a figure of \$1,000,000 on the Cleveland Terminals Building Company books.

These properties undoubtedly have considerable value and they do add to the security behind the loan. However, it might be difficult to effect their immediate sale and it is impossible to give an accurate estimate of their present value.

An important consideration at the present time is the effect that an offset of the impounded cash in this bank against the principal of the note payable we hold would have upon the position of the unpaid balance of the note with respect to the other bank credits. Since the bank notes payable are all separate instruments, although issued under the terms of a trust agreement, this offset would probably have no effect upon the position of the note holders as general creditors



of Higbee's. Under the trust agreement, provision is made for the pro-rata distribution of any cash received from the liquidation of collateral and there may be some question as to our rights with respect to such distributions if our proportion of the loan is reduced by an offset.

There is also in existence a letter agreement between J. P. Morgan & Company and Cleveland Terminals Building Company to which the Higbee Company is a party providing that any payments on the notes shall be pro rata to J. P. Morgan & Company and to the Cleveland banks collectively in accordance with their respective participations. There is some question as to whether this agreement is binding as far as the Cleveland banks are concerned and a receivership, of course, might materially alter the whole picture. In any case, this whole matter will have to be referred to our attorneys in case any of these questions come up as they are likely to, when the matter of renewal is considered.

## EXHIBIT U-27k

Government tax obligations..... \$407, 665

This obligation represents accrued and past due taxes owing to the State, County and Federal Governments. Taxes are accruing at the rate of about \$293,000 a year which includes real estate taxes of \$226,188. It might be noted that these real estate taxes are subject to a 10% delinquency penalty after the close of the tax books May 10. After the first year taxes are delinquent, 8% interest is charged by the Government.

The Higbee Company is liable for the taxes on the store property under the terms of a lease from the Cleveland Terminals Building Company. There is, of course, a normal accrual of these taxes in the ordinary course of business but since the taxes have become delinquent, the Government unwittingly has become a substantial creditor of the company and in effect is supplying working capital. The penalties for the non-payment of taxes are high but the expense is not an immediate consideration because the actual payment probably can be deferred for some time.

Merchandise Creditors..... \$186, 168

These obligations represent payables owing to the trade on account of merchandise purchased. The extremely small amount of these credits reflects the lack of confidence of the trade in the Higbee company and gives some indication of the difficulties faced by the company in attempting to do business on its present capital set-up.

Miscellaneous..... \$269, 252

These credits, for the most part, represent the normal accrual or float of operating charges incurred in the ordinary course of business. These obligations are not highly important and we have no reason to expect that they will change materially.

## CURRENT OPERATIONS

Up to this point, only casual mention of developments since the end of the 1932 fiscal year has been made. We have balance sheets and operating statements for the first two months of the 1933 fiscal period and are particularly interested in the results obtained by the company in these two months because of the fact that overhead expenses, including rent and interest charges, were practically at a minimum. Under these circumstances, one might expect to get some idea of the possibilities of the Higbee Company's working out of its present difficulties from a study of the operating results of this period.

The following figures present in a condensed form a summary of the operating results of the period and changes in financial position.

## EXHIBIT U-27l

During the two months period ended March 31, 1933 there was a reduction in working capital of \$238,507 which may be accounted for as follows:

Net Loss.....	\$87, 048	
Less: Depreciation.....	17, 000	
		\$70, 048
Expenditure for Permanent Assets.....		3, 183
Increases in Other Assets.....		13, 076
		<hr/>
Reduction in working capital attributable to operations.....		\$86, 307

These items are the only factors directly concerned with the operation of the business that affected working capital. However, there were other developments as follows:

Reduction in working capital as above.....		86, 307
Cash Impounded.....	\$203, 242	
Less: Current Liability transferred to term indebtedness.....	51, 042	
		152, 200

Reduction in working capital as indicated by balance sheet changes.....<sup>1</sup> \$238, 507

It is evident that operation continued on an unprofitable basis with a cash loss of about \$35,000 per month. The cash loss in March was only \$31,883 indicating some improvement although this may be attributed primarily to Easter shopping. More recent reports indicate that business is running somewhat ahead of last year and that the company is just about breaking even. It should, of course, be remembered that operations during March were in the face of the banking situation and some stimulus to buying may be expected with a release of part of the Union and Guardian Trust Company deposits

R. B. BLYTH.

May 22, 1933

EXHIBIT U-27m

EXHIBIT "A"

*The Higbee Company and subsidiaries consolidated balance sheets*

	1-31-30	1-31-31	1-31-32	1-31-33
<b>ASSETS</b>				
Cash.....	\$28, 335	\$6, 802	\$92, 284	\$338, 396
U S Govt Securities.....	1, 027, 948	985, 000		
Accounts Receivable.....	2, 349, 172	2, 311, 175	2, 484, 094	1, 773, 790
Less Reserve.....	64, 971	65, 345	100, 598	175, 000
Net Accounts Receivable.....	2, 284, 201	2, 245, 830	2, 384, 096	1, 598, 790
Inventory.....	1, 837, 413	1, 885, 194	2, 142, 642	1, 016, 280
Less Reserves.....	69, 057	67, 197	85, 010	136, 235
Net Inventory.....	1, 768, 356	1, 817, 997	2, 057, 632	880, 045
Cash Surrender Value of Life Insurance <sup>1</sup> .....	84, 405	96, 109	107, 643	119, 353
Total Current Assets.....	5, 193, 245	5, 101, 738	4, 641, 645	2, 936, 584
Other Assets.....	73, 938	75, 438	93, 078	50, 608
Good Will.....	400, 000	400, 000	400, 000	400, 000
Deferred Assets.....	72, 293	54, 107	116, 489	113, 547
Permanent Assets—Furniture & Fixtures Delivery Equipment (net).....			(2, 041, 059)	473, 921
Leasehold improvements.....	2, 167, 763	2, 090, 900	(1, 980, 564)	
Total Assets.....	\$7, 907, 239	\$7, 722, 182	\$9, 272, 845	\$3, 974, 660
<b>LIABILITIES</b>				
Notes Payable Banks.....			\$1, 600, 000	\$1, 600, 000
Notes Payable Cleveland Terminal Bldg Co.....				443, 800
Accounts Payable (Total).....	\$1, 525, 797	\$1, 561, 936	1, 307, 790	271, 273
Including (Cleveland Terminal Bldg Co).....			(244, 651)	(19, 012)
Accrued Taxes.....	203, 921	172, 843	136, 367	363, 900
Accrued Interest on term indebtedness.....		1, 981	44, 536	58, 667
Other Accruals.....	1, 981		5, 551	
Dividends Payable.....	344, 557	341, 192		
Total current liabilities.....	2, 076, 259	2, 077, 952	3, 094, 244	2, 737, 640
Term Indebtedness <sup>2</sup> .....			1, 500, 000	1, 500, 000
Reserves.....				7, 500
First Preferred.....	1, 187, 500	1, 140, 000	1, 139, 900	1, 139, 900
Second Preferred.....	455, 400	454, 900	454, 900	454, 900
Common Stock No Par 100,000 Shares.....	1, 900, 000	1, 900, 000	1, 900, 000	1, 900, 000
Surplus Unearned.....	1, 341, 223	1, 319, 425	1, 297, 628	
Profit and Loss Deficit.....	<sup>3</sup> 946, 857	<sup>3</sup> 829, 905	113, 827	3, 765, 280
Total Liabilities.....	\$7, 907, 239	\$7, 722, 182	\$9, 272, 845	\$3, 974, 660
Net Working Capital.....	\$3, 116, 986	\$3, 023, 786	\$1, 547, 401	\$198, 944

<sup>1</sup> The life insurance policies of \$500,000 face amount are deposited as security for the bank loans

<sup>2</sup> Cleveland Terminal Building Co renewable annually for 2 years from maturity 10-30-32.

<sup>3</sup> Surplus

<sup>1</sup> The reduction in working capital is subject to modification upon the offset of impounded cash balances against notes payable

## EXHIBIT U-27n

## EXHIBIT "B"

*The Higbee Company and subsidiaries operating statements*

(Years ended January 31)

	1930	% of Sales	1931	% of Sales	1932	% of Sales	1933	% of Sales
Net Sales .....	\$11,639,393	100 0	\$10,960,940	100 0	\$12,683,331	100 0	\$9,662,850	100 0
Cost of Sales .....	7,813,792	67 0	7,435,844	67 0	8,663,149	68 3	7,237,784	74 9
Selling & Gen & Admin Expse .....	3,064,576	26 0	2,960,289	27 0	4,149,839	32 7	3,440,676	35 6
Operating Profit .....	761,025	7 0	564,807	5 1	129,657 d	1 0 d	1,015,610 d	10 5 d
Other Deductions (net) ..	130,811	1 1	200,726	1 8	411,807	3 2	492,720	5 1
Incl Depr .....	108,249	0 9	112,643	1 0	134,383	1 1	102,552	1 1
Loss on Bad Accts. ....	36,023	0 3	65,357	0 6	123,240	1 0	207,663	2 1
Interest Expse .....					48,894	0 4	120,589	1 2
Federal Income Tax Provision .....	70,500	0 6	45,038	0 4				
Net Profit .....	559,714	4 8	319,043	2 9	541,464 d	4 2 d	1,508,330 d	15 6 d
OPERATING EXPENSE ANALYSIS								
Total Expense (Selling, Gen & Admin Expse) Including the following important expense items .....	\$3,064,576	26 0	\$2,960,289	27 0	\$4,149,839	32 7	\$3,440,676	35 6
Salaries .....	1,730,729	14 8	1,680,357	15 3	2,227,318	17 5	1,730,987	17 9
Advertising .....	525,719	4 5	517,158	4 7	655,126	5 1	512,062	5 2
Rent .....	174,624	1 5	186,821	1 7	391,935	3 1	284,140	2 9
Taxes—Real, personal & Corp .....	127,082	1 1	121,726	1 1	103,737	0 8	293,617	3 0

## EXHIBIT U-27o

## EXHIBIT "C"

*The Higbee Company and subsidiaries—Reconciliation of surplus*

	1-31-30	1-31-31	1-31-32	1-31-33
Adjusted Surplus at beginning of year (Combined Profit & Loss & Unearned) .....	\$3,418,869	\$2,288,080	\$2,149,330	\$1,183,801
Add:				
Net Profit .....	559,714	319,043	541,464 d	1,508,330 d
Federal Tax Prov. adj or Refund .....		477	45,038	21,354
Dividends Rescinded .....			150,000	
Deductions from earned surplus:				
Dividends:				
Stock .....	1,000,000			
Cash .....	640,493	414,980		
Reorganization Expense .....	20,000	19,373		
Extraordinary expense (new store) .....			597,306	
Write-down of Furniture & Fixtures .....				1,479,894
Premium on Preferred Stock .....	8,213	2,118		
Charge-off of Euclid Ave. Store property (to earned Surplus) .....				642,535
Charge-off of Euclid Ave. Store property (portion charged to Unearned Surplus) .....				1,297,628
Write-down of Investments .....				42,247
Miscellaneous charges to Unearned Surplus .....	21,798	21,798	21,798	
Surplus at end of year .....	\$2,288,080	\$2,149,330	\$1,183,801	\$3,765,280 d

## EXHIBIT U-27p

## HIGBEE COMPANY

## SUMMARY AND CONCLUSIONS

The principal interest of the Union Trust Company in this situation is the commercial loan of \$317,000 which is offset by an impounded cash balance of \$103,866. Another consideration, however, is the effect that any action we might take would have upon the success of the whole terminal development in which we have a substantial interest.

Aside from the Union Trust Company, the principal interests in this situation are as follows:

*Cleveland Terminals Building Company*

- (a) Owner of entire common stock
- (b) Endorser of \$1,551,042 paramount of notes of Higbee Company pledged as security for a loan from the "New York Bank Credit."
- (c) Owner of Higbee store building.

*Van Ess Company*

- (a) Endorser of \$1,292,535 note (included above) pledged with "New York Bank Credit".

*"New York Bank Credit"*

- (a) Owner of Higbee notes payable \$1,551,042 endorsed by Cleveland Terminals Building Company and in part by Van Ess Company.

The New York Bank Credit is a group of banks headed by J. P. Morgan & Company that has advanced a sum of more than \$40,000,000 to the Cleveland Terminals Building Company and the Van Ess Company.

*Metropolitan Life Insurance Company*

- (a) Holder of \$8,000,000 First Mortgage 5-½% Cleveland Terminals Building Company secured by a first mortgage on Higbee store building.
- (b) Owner of \$443,800 notes payable of Higbee Company accepted as payment of interest on the mortgage bonds.

*Other Bank Creditors*

Cleveland Trust Company.....	\$300,000
Midland Bank Company.....	250,000
Guardian Trust Company.....	200,000
J. P. Morgan & Company.....	533,000

*Preferred Stockholders*

The voting control of the company will rest in the hands of the preferred stockholders at the annual meeting in June. While the concern is in effect in the hands of its creditors, the junior interests have certain rights and if properly organized, would have to be considered. The first preferred stock was sold publicly and as far as we know, there are no particularly large holdings of either class of stock.

## EXHIBIT U-27-q

The Higbee Company at the present time is not soundly financed but is being carried along by its creditors. Mr. G. E. Merrifield, a representative of the Morgan interests, was recently made an officer of the company and is now active in its management. The company has been unable to secure a larger volume of sales in its new store building and while operating expenses last year were approximately the same as they were at the old store on Euclid Avenue, a substantial loss was incurred. Working capital is inadequate and further operating losses if reflected in a decline in working capital might hamper operations to a serious degree. It appears to be entirely out of the question to expect immediate payment of our note and under the circumstances, there is a rather vital question as to whether the interests of the Union Trust Company would be best protected by permitting continued operation or by forcing an immediate reorganization or receivership.

*Reorganization.*—A reorganization would be desirable only if new capital could be supplied. None of the present interests appear able or willing to supply

additional capital. A possible source of capital that occurs to us is the former owners of the common stock who sold out for a price of \$7,500,000. In a thorough reorganization of the company these interests might be induced to provide some additional capital for the business.

*Receivership.*—A receivership should be forced at this time only if a liquidation of the company appears advisable. Even in that event, consideration should be given to the possibilities of continued operation for a limited period during which efforts would be made to reduce inventories and receivables. The bank creditors are in a rather strong position due principally to the subordination of the Term Indebtedness (\$1,551,042) to the Bank Notes Payable. Any estimates of recovery in liquidation are necessarily very inaccurate but in order to give some idea of the position of the banks, we present the following figures. These figures are only approximate and no consideration is given to the expenses of a receivership or the possibility of other creditors establishing priorities. Sixty percent recovery of current assets is assumed.

	Approximate Amount		Approximate Amount
Total Indebtedness.....	*\$4, 100, 000	Total Current Assets.....	*\$2, 750, 000
Bank Notes Payable.....	*\$1, 280, 000	60% Recovery .....	1, 650, 000
Term Indebtedness.....	1, 500, 000	Amount applicable to bank debt.....	1, 122, 000
	2, 780, 000		
% of Total Debt.....	68%		

The effect of the subordination is to make any payments made or applicable to the term indebtedness available for the bank debt. Using the above figures, a 60% recovery on current assets would result in an 87% recovery by the banks. Actually, the experience would probably not be as favorable due to receivership expenses, etc., although the entire bank debt might very well be taken care of eventually by recovery from furniture and fixtures and from the sale of real estate in the terminal area held as collateral security.

EXHIBIT U-27r

*Continued Operation.*—Receivership at best is an uncertain proposition and if the enterprise has any chances of ultimate success, continued operation would be advantageous. If operation is to be continued there must be some assurance that further cash losses will not be great and that they will be kept at an absolute minimum. All of the interested parties have cooperated to this end through reductions and cancellations of interest and rental payments, but it is possible that further operating economies might be put into effect by eliminating some of the most unprofitable departments at least temporarily and perhaps through a reduction in the amount of floor space used. Operation will not be possible without the continued cooperation of all of the creditors and if the other Cleveland Banks are willing to go along, there appears to be no reason why we should not. There are interests that have a much larger stake in the terminal development than we have and any definite improvement in the situation might make it possible for us to demand payment while in the meantime we should insist on rigid control of inventories and receivables.

The continued operation of the business appears to be the most desirable alternative at the present time, particularly in view of our other interests in the terminal development and also the general importance of that project to the city of Cleveland.

As somewhat of a side issue in this situation, it is suggested that our attorneys should investigate what effect an offset of the impounded cash balance against the note payable we hold would have on the position of the unpaid balance of the note with respect to the other bank creditors. This may be governed by the various "agreements" which have been drawn up and which are commented on in the attached report.

FG

9 R. B. B.  
5-22-33

\* Giving effect to an offset of impounded cash against bank notes and the preferred claim of the banks against the life insurance cash values (about \$120,000)

EXHIBIT U-27s

HIGBEE COMPANY

*Union Trust Company Interests*

*Commercial Loan (Secured), \$317,000*

*Impounded Cash, \$103,866*

*Estates Trust Department*

361 Shares Cumulative 7% First Preferred

44 Shares Cumulative 8% Second Preferred

*Trustee*

Euclid Thirteenth Chester (Higbee Corner) Leasehold Trust Certificates.

*Transfer Agent and Registrar*

Cumulative 7% First Preferred Stock

Cumulative 8% Second Preferred Stock

Common Stock

*Union Trust Company Bond Department (Union Cleveland Corporation)*

Associated in underwriting and public sale of the following securities:

(1922) 8% First Preferred Stock

(1923) 7% First Preferred Stock

(1925) Euclid East Thirteenth Chester Leasehold Trust Certificates.

EXHIBIT U-28

THE HIGBEE COMPANY

June 3 1933

Jun 7 4 45 PM 1933

SUMMARY OF AGREEMENT JULY 1, 1932

The parties to this agreement were:

The Higbee Company—Department store operator.

The Cleveland Terminals Building Company—Owner of premises occupied by The Higbee Company.

The Metropolitan Life Insurance Company—Owner and holder of all the first mortgage bonds of the Cleveland Terminals Building Company, to which all rights, rentals and revenues accruing to the Terminals Building Company, under a lease of which The Higbee Company is lessee, are assigned.

The following banks are holders of notes of The Higbee Company:

The Union Trust Company	-----	-	-	-	-	-	-	\$317,000
The Cleveland Trust Company	..	-----	-	-	-	-	-	300,000
Midland Bank	---	-----	-	-	-	-	-	250,000
The Guardian Trust Company	..	-----	-	-	-	-	-	200,000
J. P. Morgan & Co.	---	-----	-	-	-	-	-	533,000
Total	-----	-	-	-	-	-	-	\$1,600,000

The Van Ess Company—This company is a holder of a note of The Higbee Company endorsed by the Cleveland Terminals Building Company, dated October 30, 1931, maturing October 30, 1932, in the amount of \$1,250,000. This has been pledged with New York Bank Credit as collateral security for indebtedness of Van Ess.

The New York Bank Credit—Holder of notes of The Higbee Company as collateral security in the amount of \$1,500,000, being one note of \$1,250,000 and one note of \$250,000.

*The purpose of the Agreement.*

A. Modify terms of rental set forth in leases and provide for settlement of accrued rent.

B. Provide for substitution for new notes of \$1,600,000 to the banks and adjustment of interest thereon.

C. Modify the terms as to interest upon notes of Higbee aggregating \$1,500,000 *Agreement provided*

A. Higbee shall deliver promissory note of \$413,000 dated July 1, 1932, maturity October 1, 1932, to the The Guardian Trust Company, trustee, this to be accepted by the Metropolitan in settlement of rental to July 1, 1932. Also deliver notes of \$30,800 to Terminals in settlement of rentals to July 1, 1932. Renewals of the above two notes provided for up to March 1, 1933.

## EXHIBIT U-28a

B. From and after July 1, 1932, until termination of agreement, the rental to be paid by Higbee shall be the portion of net earnings remaining after all operating expenses, including taxes, interest at 4% on the debt of \$1,600,000 and upon the \$443,800 previously referred to, said rental in lieu of rental provided in original lease.

C. Notes of Higbee outstanding to banks to be surrendered and substituted by notes due October 1, 1932. Renewal notes provided to be accepted on October 1, 1932 and January 1, 1933. Said renewal notes to have equal security and benefit with the notes surrendered.

D. Agreement terminable by any of the parties as of December 30 or December 31, 1932, otherwise it expires February 28, 1933. Notice to be given by any party by mailing notice to the other party not later than December 30 or December 31.

E. Accrued interest on the \$1,500,000 of notes previously referred to shall cease as of July 1 and shall not accrue except out of net earnings as defined in detail in the agreement.

F. Metropolitan shall procure agreement of Guardian Trust Company, Trustee, to the terms herein.

G. Higbee agreed to make no payments on its indebtedness herein set forth except in accordance with provisions of the agreement.

H. Provisions of lease from Terminals to Higbee shall become in full force and effect upon signing of agreement.

I. This agreement has no effect on the obligations referred to except as specifically modified and only for the terms of the agreement.

J. The termination of the agreement by expiration or by action shall in no wise effect the validity of any evidence of indebtedness.

## EXHIBIT U-29

MAY 20, 1932

Mr. WILBERT WARD,  
Ass't. Vice President,  
The National City Bank of New York,  
New York, N.Y.

DEAR SIR: This is in reply to your letter of May 18 regarding The Higbee Company, Cleveland, Ohio.

It is our opinion that considering the condition of the company's finances, it should be either discounting trade obligations or paying them when due. It is true, of course, that the open winter slowed up trade in this section materially and possible the company's receipts were not what had been expected.

A recent mercantile report contained figures of January 31, 1932, at which time current assets were listed at \$4,600,000 and current liabilities \$3,094,000, of which \$1,600,000 was bank debt.

We know of no reason why The Higbee Company should not be considered at this time as worthy of its mercantile requirements. The present management is experienced and has always been successful.

Very truly yours,

————— Vice President.

WT:E-6

## EXHIBIT U-30

JUNE 23, 1932.

Mr. WM. FEICK,  
Vice Pres., Irving Trust Company,  
New York City.

DEAR BILL: The Credit Department received a letter under date of the 20th from your Mr. O'Brien in regard to The Higbee Company. Now, we are not in a position to give any very pretty picture of The Higbee Company. They started in last year before the holidays, in the new location. The Van Sweringens bought the Higbee Company and paid a large price for it, built a building on the public square and moved the company into it. The rental is too high for any store to be able to pay and show a profit.

In addition to the above, they did not have enough working capital. They owe the banks \$1,600,000, as mentioned in the letter, which has not been extended until 1933. We are renewing it for a thirty-day period, as requested by them.

Their current position is not a very satisfactory one. Their current liabilities are \$3,018,000, and in addition thereto they have a long-term note of \$1,500,000, which is due October 30, 1932, subject to a renewal to October 30, 1934. This note is subordinated to the notes to the Cleveland banks. Their quick assets are approximately \$4,000,000, made up of half inventory and half accounts receivable and cash. In addition thereto, they have a fixture account of about \$2,000,000. The company has lost money ever since they have been in business.

The Metropolitan Life Insurance Company has an \$8,000,000 mortgage on the building which they occupy, which is owned by the Cleveland Terminals Building Company. This is not what I would call an A-1 credit, but they tell me they are paying their merchandise creditors according to the terms on which the merchandise is sold, and their accounts payable to the merchandise creditors runs about \$500,000.

I am giving you more than I would give to an outside inquiry, and will ask you to treat it as confidential.

There must be some re-organization of this company, either by new capital or a readjustment of their current debt; but how that is to be accomplished I don't know.

Very sincerely yours,

\_\_\_\_\_  
Vice Chairman of the Board.

JRK R

\_\_\_\_\_  
EXHIBIT U-31

JUNE 25, 1932.

Mr. C. M. WILSON,  
Ass't. Credit Manager,  
Chemical Bank & Trust Company,  
New York, N.Y.

DEAR MR. WILSON: Your letter of June 23 regarding the Higbee Company has been referred to the writer for reply in the absence of Mr. Tonks.

It is our opinion that considering the condition of the subject's finances, it should be either discounting trade obligations or paying them when due. It is true, of course, that the open winter slowed up trade in this section materially, and possibly the company's receipts were not what had been expected.

A recent mercantile report contained figures of January 31, 1932, at which time current assets were listed as \$4,600,000 and current liabilities \$3,094,000, of which \$1,600,000 was bank debt.

We know of no reason why The Higbee Company should not be considered as worthy of its mercantile requirements at this time. The present management is experienced and has always been successful.

Truly yours,

\_\_\_\_\_  
Executive Vice President.

\_\_\_\_\_  
EXHIBIT U-32

OCTOBER 22, 1931.

Mr. FRANK M. WILSON,  
2400 Ridge Road,  
Berkeley, California.

Van Sweringen Company First Mortgage and Collateral Trust Sinking Fund 6% Gold Bonds due August 1, 1935:

They were issued in the amount of \$6,500,000 in 1925 and are now outstanding in the amount of \$3,950,000. (Up until the last two years they had a very good market and were quoted around 98 to 100.) The collateral securing these bonds consists of land contracts, mortgages receivable and equities in property in Shaker Heights owned by the Van Sweringen interests. As payments are made of the mortgages and land contracts the proceeds are turned over to the Trustee and are used for retirement of bonds. Similarly, when land is sold the cash and land contracts are given to the Trustee for collateral for the bonds. The fact that over \$2,500,000 of the original amount of bonds have been retired indicates the extent of liquidation in the collateral held by the trustee.

While sales of land in Shaker Heights at the present time are practically at a standstill, nevertheless values have been maintained remarkably well consider-



ing the changes in values in other sections of the City. In my opinion, the current market for the bonds is not a reflection of the security but rather a result of the steady liquidation which has been going on in all kinds of securities. In fact no real estate securities have enjoyed good markets in Cleveland in the last four or five years, with the exception possibly of the Van Sweringen obligations, and in the past eight months the bids for these securities have dried up and every little bit of selling has depressed the market. As conditions in the securities market improve over a period of time the favorable sinking fund operations should continue to improve the market considerably for these bonds.

CCW:GT

## EXHIBIT U-33

CLEVELAND, OHIO, *May 10th, 1930.*

The UNION TRUST COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: Reference is made to The Vaness Company loan in the amount of \$9,000,000.00, in which we have a participation. The collateral under this loan is now as follows:

- 100 shares of The Cleveland Terminals Building Company common stock,
- 122,000 shares of The Van Sweringen Company common stock,
- 32,893 shares of The Terminal Properties Company first preferred stock,
- 33,187 shares of The Terminal Properties Company second preferred stock,
- 99,222 shares of The Terminal Properties Company common stock.

We hereby agree to the substitution by The Vaness Company of 600,000 shares of Van Sweringen Corporation common stock in place of the 100 shares of The Cleveland Terminals Building Company common stock, and further agree to your delivery to The Vaness Company of said 100 shares of The Cleveland Terminals Building Company common stock when they have delivered to you the 600,000 shares of Van Sweringen Corporation common stock.

Very truly yours,

Participation \$2,500,000.00.

THE GUARDIAN TRUST COMPANY  
By J. A. HOUSE, *Pres.*

Participation \$1,200,000.00.

THE MIDLAND BANK,  
By E. E. BARKER, *Vice President.*

Participation \$3,300,000.00.

THE CLEVELAND TRUST COMPANY  
By HARRIS CREECH, *Pres.*

Approved by M. Mutt for Union Mrt. Co.

5/10/30  
W.J.O.N.

## EXHIBIT U-33a

CLEVELAND, OHIO, *May 10th, 1930.*

Received of The Union Trust Company Certificates for an aggregate of one hundred (100) shares of the common stock of The Cleveland Terminals Building Company, released as collateral from the \$9,000,000.00 loan of the undersigned, evidenced by its note to The Union Trust Company, dated November 1st 1929, upon substitution therefor of Certificates Nos. X 4 and X 5 for five hundred thousand (500,000) and one hundred thousand (100,000) shares respectively of the common stock of Van Sweringen Corporation, in the name of The Terminal Building Company, with consent to hypothecate and blank endorsements. Said certificates of The Cleveland Terminals Building Company stock are accompanied by certificates of authority to pledge signed by the respective stockholders and also received herewith, and said certificates are issued in the following names and endorsed in blank—

Certificate number	In name of	Number of shares
2	John P. Murphy.....	2
4	D S Barrett, Jr.....	2
7	M J Van Sweringen.....	2
8	O P Van Sweringen.....	2
9	Ralph H. Sharpe.....	1
10	The Terminal Building Co.....	89
11	C L Bradley.....	2

THE VANESS COMPANY,  
By J. J. ANZALONA, Ass't Treas.

5/10/30 Rec'd the substitute collateral described above.

THE UNION TRUST CO.,  
By W. J. ORCUTT, V P

EXHIBIT U-34

APRIL 13, 1933.

2512 Terminal Tower.

Mr. R. S. CRAWFORD,  
*The Union Trust Company,*  
*Cleveland, Ohio.*

DEAR MR. CRAWFORD I have read the report of the Examining Committee consisting of Directors E. P. Lenihan, R. C. Norton and Ralph T. King. I find my name mentioned in connection with four different items as follows:

No. 1, J. P. Harris: "We should get life insurance. Committee was under impression Mr J. R. Nutt guaranteed this loan, but has not been able to find such a guarantee on file."

No. 2, Van Sweringen Loans: "These immense loans, we understand, were sponsored by Mr. J. R. Nutt, C. L. Bradley and their associates in the Van Sweringen deals, who, although connected with the bank in an official capacity, were also prominently connected with the Van Sweringen operations."

No. 3, Daisy Hill Company: "We are informed that the loan of \$51,000.00 made at Terminal Office on March 7, 1930, was declined at the Main Office, and subsequently made through the Terminal Office on the authority of Mr. Nutt."

No. 4, Fayette Title & Trust Bldg.: "In addition to marketable securities we hold note of the above company for \$475,000.00 dated December 4, 1931, due in one year, secured by deed of trust conveying title to a eleven-story bank and office building in Uniontown, Pa., and certain coal and mining rights located in Marshall and Ohio Counties, W.Va. The building is now being operated by the trustee, who so far has been able to pay the interest on the loan and make reductions on the principal. This loan was made November 1, 1930, in the amount of \$625,000.00 by Mr. Nutt.

"Committee Comment: Can we get other collateral?"

I desire to make the following comments:

No. 1 I loaned to Mr. J. P. Harris 2,000 shares The F. E. Myers & Bro. Company stock, at the time selling at \$40.00 per share, and I had previously loaned him \$10,000.00 on his unsecured note. The Myers stock was used, with my permission, by Mr. Harris, as collateral to his loan. As security against my loan to him he gave me a lien by proper assignment filed in our Trust Department against his life insurance trust. Your Committee had not the slightest

EXHIBIT U-34a

foundation for being "under impression Mr. J. R. Nutt guaranteed this loan", and was not justified in making such a statement.

No. 2: The understanding of the Committee is not correct. I never sponsored loans to the Van Sweringen interests. These loans were approved by the Finance Committee of which Mr. J. R. Kraus is Chairman, (of which I have never been a member), before being made. At the time the loans were made, the Finance Committee doubtless considered that they had ample security and that the loans were good.

No. 3: I believe the statement that the loan of \$51,000.00 to the Daisy Hill Company at the Terminal Office had been declined at the Main Office, is not true.

At least I never heard of it. If Mr. Armstrong at the Terminal Office asked me about the loan, I doubtless told him I thought it was all right but I do not remember that he ever made any inquiry. Over ten months later, on January 24, 1931, The Daisy Hill Company made a loan of \$487,000.00 at the Main Office. The records of the Finance Committee will show that it was approved by that Committee, and doubtless they will also show that the \$51,000.00 at the Terminal Office was also approved, as I understand that all large loans made at our branch offices are approved by the Committee before being made.

No. 4: I recommended the original loan of \$625,000.00 to Fayette Title & Trust Building and the Finance Committee approved it. This loan was reduced to \$459,737.50 at the time of the Examiners' Report. Since that date the following payments have been made:  
1933:

January 1st.....	\$3, 757. 50
April 1st.....	3, 000. 00

present balance on loan is \$453,000.00, interest paid to April 1st. I think this loan is secure and that it will eventually be paid in full. It is not possible to get any additional collateral for the reason that the Union Trust Company now holds everything owned by the Fayette Title & Trust Building.

Will you kindly place this letter with the Examiners' Report and oblige  
Sincerely yours,

J. R. NUTT.

(Copy for Mr. Cox.)

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EXHIBIT U-35

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

*O. P. and M. J. Van Sweringen, \$2,800,000.00, \$4,100,000 00.*—Former item in this Bank's participation in a \$9,000,000 loan, other participants being the Cleveland Trust Co. and the Guardian Trust Co. The loan is collateralized by 97,500 shares of Vaness Co., common, which is the key company to all of the Van Sweringen operations. Due to the tremendous shrinkage in valuation of the railroad securities and other companies in which the Van Sweringens are interested, it is believed that this stock has no value at this time. Its future value is problematical depending entirely on a recovery of business conditions. The latter item is a direct advance to the individuals and is collateralized by 16,250 shares of Vaness Co., common, 9,000 shares of Vaness Co., preferred, and 10,296 shares of Metropolitan Utilities Inc. Both loans are delinquent in interest since July 1, 1931. They are statutory losses and the examiner has classed the line as an entire loss.

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EXHIBIT U-36

JANUARY 26, 1933.

Mr. H. C. ROBINSON,  
*Executive Vice President The Guardian Trust Company  
Cleveland, Ohio.*

Re: O. P. and M. J. Van Sweringen Loan Proposed proxy on Vaness Company Stock.

DEAR MR. ROBINSON: Referring to the suggestion in your letter of the 23rd instant as to the pledging of Vaness Company Stock in New York, it appears that on or about October 30, 1930 the note of the Vaness Company for \$9,000,000., representing a loan in which the banks had participated, was cancelled and the collateral surrendered, and there was substituted therefor the note of O. P. and M. J. Van Sweringen, with 97,500 shares of stock of the Vaness Company as collateral, and certificates of participation in this new loan were issued to the banks. Therefore, the banks, as participants in this loan, would not be in a position to object to the pledge made by the Vaness Company in New York, and it is my understanding that all of the local banks knew at that time that the New York pledge was being made.

[ In this connection it is interesting to note that on November 6th 1930 notes of Metropolitan Utilities, Inc., representing its loan, participated in by the Cleveland banks, which notes bore the guaranty of the Vaness Company, were surrendered, and notes of Metropolitan Utilities, Inc., bearing the guaranty of O. P. and M. J. Van Sweringen were substituted, and that at this time the old certificates of participation were taken up and new certificates, showing the change in the guaranty, were issued. On November 20th 1930 new notes were again substituted, bearing the guaranty of the Vaness Company instead of the guaranty of O. P. and M. J. Van Sweringen. While the writer does not know it, it appears to him likely that between the dates of November 6th 1930 and November 20th 1930 the New York pledge was made, and it seems likely also that the New York creditors required that there be no substantial outstanding liability of the Vaness Company, even a contingent liability such as its guaranty on the Metropolitan Utilities, Inc. loan, at the time when the New York pledge was being made.

## EXHIBIT U-36a

We have now received the consent of The Cleveland Trust Company and The Midland Bank to the giving of the proxy requested by the Vaness Company management. At our request the annual meeting of the Vaness Company was postponed for one week. This will give the banks an opportunity to consider whether or not they wish to have representation on the new Board.

Very truly yours,

WJO, N-c

\_\_\_\_\_, Vice President.

## EXHIBIT U-37

JANUARY 18, 1933.

The CLEVELAND TRUST COMPANY,  
Cleveland, Ohio

Attention: Collateral Loan Department.

GENTLEMEN: As a part of the collateral for the \$9,000,000.00 loan to O. P. and M. J. Van Sweringen, in which you are a participant, there is held, as you know, a certificate for 97,500 shares of the Common Capital Stock of The Vaness Company, in the name of our nominee.

Messrs. O. P. and M. J. Van Sweringen have now requested that we execute and deliver to Mr. Charles W. Stage, Secretary of The Vaness Company, a proxy for said stock in the following form—

“Know all men by these presents, that I, the undersigned stockholder of THE VANESS COMPANY, do hereby constitute and appoint CHARLES W. STAGE, JOHN P. MURPHY and JOHN CONNELL, and each or either of them, my true and lawful attorneys, in my name, place and stead to vote upon all capital stock owned by me or standing in my name, as my proxy, at the annual meeting of the stockholders of said corporation, to be held at 3500 Terminal Tower, Cleveland, Ohio, on the 24th day of January, 1933, at two o'clock P. M., and on such other day as the meeting may be thereafter held by adjournment or otherwise, according to the number of votes I am now or may then be entitled to cast, hereby granting to said attorneys or attorney full power and authority to act for me and in my name at the said meeting or meetings, in voting for Directors of said Corporation or otherwise, and in the transaction of such other business as may come before the meeting or meetings, as fully as I could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my said attorneys or attorney or substitutes or substitute may do in my name, place and stead.

A majority of said proxies present at said meeting or any adjournment thereof, shall have the right to exercise the foregoing powers, and if only one proxy is present, he shall have the rights above vested in said proxies.

EXHIBIT U-37a

In witness whereof, I have hereunto set my hand and seal this — day of January, 1933.”

Before delivering said proxy we desire to have your advice as to whether you approve the giving of it.

Very truly yours,

\_\_\_\_\_, Vice President.

WJO'N-c

EXHIBIT U-38

THE GUARDIAN TRUST COMPANY,

(Capital and surplus sixteen million dollars)

CLEVELAND, *January 23, 1933.*

Member Federal Reserve System 300

H. C. ROBINSON  
*Executive Vice President*

Mr. W. J. O'NEILL,  
*Vice President, The Union Trust Company,  
Cleveland, Ohio.*

DEAR MR. O'NEILL: Referring to your letter of January 18th and to our telephone conversation pertaining to it on Friday of last week, the stock held by you in the Vaness Corporation, as Trustee for the participants in the Nine Million Dollar loan, represents sixty per cent interest of the entire capital of the Vaness Company.

It seems to me that owing to the fact that the Trustee has such a large stock interest he should be represented in some manner in a corporation setup for 1933, especially in view of the fact that no payments are being made upon the interest or principal of the participated loan.

I am aware of the fact that most of the securities in the Vaness portfolio, upon which we depended when we made the loan, have been shifted to New York. Whether or not the pledging of these securities was done with or without the knowledge of the Trustee I am not advised but, irrespective of that, it may be that in the future some policy may be taken by the Vaness management which would be harmful to our interests and I feel that the banks should have some one representing them on the Board who would know in advance of the establishment of any policy which might affect our loan one way or another and advise the interested banks promptly in reference thereto.

It is for the purpose of having this matter discussed that I feel disposed to withhold our consent to the proxy requested.

I would like to know what you think about the suggestion and how The Cleveland Trust would feel about it also.

With kind regards, I am  
Very truly yours,

H. C. ROBINSON,  
*Executive Vice President.*

HCR-CT.

EXHIBIT U-39

CLEVELAND, OHIO, *May 12th, 1930.*

THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: Reference is made to The Vaness Company loan in the amount of \$9,000,000.00, in which we have a participation. The collateral under this loan was as follows:

- 100 shares of The Cleveland Terminals Building Company common stock,
- 122,000 shares of The Van Sweringen Company common stock,
- 32,893 shares of The Terminal Properties Company first preferred stock,
- 33,187 shares of The Terminal Properties Company second preferred stock,
- 99,222 shares of The Terminal Properties Company common stock.

On May 10th, we agreed to the substitution of 600,000 shares of Van Sweringen Corporation common stock in place of 100 shares of The Cleveland Terminals Building Company common stock, and we hereby agree to a new loan to be made by The Vaness Company, in the amount of \$9,000,000.00, to be dated May 13, 1930, the collateral under which loan is to be as follows: (Payable On Demand)

- 600,000 shares of Van Sweringen Corporation common stock,
- 122,000 shares of The Van Sweringen Company common stock.

Our participation in this new loan is to be \$2,500,000.00.

Very truly yours,

THE CLEVELAND TRUST COMPANY,  
By HARRIS CREECH, *Pres.*

## EXHIBIT U-42

## MEMORANDUM

MAY 16, 1933.

Re: Alleghany Corp.

The future of Alleghany Corp. depends upon—

(1) Continuation of Chesapeake Corp. dividends and appreciation in Chesapeake Corp. stock owned by Alleghany.

(2) Release of impounded cash out of the bond issues of 1944-1949 to insure the payment of interest on the bond issue of 1950 for at least a year from October 1, 1933, during which time it is hoped that Missouri Pacific Railroad will be reset and either some return will be received from the securities or appreciation of the same will permit of their disposition and retirement of bonds due 1950.

Looking at the principal asset of Alleghany Corp., i. e., Chesapeake Corp., 1,248,900 shares of which are owned by Alleghany Corp., the following is a possibility: If, when and as C. & O. car loadings and earnings for 1933 definitely cross the 1932 figures and the market continues as favorable as it is, there is not only a possibility but a probability that C. & O. stock will sell at 50 or slightly above. This will be more probable if the recapture provision pertaining to the C. & O. and other railroads is repealed. Chesapeake Corp. owns 4,066,508 shares common stock of Chesapeake & Ohio Railway Co. This is 240,000 shares in excess of a majority. Unfunded floating debt of Chesapeake Corp. is at this date \$30,500,000. If 240,000 shares of C. & O. were sold at 50, this debt would be reduced to \$18,500,000 and would be secured by 1,357,208 shares C. & O. common stock on a basis of \$14 per share. It should then be possible to renew this loan for at least a year, and probably longer, at 4% interest. This stock sale would show a profit of \$6,000,000, which would be taxable at 13¾%, equal to \$825,500. Consideration should be given to the sale of 27,500 shares of Pere Marquette Railway common and 69,000 shares of Erie Railroad common to offset in so far as possible this taxable profit.

## EXHIBIT U-42a

Based on 1932 statement, adjusted, the results to the Corporation would be about as follows:

## Income:

Dividend on 3,826,508 C. & O. shares.....	\$9, 566, 270
Other Income.....	20, 000
Total Income.....	\$9, 586, 270

## Expense:

Interest on \$43,000,000 bonds @ 5%.....	\$2, 150, 000
“ “ Loans Payable, \$18,500,000 @ 4%.....	740, 000
“ “ \$200,000 Accounts Payable @ 5%.....	10, 000
Annual Expense.....	60, 000
	\$2, 960, 000

Net Income Available for Dividends.....	\$6, 626, 270
3% Dividend on 1,799,745 shares.....	5, 399, 235

Remainder Available for Other Purposes..... \$1, 227, 035

If, when and as these changes in Chesapeake Corp. are made, the position of Alleghany Corp. would be greatly improved. Assume that the various stocks sell at the following prices:

Chesapeake Corp., @ 60
Missouri Pacific Conv. 5½% Bonds, @ 25
Missouri Pacific Preferred, @ 10
Missouri Pacific Common, @ 5
Pittston Co., @ 1
Terminal Shares, Inc. Notes, @ 50
Capital Cash Deposited, @ 100

Alleghany's due 1944 in the amount of \$31,466,000 would have a collateral appraisal of \$48,332,500 against 150% required valuation of \$47,199,000. The impounded income cash, which amounts to \$1,251,142.27, would be released.

## EXHIBIT U-42b

Alleghany 5's due 1949 in the amount of \$21,938,000 would have a collateral appraisal of \$31,709,000 against 150% required valuation of \$32,907,000. This is short of the requirement by \$1,198,000 so that the impounded income cash of \$623,539.79 would not be released.

Alleghany 5's due 1950 in the amount of \$24,532,000 would have a collateral appraisal of \$11,595,370, slightly less than 50%.

Cash released from Alleghany 5's of 1944.....	\$1, 251, 142. 27
Additional \$1 dividend on 756,000 shares Chesapeake Corp. under Alleghany 5's of 1944.....	756, 000. 00
3% Dividend on 43,900 shares Chesapeake Corp. Stock under Alleghany 5's of 1950.....	121, 700. 00
Available for Interest on Alleghany 5's of 1950.....	\$2, 128, 842. 27
Interest on Alleghany 5's of 1950.....	1, 226, 600. 00

Available for Annual Purchase of Alleghany 5's of 1950.....	\$902, 202. 27
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If, when and as Chesapeake Corp. sold at 65—

Alleghany 5's of 1944 would have \$3,780,000 excess collateral which could be taken down

Alleghany 5's of 1949 would have \$1,037,000 excess collateral, including income cash of \$623,539 which could be taken down

Capital cash of \$334,000 under Alleghany 5's of 1944 and \$152,000 under Alleghany 5's of 1949 would be available for purchase of securities, probably Alleghany 5's of 1950.

OTTO MILLER.

OM:EL

## EXHIBIT U-43

UNION CLEVELAND CORPORATION,  
 THE UNION TRUST COMPANY,  
 CLEVELAND, OHIO, May 23, 1933.  
 Jul 1 11 38 AM 1933

Mr. A. C. CONEY,  
 Vice President & Manager.

Re: Alleghany Corporation.

While the conditions cited in the attached memorandum on Alleghany Corporation are not impossible, I am inclined to believe that they are not likely to be fulfilled during the current year—that is barring any wild inflation in this country

1. The memorandum of Mr. Miller lays stress on appreciation in the market price for Chesapeake & Ohio stock to between 50 and 60 and the sale of 240,000 shares of this stock at 50 to reduce Chesapeake Corporation's indebtedness at Paine-Webber. The stock is currently selling at 36-37, which compares with the following ranges:

1933.....	37 -24%
1932.....	31½- 9¼
1931.....	46½-23%
1930.....	51¾-32%

While it is possible that the market on the stock could be moved to 50 or above by manipulation, if this were accomplished there is some doubt as to the likelihood of the Chesapeake Corporation being able to sell 240,000 shares of the Chesapeake & Ohio stock at that price, for the following reasons:

(a) Chesapeake & Ohio is primarily a coal road and its traffic and earnings have held fairly stable. Because of this fact, and because of the moderate amount of leverage through funded debt, the earnings of Chesapeake & Ohio are not likely to show the rapid increase which might be expected for numerous other carriers, in the event of further business improvement.

(b) In 1929 the net operating revenue of Chesapeake & Ohio reached its peak when earnings reached a total of \$5.27 per share of common stock, based on the present shares outstanding. In the peak of the bull market the old stock only reached 279%, equivalent on present shares to 70, and in 1930 when earnings amounted to \$4.46 per share the high on the stock in a relatively favorable market was 51%.

## EXHIBIT U-43a

(c) On the basis of per share earnings of \$3.06 in 1932, the price of \$50 for the stock would be 17 times these earnings, and granting an increase in earnings during the current year the price of 50 would still be 12 to 14 times probable earnings. Furthermore, at the price of 50, income return would be only on a 5% basis at the \$2.50 dividend. It would undoubtedly be difficult to distribute much stock in the market with this kind of a picture.

2. *Missouri Pacific Railroad Securities*: In view of the present receivership of this road and the impending reorganization, it is probable that the unsecured 5½% Debentures, and the preferred and common stocks will be scaled down drastically, notwithstanding the efforts of Bankers for Alleghany Corporation to obtain as favorable a deal as possible. While an upturn in general business during the current year would undoubtedly be reflected in a substantial increase in Missouri Pacific Railroad earnings and hence improvement in the market price of its securities, the present debentures and preferred stock are so far removed from income as to make a guess on their market values futile. Furthermore, their immediate value as collateral to the Alleghany Corporation 5's is questionable either from an income or a liquidating standpoint.

3. *Terminal Shares, Inc., Notes*: Sufficient information is not available to appraise the assets behind these notes, although it is significant that the Reconstruction Finance Corporation is requesting an impartial investigation of participation of the Missouri Pacific in the acquisition and sale of certain assets, with special reference to the assets of Terminal Shares, Inc.

To my knowledge, the Terminal Shares, Inc. Notes have never had an outside market, and in view of the above considerations, the assumption of a selling price of 50 for the Notes in the near future is hardly warranted.

*Conclusions:*

1. The possibility of Chesapeake Corporation selling 240,000 shares of Chesapeake & Ohio stock at 50 or better during the current year does not appear likely.

2. Until the unfunded debt of Chesapeake Corporation can be reduced substantially, there is probably little chance of increasing the dividend on Chesapeake Corporation stock.

## EXHIBIT U-43b

3. With peak earnings of Chesapeake Corporation of \$3.61 per share, 1932 earnings of \$3.41 per share, large loans to be funded, and an annual dividend of only \$2.00, there is no present basis for anticipating a market of 60 on Chesapeake Corporation stock during this year, in spite of the fact that if Chesapeake & Ohio stock were to sell at \$50, the liquidating value of Chesapeake Corporation stock would approximate \$70 per share.

4. Unless the market on Chesapeake Corporation is moved to considerably above 60, the market value of the collateral back of the Alleghany 5's due 1944 and 1949 will not amount to 150% of the par amount of bonds outstanding, and excess cash income from collateral of each issue over interest requirements cannot be released to the 5's due 1950.

5. Because of default in interest on Missouri Pacific Debenture 5½'s and Terminal Shares, Inc. Notes, income for Alleghany 5's due 1950 will not be sufficient to cover coupon rate, and there will probably be at least a partial default on the coupons of these bonds.

6. There does not appear to be any immediate danger to the interest on Alleghany Corporation 5's due 1944, providing creditors of Chesapeake Corporation do not demand a further reduction in that Corporation's dividend rate, pending funding of the loans payable. However, annual income on the Chesapeake Corporation stock pledged as collateral for the Alleghany Corporation 5's due 1949 is not sufficient to cover interest on these bonds, and in view of the default in interest on other securities pledged back of this issue of bonds, there is danger of a partial default on the coupon after the impounded cash held by the Trustee has been consumed.

C. C. MERRIFIELD, *Assistant Treasurer.*

CCM:K

(This stationery is for inter-department and inter-office use only)

175541—34—PR 20—13



## EXHIBIT U-44

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Cleveland Interurban R.R. Co., \$45,000.00.

Loan is in current condition, interest being paid to January 1, 1933. It is collateralized by 500 shares of the Elect. Depot Co., value undetermined.

## EXHIBIT U-45

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Vaness Co., \$304,183.75.

Interest is delinquent since January 1, 1932. The loan is collateralized by marketable stocks worth \$150,000 together with 1,250 shares of the Cleveland Baseball Co. and 17,999½ shares Trustees of the Calumet Trust. The latter item represents ownership of valuable Chicago Real Estate adjacent to the Terminal district. Definite information is lacking and it is impossible to make an accurate appraisal of the two stocks mentioned. Loan is classed as of undetermined value at this time.

## EXHIBIT U-46

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Van Sweringen Company, \$480,000.00.

Interest is delinquent since July 1, 1931. This company is a holding company for part of the Van Sweringen real estate holdings chiefly their Shaker Heights developments. As security to these loans the bank holds title to several parcels of real estate, value of which cannot be determined at this time. Several years ago the properties were appraised in excess of \$700,000. At the present time unpaid taxes on the above pledged properties amount to more than \$25,000. The loan appears very doubtful at best and its outcome cannot be determined at this time. The bank also holds mortgage loans totaling \$344,000 which are carried in the mortgage loan department.

## EXHIBIT U-47

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Terminal Building Company, \$557,000.00.

Loan is signed jointly by the Vaness Co. It matured on July 11, 1932 and interest is unpaid. This company is a holding company for a number of parcels of real estate in the vicinity of the Terminal developments. The loan is collateralized by title to several parcels of real estate in the vicinity of Pittsburgh Ave., value of which cannot be determined at this time.

## EXHIBIT U-48

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

J. D. Templeton, End. O. P. & M. J. Van Sweringen, \$6,345.83.

No information is available on borrower. Apparently depends entirely on endorsers.

## EXHIBIT U-49

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

Metropolitan Utilities Inc., \$2,100,000.00.

Note matured on Aug. 15, 1932 and a new note received in the amount of \$2,197,986.90, the difference in amount of the two items representing interest which was then due and which the company was unable to pay. Metropolitan Utilities Inc. represents the traction interests of the Van Sweringens. This loan is a participation in a loan of approximately \$4,800,000 which is participated in jointly with other local banks. The total loan is secured by the following collateral: 100 sh. Traction Stores Co., 100 shares Cleveland Traction Terminals Co., 1,465 shares Cleveland Interurban R.R. Co., \$4,331,444.72 note of the Cleveland Interurban R.R. Co. due November 15, 1932, \$73,565.95 note of the Traction Stores Co. due 11-15-32, and \$989,069.86 note of the Cleveland Traction Terminals Co. due 11-15-32, also any equity in 5,800 shares Cleveland & Youngstown R.R. Co. which is pledged to the N. Y. C. R.R. Co. It is impossible to make any definite appraisal of the collateral held due to lack of sufficient credit data, and due to the fact that the affairs of the various companies are so much interwoven. It is apparent that the banks can do nothing to improve their position and the loan has been classed doubtful pending future developments. The loan is guaranteed by the Vaness Co.

## EXHIBIT U-50

INFORMATION TAKEN FROM FILE OF METROPOLITAN UTILITIES, INC. AT THE UNION TRUST COMPANY

## METROPOLITAN UTILITIES, INC. (OHIO CORPORATION)

Incorporated March 21, 1929.

Purpose of Incorporation: Has broad general powers in connection with acquiring, holding and selling securities, evidence of indebtedness, etc., to aid in any manner any corporation, association, firm, or individual, whose stock or other evidences of indebtedness are held by the corporation directly or indirectly, to enter into, assist, promote, conduct, perform, or participate in every kind of commercial, mercantile, mining or industrial enterprises, etc. in the United States or any foreign country. For further powers refer to Articles of Incorporation.

Original Stockholders: The Vaness Company; 10,526 shares.

Present Stockholders: The Vaness Company; 10,547 shares.

Original Capitalization: Authorized, 15,000 shares, no par value. Issued 10,526 shares, no par value.

Present Capitalization: Authorized, 15,000 shares, no par value. Issued, 10,547 shares, no par value.

## EXHIBIT U-51

(Information taken from file of Metropolitan Utilities, Inc., at The Union Trust Company)

## FURTHER INFORMATION RE CORPORATIONS CONTAINED IN FOLDER OF DECEMBER 31, 1932 BALANCE SHEETS

The Cleveland Interurban Railroad Company (Ohio Corporation) incorporated March 24, 1913. Formed for the purpose of constructing, owning, maintaining and operating a line of street railway for the transportation of passengers, packages, express matter, U.S. mail, baggage and freight, using electricity or other motive power, other than steam or animal power, etc.

Original stockholders:	<i>Shares</i>
W. S. Havden .....	1
Otto Miller .....	1
J. R. Nutt .....	1
W. D. Turner .....	1
O. P. Van Sweringen .....	46
	<hr/> 50

<b>Present Stockholders:</b>	<i>Shares</i>
B. L. Jenks-----	1
John P. Murphy-----	1
D. S. Barrett, Jr-----	1
C. L. Bradley-----	1
Geo. D. McGwinn-----	1
Metropolitan Utilities, Inc-----	1,460
	1,465

Original capitalization: Authorized, 50 shares, par value \$100 per share.  
 Issued, 50 shares, par value \$100 per share.

Present capitalization: Authorization, 1,500 shares, par value \$100 per share.  
 Issued, 1,465 shares, par value \$100 per share.

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EXHIBIT U-52

(Information taken from file of Metropolitan Utilities, Inc. at the Union Trust Company)

THE CLEVELAND & YOUNGSTOWN RAILROAD COMPANY (OHIO CORPORATION)

Incorporated: July 18, 1911.

Purpose of Incorporation: Formed for the purpose of constructing, acquiring, owning, leasing, operating and maintaining a railroad, to be operated by steam or other motive power, having Cleveland, Ohio and Youngstown, Ohio, for its terminal, and passing in and through counties of Cuyahoga, Geauga, Portage, Trumbull and Mahoning.

<b>Original stockholders:</b>	<i>Shares</i>
O. P. Van Sweringen-----	3
M. J. Van Sweringen-----	2
C. W. Fuller-----	1
John L. Cannon-----	1
B. L. Jenks-----	1
W. E. Pease-----	1
W. D. Turner-----	1
	10

Present Stockholders: Metropolitan Utilities, Inc.; 5,800 shares.

Original Capitalization: Authorized, 100 shares, par value \$100 each. Issued, 10 shares, par value \$100 each.

Present Capitalization: Authorized, 6,000 shares, par value \$100 each. Issued, 5,800 shares, par value \$100 each.

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EXHIBIT U-53

(Information taken from file of Metropolitan Utilities, Inc. at The Union Trust Company)

FURTHER INFORMATION RE CORPORATIONS CONTAINED IN FOLDER OF DECEMBER 31, 1932 BALANCE SHEETS

The Cleveland Traction Terminals Company (Ohio Corporation) incorporated January 12, 1921. Formed for the purpose of purchasing or leasing depot grounds and locating, constructing and maintaining a common or union station house, etc.

Original Stockholders: The Vaness Company, 100 shares.

Present Stockholders: Metropolitan Utilities, Inc., 100 shares.

Original Capitalization: Authorized, 100 shares, par value \$100 per share. Issued, 100 shares, par value \$100 per share.

Present Capitalization: Same.

## EXHIBIT U-54

(Information taken from file of Metropolitan Utilities, Inc. at The Union Trust Company)

FURTHER INFORMATION RE CORPORATIONS CONTAINED IN FOLDER OF DECEMBER 31, 1932 BALANCE SHEETS

The Traction Stores Company (Ohio Corporation) incorporated March 17, 1922. Formed for the purpose of establishing, maintaining and operating a chain of stores for the sale of general merchandise, etc.

Original Stockholders: The Vaness Company, 100 shares.

Present Stockholders: Metropolitan Utilities, Inc., 100 shares.

Original Capitalization: Authorized and Issued, 100 shares, no par value.

Present capitalization: Same.

## EXHIBIT U-55

APRIL 21, 1933.

Mr. Nutt called on his own initiative. Mentioned:

1. Personnel as reason for slow sale of First National Stock.
  2. That he and his employees had subscribed liberally.
  3. Invited the writer to lunch with himself and the Van Sweringens. Circumstances did not permit acceptance.
  4. That he had been the endorser of a \$4,000.00 note of one of our employees which he had taken up.
  5. That Mr. Baldwin had refreshed his memory as to certain delay in turning in the \$130,000.00 check referred to in the previous memorandum.
  6. That he would welcome an investigation of the statements made in his letter.
- The writer made no comment on any of the matters, excepting that we would on our own initiative comply with the request last mentioned above.

O. L. C.

## EXHIBIT U-56

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## THE UNION TRUST COMPANY

CLEVELAND, OHIO, August 16, 1933.

Mr. OSCAR L. COX,  
*Special Deputy Superintendent of Banks.*

DEAR MR. COX: A detailed memorandum of the information obtained from Darwin S. Barrett, Jr., representative of O. P. and M. J. Van Sweringen, has been inserted in the forepart of your black book on Van Sweringen matters.

By way of summary,

1. At the time the loan of \$8,917,800.00 was made by Morgan to the General Securities Corporation, it was understood that it was to be paid when the Pittston Company financing was completed.
2. The troubles of the Vans did not being in 1929 but in the fall of 1930. At that time they needed new money. They were unable to obtain it in Cleveland and went to New York. They borrowed \$39,500,000.00 from Morgan and the only way in which it could be obtained was by taking some of the collateral which the Cleveland banks held and giving it to Morgan. This loan has been arranged upon a five-year basis under an agreement whereby Morgan will not call for additional collateral. Interest is not being paid and up to the present time Morgan has been letting the matter ride.
3. The switch of \$800,000.00 from the debt of O. P. and M. J. Van Sweringen to an obligation of the Vaness Company was at the request of the bank. The Vans owed \$7,800,000.00, which was \$800,000.00 in excess of the legal limit.

Very truly yours,

G. R. HERZOG,  
*Loan Collection Department.*

Mc

<sup>1</sup> Does not mean tried to obtain it in Cleveland. G. R. H.

## EXHIBIT U-56a

## MEMORANDUM OF INTERVIEW WITH DARWIN S. BARRETT, JR., REPRESENTATIVE OF O. P. AND M. J. VAN SWERINGEN

In accordance with instructions from Mr. O. L. Cox, Special Deputy Superintendent of Banks, the writer discussed with Mr. Barrett the sections headed relative position of Morgan and Union Trust, Union Trust Interest, and Union Trust Creditor, in the summarized report prepared by C. C. Merrifield.

In the left-hand margin on the sheets in these sections there have been inserted numbers which refer to the following comments:

1. At the time the loan of \$8,917,800.00 was made by Morgan to the General Securities Corporation it was distinctly understood that the loan was to be temporary in character and to be paid when the Pittston Company financing was accomplished. The Erie Railroad owned the Pennsylvania Coal Company. It was badly in need of retail coal outlets in New York City. In order to fill this need it was decided to purchase ten to twelve of the smaller distributors in New York City who were competitors of Burns Brothers, the aggregate forming an organization of about the same size as Burns Brothers. Inasmuch as it would have taken considerable time to have effected the financing which would have enabled the Pittston Company to make the purchases, O. P. and M. J. Van Sweringen, who were of course interested in the Erie Railroad Company as large stockholders, loaned their personal resources through the General Securities Corporation so that the purchases of the ten to twelve smaller distributors could be made immediately. Morgan underwrote the issue, for details of which see comment 4 pertaining to the payment of the loan.

2. Regarding the loan of \$9,000,000.00 to the Vaness Company November 1, 1929, Mr. Barrett stated that it was probably true that a portion of the funds had been used to pay to Paine Webber & Company.

3. The loan of \$6,000,000.00 to the Vaness Company by Morgan was a temporary loan incident to the operations of the Allegheny Corporation similar to loans that we had made in former years in connection with Allegheny Corporation operations.

4. Payment of the loan of \$8,917,800.00 by Morgan to the General Securities Corporation was made in accordance with comment #1. The stockholders of the Erie Railroad Company were given the right to subscribe to 1,000,000 shares of Pittston stock at \$20.00 a share. The issue was very well received. It was underwritten by Morgan and, as a result, Morgan took stock to the extent that the stockholders of the Erie Railroad did not take stock. Mr. Barrett mentioned that this amount was comparatively small. This financing made possible the payment of the loan of \$8,917,800.00. As mentioned previously, the financing was in mind at the time the loan was granted.

*General comment.*—At this point, Mr. Barrett made mention of the fact that the difficulties of O. P. and M. J. Van Sweringen really did not commence until the fall of 1930. It was true, as indicated by the information compiled, that borrowings in the fall of 1929 had been somewhat heavy. However, the Messrs. Van Sweringens were not pressed at all and it was only after the further decline in the last half of 1930 had occurred that they felt themselves hard pressed.

## EXHIBIT U-56b

5. To understand the reason why the Van Sweringen Company gave the Vaness Company its note for \$5,134,154.00, which was pledged to the Morgan loan on November 19, 1930, it must first be understood that this action was one of the moves which Morgan had insisted upon when it granted the loan of \$39,500,000.00 in October, 1930. The only reason that it was not accomplished at the time of the granting of the loan was that it had been impossible to put everything through at the same time. The Van Sweringen Company owed a debt to the Vaness Company of approximately \$7,000,000.00 in addition to debts to other creditors. The note of \$5,134,154.00, was evidence of the indebtedness previously existing and created no new obligations. Morgan had requested, at the time of the granting of the \$39,500,000.00, that the debt of \$5,134,154.00 be placed in note form and pledged to them. Mr. Barrett was absolutely positive that the note was not additional collateral given subsequently, inasmuch as the \$39,500,000.00 advance was on a basis of new money given for five years with the understanding that no additional collateral would be requested.

6. Respecting the loan of \$800,000.00 which was made to the Vaness Company on November 20, 1930, in order to permit of a payment of \$800,000.00 on the obli-

gation of O. P. and M. J. Van Sweringen, Mr. Barrett gave the information that this was made at the request of the bank inasmuch as the loans of the bank to O. P. and M. J. Van Sweringen were at that time in excess of the legal limit. This checks with our records. The capital and surplus of The Union Trust Company at that time totalled \$35,000,000.00 which meant a legal limit of \$7,000,000.00. In the fall of 1930, our loans to O. P. and M. J. Van Sweringen were \$7,800,000.00.

7. In connection with the switch in the collateral securing the total loan of \$9,000,000.00 to the Vaness Company on May 13, 1930, the Vaness Company owned 90% of the Terminal Properties Company which in turn owned the Terminal Building Company, the Cleveland Terminals Building Company and the Van Sweringen Company. It was the desire of O. P. and M. J. Van Sweringen to segregate their downtown real estate holdings from their suburban properties held by the Van Sweringen Company. As a result, the Terminal Properties Company was bought and killed. The switch in the collateral naturally resulted. Regarding the increase of \$800,000.00 in the Union Trust's participation and the reduction of \$800,000.00 in the Cleveland Trust's commitment, Mr. Barrett stated that this was a matter between the two banks and O. P. and M. J. Van Sweringen were not concerned with it. [See later memos.]

8. Respecting the release of the \$9,000,000.00 note of the Vaness Company and the substitution of the \$9,000,000.00 note of O. P. and M. J. Van Sweringen on October 30, 1930, Mr. Barrett again called attention to the fact that the \$39,500,000.00 raised from Morgan in October, 1930, was new money. The Messrs. Van Sweringens were pressed, were unable to raise the needed funds in Cleveland, and had to go to New York. It was impossible to obtain the money in New York on the collateral which O. P. and M. J. Van Sweringen had free at that time. It was agreeable to the Cleveland banks at that time to make the switches. It was only through the changes made that it was possible to obtain the funds in New York.

Of the \$39,500,000.00, \$15,000,000.00 went into governments, as we know, which were subsequently sold and used to retire \$30,000,000.00 notes of the Van Sweringen Corporation at fifty cents on the dollar. The balance was used to pay to Paine Webber & Company to complete buildings in process and in general operations.

Mr. Barrett mentioned that the \$39,500,000.00 loan, as they refer to the advance of \$16,000,000.00 to the Vaness Company and \$23,500,000.00 advance to the Cleveland Terminals Building Company, is not due until October, 1935. The obligation to the Cleveland Terminals Building Company is guaranteed by the Vaness Company and both obligations are either guaranteed or endorsed by O. P. and M. J. Van Sweringen. No interest is being paid on either obligation and up to the present Morgan has seemed content to ride along.

Mr. Barrett agreed with the statement that the new collateral received had no present value other than on a warrant or non-marketable basis. The collateral formerly held, of course, had some market value.

#### EXHIBIT U-56c

9. As Mr. Barrett recalls, the new loan of \$400,000.00 made on November 31, 1931, to the Van Sweringen Company and the reduction of \$400,000.00 in the advance to the Vaness Company were made in order to increase the security of The Union Trust Company.

10. The loan to the Terminal Building Company and the Vaness Company of \$557,000.00, according to Mr. Barrett, will be cleaned up when the property, pledged as collateral, goes to the Nickel Plate in the settlement of the EAST approach with the Cleveland-Union Terminals Company, controlled by the New York Central. This is a long story and hinges upon the determination by engineers for both parties upon the amount to be saved at this time through the non-building of supporting walls in the connection with the east approach. Payment likewise depends upon the ability of the Nickel Plate to pay at the time settlement is made.

11. The matter mentioned in the letter of J. A. House, dated October 31, 1930, again ties into the \$39,500,000.00 loan, which would not have been possible without the changes occurring in the collateral behind the loans of the Cleveland banks.

12. The first two pieces of property listed as securing the loan of \$400,000.00 to the Van Sweringen Company lie in a section that is being built up industrially and Mr. Barrett feels that some time the properties will be disposed of at a price sufficient to pay the loan. By way of indicating the industrial development in

the territory referred to, Mr. Barrett mentioned that the Chase Brass Company and the American Multigraph Company had both moved into this district.

G. R. HERZOG,  
Loan Collection Department.

August 16, 1933.

EXHIBIT U-56d

UNION CLEVELAND CORPORATION,  
Cleveland, Ohio, June 3, 1933.

Mr. O. L. COX,  
Conservator, The Union Trust Company,  
Cleveland, Ohio.

DEAR MR. COX: In our recent conversation you requested that we determine, if possible, the relative position of the Union Trust Company and J. P. Morgan & Company toward the Van Sweringen enterprises. We hand you herewith a note-book containing the statements submitted by Mr. Anzalone, Assistant Treasurer of the Vaness Company, an analysis of these statements insofar as possible, and an analysis of the various Union Trust Company loans.

It is our opinion that J. P. Morgan & Company and any banks who may have participated, benefited at the expense of The Union Trust Company through the transfer of marketable collateral in October 1930 in the following manner:

In October 1929 The Union Trust Company loaned Vaness Company \$5,000,000 secured by collateral having a market value at that time of approximately \$7,295,750. Of this total market value, approximately \$6,522,500 represented local securities having a relatively limited market (See Schedule "B" under "Union Trust Interests" in note-book). At about the same time the Vaness Company borrowed substantial sums from J. P. Morgan & Company, the Midland Bank of Cleveland, and through O. P. and M. J. Van Sweringen from the Chemical National Bank of New York. Proceeds of these loans were paid to Paine Webber & Company, where the Van Sweringens had a margin account. In the spring of 1930 all of these loans, except the Union Trust Loan and Midland loan, were paid off. In October 1930, when the Morgan interests advanced \$39,500,000 to the Van Sweringens, collateral having a market value of \$4,936,000 [includes Midland Bk.] was taken from the Union Trust \$5,000,000 loan and deposited as collateral to the Morgan loans. In exchange the Union Trust received other *marketable* collateral having a value of only \$538,700, and the common stock of a number of holding companies, which had no market and were junior to such an amount of indebtedness as to make their value questionable. At the same time the obligation of the Vaness Company was converted into one of O. P. and M. J. Van Sweringen, who had already guaranteed \$39,500,000 of notes payable to Morgan.

EXHIBIT U-56e

Inasmuch as J. P. Morgan & Company and various New York banks had had financial dealings with the Van Sweringens over a considerable period of time, and had secured substantial profits through the building up and financing of various holding companies (such as Chesapeake Corporation, Alleghany Corporation and Van Sweringen Corporation), it seems that the obligation of these New York interests to the Van Sweringen enterprises was certainly as great, if not greater, than that of the Cleveland Banks. While there may have been some excuse for the New York interests taking a prior position to the Cleveland bank loans, made for the development of the local real estate projects, there certainly was no excuse for taking the marketable collateral from The Union Trust Company \$5,000,000 loan. There is no information in our files to indicate why The Union Trust Company permitted the New York interests to take this collateral from the \$5,000,000 loan, to which they were not entitled, nor why The Union Trust Company permitted the other banks referred to above to be paid in the spring of 1930 without having its own loan paid.

We are not making any comment at this time on the \$2,800,000 loan to O. P. and M. J. Van Sweringen, inasmuch as we believe this loan should be approached from a different angle. Details as to the origin and changes in this loan, however, are included in the report. You will note in going through the report that we have not covered the various railroad holding and operating companies controlled by the Van Sweringen interests.

Very truly yours,

C. C. MERRIFIELD,  
Assistant Treasurer.

## EXHIBIT U-57

(For Walter H. Seymour, Representative of U. S. Senate Committee on Banking & Currency: This is not a part of the records of the Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio.)

## OFFICERS AND DIRECTORS OF UNION TRUST HAVING IMPORTANT INTERESTS IN VAN SWERINGEN ENTERPRISES

J. R. Nutt, President of The Union Trust Company—10% owner of Vaness Company, and also various other interests.

C. L. Bradley, formerly Vice President The Union Trust Company—(Left January 10, 1928) 10% owner of Vaness Company, and various other interests.

F. H. Ginn, Director of The Union Trust Company—Counsel and also Director of various Van Sweringen Companies.

T. S. Grasselli, Director of The Union Trust Company—Director of Cleveland & Youngstown Railroad Company.

W. S. Hayden (deceased) formerly Director of The Union Trust Company—One of the original founders of Vaness Company, and Director at the time of his death of several Van Sweringen controlled companies.

Otto Miller, Director of The Union Trust Company—Director of numerous Van Sweringen controlled companies.

P. A. Myers, Director of The Union Trust Company—Family interests in Van Sweringen real estate syndicates.

Kenyon V. Painter, Director of The Union Trust Company—Interest in Van Sweringen real estate syndicates.

## EXHIBIT U-58

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## REPORT ON THE VANESS COMPANY AND SUBSIDIARIES

## CONCLUSIONS

Virtually all of the obligations of the Van Sweringens and their real estate and holding companies (excluding railroads) are in default. The Union Trust, in its position of junior creditor for large amounts, is vitally interested in the following:

1. Seeing, and assisting if possible, the various companies making satisfactory readjustments on underlying obligations;
2. Keeping the operations of the Terminal Buildings intact, and the Shaker Heights development (including Cleveland Interurban Railway) intact;
3. Avoiding litigation with trade creditors and avoiding tax suits where possible and if advisable;
4. Determining the attitude and policy of J. P. Morgan and Company, who are the largest creditors;
5. Securing, if possible, [impossible—no reason for it.—B. J.] a reseramble of the collateral held by the various creditors, particularly obtaining the Cleveland Railway stock given up in 1930;
6. To help accomplish these ends, the Cleveland banks, and in particular the Union Trust, should have closer contact with the affairs of these companies.

## SUMMARY

While financial statements in our files of the various Van Sweringen controlled companies are complete only back to 1929, it is evident that the Van Sweringens have built up their vast holdings of real estate and securities on borrowed capital, of which the greater part has been furnished by Cleveland and New York banks, in addition to securities distributed to the public.



Except for the payment of dividends on Vaness Company stock, the Vans and their associates appear to have been taken little profit from their real estate operations *other than in salaries*, [no] following the policy instead of reinvesting profits through the acquisition of new real estate and property or railroad securities, by the formation of subsidiary companies organized for that purpose. Because of this fact, it is extremely difficult to evaluate the credit and securities of any of these subsidiaries at different dates in the past, inasmuch as the assets consisted of properties and securities acquired over a period of time, the values of which have been contingent upon a successful continuation of the plans of the Van Sweringen Brothers. A good example of this is found in the air rights over the Cleveland Union Terminals Company development. The underlying land now owned by the Cleveland Union Terminals Company was acquired by Van Sweringen controlled companies over twenty years ago, for the purpose of ultimately building a terminal for the Cleveland Interurban Railroad and for a Union Passenger Station. These properties in the Terminal area were carried by these various Van Sweringen controlled companies until they were sold to the Cleveland Union Terminals Company at cost plus carrying charges. As a result, the Terminals Building Company, and subsequently the Cleveland Terminals Building Company, acquired without cost the air rights to certain areas

## EXHIBIT U-58a

over the Cleveland Union Terminals development. While these air rights undoubtedly have substantial value, it would be difficult to determine their value as of a particular date without an appraisal as of that date.

The same situation prevails in the valuation of the securities of Van Sweringen Company and Shaker Company, where land has been acquired over a period of time, improvements have been made, and carrying charges have been added on the books of the Company to the cost of the land held.

The Van Sweringen controlled companies have been almost constant borrowers from The Union Trust Company since its formation. A summary of the loans of The Union Trust Company to these companies is shown under section "Union Trust Creditor". Total loans rarely fell below \$1,000,000, and frequently ran as high as \$5,000,000 to \$10,000,000 in the aggregate. As far as we have been able to determine, at the time most of these loans were made financial statements of the companies were not submitted, or if submitted they were not retained in our files, and virtually no evidence appears in the Credit files prior to 1930 of the purpose for which the loans were made. A number of the loans made could never have been considered satisfactory commercial bank loans, inasmuch as they were secured in many cases by the equity stocks of real estate holding companies having large amounts of prior liens ahead of them. Furthermore, as the history of various loans indicates, there were substitutions of collateral from time to time which, on the basis of information now available, were not to the advantage of The Union Trust Company, although in cases of substitution of unlisted securities, it would be necessary, as pointed out above, to make a very thorough analysis of the various companies extending further back than 1929, as well as having a number of real estate appraisals made before this could be substantiated. At the present time all of the loans to the Van Sweringen interests are secured by collateral having some present value, except the following:

Loan to O. P. and M. J. Van Sweringen, secured.....	\$2, 800, 000
Loan to O. P. and M. J. Van Sweringen, secured.....	4, 100, 000
Loan to Daisy Hill Company, secured & unsecured.....	537, 558 33

The loans to O. P. and M. J. Van Sweringen of \$6,900,000 probably have no present value, although there is probably some equity in the loan to Daisy Hill Company. While the balance of the loans have some value, there is no probability of interest payments on these loans in the near future, inasmuch as all of the companies have operated at a loss for some time and there is no present indication of profitable operations. Furthermore, proceeds of current liquidation of assets, if any, are being applied on obligations secured thereby. From the standpoint of realization, the marketable collateral securing the Vaness Company loan of \$304,183.75 could be sold for slightly more than half the face value of the loan, and probably some of the real estate securing certain other loans might be sold at a nominal price. However, no attempt has been made in this report to determine the present sale value of real estate held as collateral to loans as a result of a conference with Mr. Stuber of our Mortgage Loan Department, who indicated that there was no present market for the properties.

At the present time virtually all of the obligations of the Van Sweringens and their controlled companies (excluding railroads) are in default, and the deficits in working capital and current operating losses indicate that a crisis in the affairs of these companies might come at any time. In view of this situation, and the large interest of the Cleveland Banks involved, we believe that these banks, and particularly the Union Trust, should have representation in the management of these companies.

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EXHIBIT U-59

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

RELATIVE POSITION OF MORGAN AND UNION TRUST LOANS TO VANESS COMPANY

Oct. 29, 1929: Morgan loaned \$8,917,800 to General Securities Corporation, which was applied on that Corporation's account at Paine-Webber. Apparently Paine-Webber had purchased control of U.S. Distributing Company stocks but had not put the charge against General Securities on its books. At any rate, the stock of U.S. Distributing was given to Morgan by Paine-Webber as collateral for the loan to General Securities Corporation of \$8,917,800, as well as 350,000 shares of Alleghany common. [See comment 1.]

Oct. 29, 1929: Union Trust Company loaned Vaness Company \$5,000,000, secured by stocks having a market value of \$7,295,750. If the \$5,000,000, \$4,000,000 was transferred by wire to Paine-Webber of New York through the First National Bank of New York. \$600,000 was transferred to our Terminal Office, which was paid to Paine-Webber, and \$400,000 represented an official check to the Midland Bank which was used to take up 7,529 shares of Cleveland Railway stock from Paine-Webber.

(This loan obviously was made to protect the Vaness and affiliated companies' margin accounts as Paine-Webber. It cannot be determined whether the collateral given to The Union Trust Company came from Paine-Webber or was held unpledged by the Vaness Company and its subsidiaries, and/or O. P. and M. J. Van Sweringen).

Oct. 29, 1929: O. P. and M. J. Van Sweringen personally borrowed \$5,000,000 from The Chemical National Bank of New York, pledging the entire common stock of The Higbee Company, which Vaness owned, at a cost of \$7,500,000. O. P. and M. J. Van Sweringen turned over the proceeds of the loan to Vaness Company, and the advance appears on the December 31, 1929, Vaness Company balance sheet as an account payable.

Nov. 1, 1929: The Cleveland banks loaned \$9,000,000 to Vaness Company, of which \$2,000,000 was participation of The Union Trust Company, representing a renewal loan. The \$7,000,000 advanced by the other Cleveland banks was credited to the various Vaness Company accounts in other banks, and we have been unable to trace distribution of the proceeds of the \$7,000,000 of loans. While the date of the loan would suggest that part of the money might have been used for margin at Paine-Webber, Mr. Anzalone has stated that the proceeds from this loan were used by Vaness over a period of time for working capital and for advances to subsidiaries. [See comment 2.]

Dec. 5, 1929: The Midland Bank loaned General Securities Corporation (Vaness Company) \$1,200,000 secured by 36,000 shares of Otis Steel common and 500 shares of Continental Illinois Bank stock, having a total market value on December 31, 1929, of \$1,526,000.

Dec. 26, 1929: Morgan loaned \$6,000,000 to the Vaness Company, secured by 50,000 shares of Nickel Plate common, 10,000 shares Erie Railroad second preferred, and 190,000 shares of Alleghany Corporation common, having a total market value on December 31, 1929, of \$11,782,500. [See comment 3.]

NOTE: The Vaness Company and General Securities Corporation borrowed from the Cleveland Banks, Chemical National Bank of New York, and Morgan in the 60 days from October 29, 1929, to December 29, 1929, during the market crash, \$32,117,800.

## EXHIBIT U-59a

Dec. 31, 1929: The various loans of Vaness Company, General Securities Corporation and Geneva Corporation appear as follows:

	Amount of loan	Market Value Collateral
Union Trust.....	\$5,000,000	\$7,018,000
Midland Bank.....	1,200,000	1,526,000
Cleveland Banks.....	9,000,000	Unlisted
Morgan.....	6,000,000	<sup>1</sup> 11,782,500
Morgan.....	8,917,800	<sup>2</sup> 14,989,850
Paine-Webber.....	25,031,736	<sup>3</sup> 34,271,141
O. P. & M. J. Van Sweringen.....	5,000,000	<sup>4</sup> Unlisted
(To Chemical National Bank, N.Y.)		
<sup>4</sup> Market Value of AYY [Alleghany] securities.....	\$4,607,500	
<sup>3</sup> Do.....	8,730,000	
<sup>3</sup> Do.....	16,694,788	
<sup>4</sup> Higbee Co. common stock.....	7,500,000 (Cost to Vaness)	

Jan. 16, 1930: The Morgan loan of \$6,000,000 was paid. The Nickel Plate common stock held as collateral to this loan was acquired by Alleghany Corporation.

Jan. 23, 1930: The Morgan loan of \$8,917,800 was paid apparently through the sale of U.S. Distributing Company stocks to Pittson & Company, which was formed early in 1930, and the stock of which had been underwritten by Morgan at \$20 per share. (It is impossible to determine from information in our files whether Morgan took stock in payment for the loan or was paid in cash.) [Yes, but very small amount.] On January 23, 1930, therefore, the Morgan loans to Vaness Company, General Securities Corporation and Geneva Corporation had been entirely paid. [See comment 4.]

Apr. 30, 1930: By this date the accounts payable of Vaness, General Securities and Geneva Corporation at Paine-Webber's had increased to \$31,250,440, as against \$25,031,736 on December 31, 1929.

May 1930: The Van Sweringen Corporation issued \$30,000,000 of 5-Year 6% Notes, dated May 1, 1930, which were sold by a syndicate headed by the Guaranty Company (See Union Trust Financing). Proceeds from these notes were used for the following purposes:

\$7,500,000 advanced to Cleveland Terminals Building for purchase by that company of Higbee Company stock from Vaness Company.

1,087,000 advanced to Cleveland Terminals Building for purchase of Country Club notes from Van Sweringen Company.

6,053,000 advanced to Cleveland Terminals Building to retire an issue of Cleveland Terminals Building Company 3-year Notes, which were secured by title to the air rights in the Terminal development (except Tower Building Site and Cleveland Hotel Site<sup>1</sup>).

15,360,000 covered by discount on the Notes, retirement of some small obligations of subsidiaries (\$340,500 payable to Union Trust) and the balance was used for working capital. Details not furnished by the Company.

By this time the Chemical National Bank loan of \$5,000,000 had been paid, releasing the Higbee Company stock.

<sup>1</sup> Union Trust held \$3,418,000 in its securities Investment Department, and the balance were held by other Cleveland Banks.

## EXHIBIT U-59b

Oct. 1930: Morgan and several New York Banks loaned Vaness Company \$16,000,000, proceeds of which were used to purchase \$10,087,000 Government securities, \$3,555,992 was paid to Paine-Webber, and the balance was used for general corporate purposes. Virtually all of Vaness Company assets were pledged back of this loan (with the exception of Metropolitan Utilities, Inc. common stock).

At the same time, Morgan and certain New York Banks, including National City, Guaranty Trust, Chase, First National, and Bankers Trust, loaned Cleveland Terminals Building Company \$23,500,000, proceeds of which were used as follows:

\$5,000,000 to purchase 500,000 shares of Alleghany common from Van Sweringen Corporation.

15,000,000 Paid to Paine-Webber & Company.

3,500,000 Used for corporate purposes.

The above loan of \$23,500,000 was secured by all of Cleveland Terminal Building Company's listed and unlisted securities, as well as the advances to and equity in the Higbee Company.

By means of the two above loans the Van Sweringen Corporation was able to substitute \$15,000,000 of Government securities back of its \$30,000,000 note issue in place of the 500,000 shares of Alleghany common stock, and the accounts payable at Paine-Webber were completely paid off.

At the same time, The Union Trust Company released from its \$5,000,000 loan 32,000 shares of Cleveland Railway stock, 8,260 shares Midland Bank stock, and 50,000 shares Van Sweringen Corporation common stock, having an indicated market value at that time of \$4,936,000, which collateral was transferred as collateral to Morgan loans. In exchange for this marketable collateral, The Union Trust Company received the entire common stock of the Metropolitan Utilities, Inc., 9,000 shares of Vaness Company preferred stock, 16,250 shares Vaness common stock, market stocks having a total market value of \$538,700, and equity in stocks of subsidiaries of Metropolitan Utilities, Inc., subject to certain prior liens.

In other words, The Union Trust accepted as collateral preferred and common stock of the Vaness Company after Morgan had taken a lien on virtually all of the Company's assets, with the exception of Metropolitan Utilities, Inc. common stock (which already was subject to \$4,500,000 of bank loans) giving up marketable collateral having a market value at that time of almost the face value of the loan. At the same time, Vaness Company was released from the \$5,000,000 and the \$9,000,000 loans of the Cleveland banks, and the obligations of O. P. and M. J. Van Sweringen were substituted. (O. P. and M. J. Van Sweringen also guaranteed both of the Morgan loans).

Nov. 19, 1930: Van Sweringen Company gave Vaness Company its note for \$5,134,154, which was pledged under the Morgan loan. There was no increase in the Morgan loan at that time. This action was strange, inasmuch as all of the common stock of Van Sweringen Company was pledged under the Morgan loan, and at that time Morgan apparently was the only Vaness creditor of any importance. [No prior debt and arrangement.] [See comment 5.]

Nov. 20, 1930: A loan of \$800,000 was made to Vaness Company by The Union Trust Company, and \$800,000 was paid on the loan of \$5,000,000 of O. P. and M. J. Van Sweringen. There is no information in our files to indicate the reason for \$800,000 of the O. P. and M. J. Van Sweringen loan being transferred to the Vaness Company on November 20th. It is possible [no, at our request] that there might have been considerable comment on the transfer on October 30, 1930, from Vaness Company loans to O. P. and M. J. Van Sweringen loans, and this raises the question as to whether Morgan knew of [No.] this discussion and took the only other unpledged asset of Vaness Company before the Cleveland banks could get it. [See comment 6.]

## EXHIBIT U-60

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## Summary of Union Trust interests

(Excluding Railroad and Railroad Holding Companies).

	Principal	Interest De- linquent to May 1, 1933.
<b>A. Union Trust as Creditor (See following pages).</b>		
1. Commercial and Collateral.....	\$11, 412, 908 54	\$1, 039, 958 01
2. Mortgage Loans.....	772, 064 57	49, 087 82
3. Land Contract.....	1, 000, 000 00	201, 595 35
	\$13, 184, 973 11	\$1, 290, 641. 18
	Par Value	
<b>B. Union Trust Ownership of Bonds and Stocks</b>		
1. Van Sweringen Company 6's—1938.....	\$36, 000 00	
2. Van Sweringen Company 6's—1935.....	64, 000 00	
	\$100, 000 00	
	Par Value	Shares
<b>C. Held in Collateral Loan Department (Main Office)</b>		
1. Cleveland Railway 1st Mtg 5's.....	\$5, 000 00	
2. Cleveland Railway Capital Stock (\$100 par).....		68
3. Cleveland Railway Certificates.....		4, 410
4. Van Sweringen Company 6's—1935.....	1, 000 00	
5. Van Sweringen Company 6's—1938.....	9, 200 00	
6. Van Sweringen Company 6% Notes A/C K V Painter.....	258, 130 48	
7. Van Sweringen Corporation 6% Notes.....	1, 000 00	
8. Van Sweringen Corporation Common.....		240
9. Shaker Company 7's.....	7, 400 00	
10. Cleveland Terminal Building 6's.....	3, 500 00	
11. Vaness Company Preferred (Various Loans).....		17, 310
12. Vaness Company Common (O P. and M J. Van Sweringen loan).....		16, 250
13. Metropolitan Utilities, Inc Common.....		10, 296
	\$285, 230 48	
	Par Value	Shares
<b>D. Estates Trust Department Holdings.</b>		
1. Van Sweringen Company 6's—1935.....	\$458, 200 00	
2. Van Sweringen Company 6's—1938.....	578, 400 00	
3. Cleveland Terminal Tower Land Trusts.....	209, 000 00	
4. Cleveland Terminal Tower Bldg. 6's—1941.....	0	
5. Shaker Company 7's.....	16, 500 00	
6. Cleveland Hotel Land Trusts.....	251, 500 00	
7. Higbee Company 1st Preferred.....		361
8. Higbee Company 2nd Preferred.....		44
9. Vaness Company Preferred.....		1, 535
10. Vaness Company Common.....	14, 250	
11. Cleveland Railway Cap Stk & Certificates.....	17, 845	
	\$1, 513, 600 00	
<b>E. Union Trust Corporate Trustee (See Schedule prepared by Corporate Trust.)</b>		

## EXHIBIT U-61

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo. by a junior member of the staff of the undersigned. It has

not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## ACTIVE TRUSTS—CORPORATE TRUST DEPARTMENT

- Trust 1396: O. P. and M. J. Van Sweringen.
1. Date of Trust—September 28, 1912.
  2. The Union Trust Company holds funds of Park Reserve Trustees for certain improvements under plans for real estate development in Shaker Heights and for payment of taxes.
  3. Property involved: Free funds—\$774.56. Impounded funds \$14,716 89.
- Trust 1558: The Cleveland & Youngstown R.R. Company.
1. Agreement (letter dated 2/3/1914).
  2. The Union Trust Company originally acted as Trustee to hold title to real estate and stock of The Cleveland & Youngstown R.R. Company. Now holds only stock to secure obligations owing to New York Central R.R. Company. Equity now in Metropolitan Utilities, Inc. and pledged under participated loan.
- Trust 2975: Painter, Bradley, F. E. Myers & Bro., The Citizens Savings and Trust Company and The Van Sweringen Company.
1. Trust agreement dated 4/14/20/.
  2. Holding title to the property for benefit of syndicate and The Van Sweringen Company acting as sales and collection agent. Receiving and disbursing proceeds.
  3. (a) Property covered consists of several sublots on Scottsdale, Tolland, Lomond, Norwood, Lytle, Traver, Susses and other streets in the Village of Shaker Heights. (Complete survey in Otto Morton's possession).
    - (b) Appraisal figures not available. Schedule of release prices in file.
    - (c) Taxes to be paid by The Van Sweringen Company.
    - (d) Ownership and distribution of income: K. V. Painter, 1/5; C. L. Bradley, 1/10; Alva Bradley, 1/10; The Van Sweringen Company, 1/5; The Union Trust Company (Estates Dept.), 1/5; P. A. Myers (deceased), 1/10; F. E. Myers (deceased), 1/10.
    - (e) Delinquent taxes (oetter of 10/4/32). \$62,494.67 including last half 1931 and penalty.

## EXHIBIT U-61a

- Trust 3314: F. E. and P. A. Myers—Agency Trust.
1. Trust opened February 9, 1921.
  2. No formal agreement—letter instructions in file.
  3. The Union Trust Company to receive monies from The Van Sweringen Company from sale of the lots, make distribution and see that taxes are paid.
  4. (a) Various sublots in Village of Shaker Heights (Selling Agent—The Van Sweringen Company).
    - (b) (b) Appraisal figures not available.
    - (c) Taxes paid by owners.
    - (d) Distribution—Estate of P. A. Myers—1/3; Estate of F. E. Myers—2/3.
    - (e) Ownership—the same.
    - (f) Delinquent taxes—1932 taxes not paid.
- Trust 4056: The Cleveland Union Terminals Company and The Cleveland Terminal Building Company.
1. Land Contract agreement between The Cleveland Union Terminals Company and The Cleveland Terminals Building Company, dated 1/1/22, under which property acquired for terminal development and air rights established.
 

Property involved—reference is made to schedule in file, all located in terminal area and west approach to terminal.
  2. The Union Trust Company holds title as passive repository for title for The Cleveland Union Terminals Company and The Cleveland Terminals Building Company.
- Trust 4244 The Terminal Building Company.
1. Agreement and deed of trust dated 9/1/22.
  2. The Union Trust Company holds title to property and issued certificates of equitable ownership now cancelled. Title held to secure loan of the Vaness Company (Collateral Loan).

3. Property involved (Old Glenville Syndicate) various parcels of property. Reference is made to agreement for detailed information as to location, size, etc. Taxes to be paid by Terminal Building Company. Distribution of income was made to holders of Certificates of Equitable Ownership. No information available regarding delinquent taxes.

## EXHIBIT U-61b

Trust 4574: Gabriel & Kendel.

1. Lease dated November 1, 1923.

2. The Union Trust Company holds funds of The Traction Stores Company as security for lease and insurance policies as trustee under long term lease and receives and disburses rentals.

3. Property involved—northerly 1/2 of subplot 82 in A. W. Walworth's subdivision (Broadway & Ontario).

Trust 4650: State Banking & Trust Company and John Connell

1. The Union Trust Company acts as Trustee of Insurance only under long term lease and the property involved is the same as in Trust 5284—Connell Land Trust.

Trust 4651: Harris & Connell

1. Date of Trust—February, 1924.

2. The Union Trust Company acts as Trustee for Insurance under 99 year lease.

Ownership as indicated on our records: Lessor—Charles and Samuel Harris; Lessee—John Connell (Nominee of Van Sweringen interests)

3. Property involved—456 to 462; 468 to 476 Broadway extending thru to 2501-7 Ontario Street.

Trust 4985: The Fairmount Properties Company and The Van Sweringen Company.

1. Agreement dated March 5, 1925.

2. The Union Trust Company to receive and disburse funds in accordance with agreement. The Fairmount Properties Company purchased property under land contract from The Van Sweringen Company and in turn sold under land contract to individual purchasers. Property subject to Trust Deed securing The Van Sweringen Company bonds dated October 1, 1928. The Fairmount Properties Company financially not responsible.

3. (a) Property involved—Three subdivisions (15-16-18) of The Rapid Transit Land Company. (Warrensville Road and Fairmount Blvd.)

(b) Appraisal figures not available.

(c) Taxes to be paid by The Fairmount Properties Company.

(d) Distribution—from each sale.

First 25% to The Fairmount Properties Company—Commission

Next 7% to The Fairmount Properties Company.

Next 68% to The Van Sweringen Company until balance of contract between The Van Sweringen Company and The Fairmount Properties Company has been paid.

All over and above said price to go to The Fairmount Properties Company.

(e) Delinquent taxes—Information from schedule furnished August 9, 1932: \$153,570.00 including last half 1931.

## EXHIBIT U-61c

Trust 5040: Bradley, The Van Sweringen Company and The Union Trust Company.

1. Agreement dated July 14, 1922.

2. The Union Trust Company to act as Transfer Agent and Registrar of the certificates of interest. No duties with reference to property.

3. (a) Property involved—(reference is made to agreement). (Several parcels in Village of Idlewood)

(b) Appraisal figures not available.

(c) Taxes paid by Sales Agent (The Van Sweringen Company).

(d) Present records of outstanding interests: C. L. Bradley, 1/3; The Union Trust Company 1/3; The Van Sweringen Company 1/3.

(e) Delinquent taxes—no record.

Trust 5284: Connell Land Trust

1. The Union Trust Company, Trustee under Agreement and Declaration of Trust dated 8/16/24—Land Trust. Beneficial interest owned by The Union Trust Company.

2. Property involved—Known as subplot 80 in A. W. Walworth's subdivision; triangular parcel at Ontario and Broadway.

Taxes to be paid by Lessee (John Connell nominee for The Van Sweringen Company interest) Distribution of income to holders of Certificates.

Trust 5424 Painter, Van Sweringen Company and The Union Trust Company.

1. Date of trust—10/21/1926

2. The Union Trust Company holds a mortgage from The Van Sweringen Company to K. V. Painter—assigned to The Union Trust Company. Receives and disburses money, makes releases.

Ownership—K. V. Painter—Note for balance owing \$258,130.48, pledged by K. V. Painter to The Union Trust Company.

3. (a) Property involved—Several parcels situated in Village of Shaker Heights, Village of Euclid, Township of Orange (acreage)

(b) The Van Sweringen Company to pay the taxes.

(c) Income for benefit of K. V. Painter, pledged to The Union Trust Company

(d) Delinquent taxes—no information.

#### EXHIBIT U-61d

Trust 5774: The Van Sweringen Company, Lexington Realty Company and The Union Trust Company.

1. Agreement dated July 6, 1928.

2. The Union Trust Company holds title to secure loan of The Van Sweringen Company for the sum of \$85,500.00.

3. Property involved—27.326 acres on Wynnewood Avenue. Part of original Euclid Township Tract 14, 872.78' frontage on Wynnewood.

(b) Appraisal figures not available.

(c) Taxes to be paid by The Van Sweringen Company.

Trust 5954: The Cleveland Interurban R.R. Company.

1. Trust Agreement dated March 24, 1930.

2. The Union Trust Company holds title as naked Trustee subject to instructions of Company.

3. Property involved—10 parcels situated in Cleveland and located as part of original 100 acre lots 328-329, Kindman Rd., Berwick Avenue, East 64th Street.

Trust 6178: The Terminal Building Company and The Union Trust Company.

1. Agreement (letter dated 7/15/31.

2. The Union Trust Company holds title as naked Trustee and to reconvey upon request from The Terminal Building Company.

3. Property involved—Sublot 444 in Walworth & Kelley's Allotment being 50' frontage on northwesterly side of Central Avenue, S.E.

Trust 6201: The Van Sweringen Company and The Union Trust Company.

1. Agreement dated 10/28/1931

2. The Union Trust Company holds title to property to secure payment of \$400,000.00 demand note of The Van Sweringen Company.

3. Property involved—Several parcels located in Euclid Village, Village of Pepper Pike and in the city. Viz:

(1) South of Nickel Plate RR and East of 260th St.

(2) North of Nickel Plate RR and East of 260th St.

(3) North of Lake Shore and Michigan Southern RR

(4) North of Nickel Plate and East of Babbitt Road.

(5) South of N.Y.C. and St. Louis & West of East 260th St.

(6) Vicinity of St. Clair and Krauss Court (2 parcels)

(7) North Woodland and Lander Road (Village of Pepper Pike)

(8) Shaker Blvd. and Lander Rd. (Village of Pepper Pike)

(9) Parcels 6, 18, 19, 21 and 22 Shaker Country Estates Subdivision #43 (Village of Pepper Pike)

#### EXHIBIT U-61e

Appraisal figures not available.

The Van Sweringen Company to pay taxes. No information regarding delinquency if any in taxes

Trust 6201: In memorandum to the Collateral Loan Department dated July 13th, 1933, Mr. John C. McConnell states that the company reports unpaid taxes including the first half of the year 1932 and the penalty for the year 1931 of \$32,846.28.



## EXHIBIT U-62

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## VANESS COMPANY.

## UNION TRUST INTERESTS.

1. Creditor in the amount of \$304,183.75 secured by marketable and other collateral.
2. Creditor to Terminal Building Company and Vaness Company jointly in amount of \$557,000, secured.
3. Interest in preferred and common stock of Vaness Company held as collateral for loans (See O. P. and M. J. Van Sweringen loans under "Union Trust Creditor").
4. Stock held in Estates Trust Department.

## SUMMARY

1. Company has shown no income in past four years, except profits from sale of securities in 1929.
2. Statements submitted by Company are not audited, and do not contain reconciliation of surplus accounts.
3. Equities in subsidiaries and investments are all pledged.
4. These equities are junior to so much indebtedness that there is little chance of Vaness realizing any cash from interest, dividends, or principal payments, except as creditors are willing to release these funds.

## CONCLUSION

1. Stocks of Company have no present value other than on warrant basis.
2. Union Trust must look to collateral for interest and principal payments on its loans to Vaness Company.
3. Loan of \$304,183.75 has possibilities of working out, although value of part of the collateral cannot be ascertained.
4. Value of Vaness Company obligations and securities in the past cannot be determined without comprehensive study of Company's past operations, as well as its subsidiaries.
5. However, information submitted by the Company to date indicates that Vaness Company securities could at no time in the past four years have been considered satisfactory collateral in large amounts for commercial bank loans.

## EXHIBIT U-63

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## METROPOLITAN UTILITIES, INC. &amp; SUBSIDIARIES

## UNION TRUST INTERESTS

1. \$2,100,000 Participation and accrued interest in \$4,500,000 loan to Metropolitan Utilities.
2. \$165,823 75 Interest Notes taken in payment of interest on above loan to November 14, 1932
3. \$45,000 Loan to Cleveland Interurban Railroad.
4. Entire common stock of Metropolitan Utilities pledged back of \$4,100,000 loan to O. P. and M. J. Van Sweringen.

5. Stocks and bonds of Cleveland Railway held in Estates Trust Department and as collateral to loans. (See list under "Union Trust Interests" Summary.)
6. Union Trust, Trustee for Cleveland Railway bonds. (Refunding of these bonds has practically been completed, and Cleveland Trust is Trustee for the new issue.)

## SUMMARY

1. Companies have deficit in working capital.
2. Operations of the Company and its subsidiaries have been at a loss for each of past four years for which we have statements. Working capital to cover these cash losses was supplied by the Cleveland bank loans and by advances from Vaness Company.
3. Operating expenses have been reduced substantially.
4. Of the \$4,500,000 advanced by Cleveland Banks ? was used for additions to road and equipment.
5. Problem of maturity of Cleveland Railway Bonds has been solved by successful refunding of the issue through extension agreement with holders.

## CONCLUSIONS

1. No likelihood of companies earning sufficient to pay interest on loans, much less principal.
2. Probably no chance of disposing of properties if banks took title.
3. Voting control of Cleveland Railway is of little advantage to Metropolitan Utilities. Probably no chance of Metropolitan Utilities ever recovering the \$10 per share advanced to holders of Certificates, (over \$3,000,000 in the aggregate).

## EXHIBIT U-64

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

## THE VAN SWERINGEN COMPANY

## UNION TRUST'S INTERESTS

1. Creditor in the amount of \$751,620 and accrued interest on various collateral and mortgage loans to Van Sweringen Company.
2. Interest in Vaness Company and its equity in Van Sweringen Company through pledging of Vaness stock to Union Trust
3. Corporate Trustee for Van Sweringen Company First Mortgage and Collateral Trust 6% Bonds due 1938, of which
  - \$578,400 are held in Estates Trust,
  - 9,200 are held as Collateral to loans,
  - 36,000 are owned by Union Trust Company.
 (Majority of above bonds deposited under Reroganzation Plan—See plan under captior "Union Trust Financing").
4. Union Trust Estates Trust Department also holds \$458,200 Van Swringen Company First Mortgage and Collateral Trust 6's due 1935.

## SUMMARY

1. The Company has been operating at a substantial loss for at least the past four years, and no dividends have been paid on the preferred or common stocks in the past thirteen years.
2. The Company has apparently always operated on a large amount of borrowed capital, both from the public and from Vaness Company.
3. The Company is in default on a large amount of taxes, is in default on its funded debt and on a number of its mortgages and land contracts.
4. The Company has virtually no current assets, and any improvement in its cash position would probably only come from liquidation of properties. Outlook for substantial increase in sales of property not bright at the present time.

5. The value of unsold land, which is the principal unpledged asset, is steadily declining because of the accumulation of taxes, and unless a substantial amount of these lands can be sold in the relatively near future, the taxes will have eaten up a substantial part of the Company's equity.

#### CONCLUSIONS

1. No likelihood of near term payment of interest or principal on Van Sweringen Company account to Vaness Company.
2. Van Sweringen Company common stock of questionable present value other than on a warrant basis.
3. Hence, equity of Vaness Company in Van Sweringen Company can be liberally discounted on Vaness Company balance sheet.

#### EXHIBIT U-64a

4. Van Sweringen Company common stock could never, under any circumstances, have been considered satisfactory collateral for a banking loan for the following reasons:

- (a) No dividends paid on the preferred stock since prior to 1919.
  - (b) No market.
  - (c) Virtually all assets of the Company pledged or mortgaged.
  - (d) Large payables to Vaness which ranked ahead of common stock and made the common stock in the nature of a third lien.
5. Union Trust as creditor cannot expect payment of interest or principal from Company, but must look to its collateral for realization.
6. Similarly, bond issues must be serviced from proceeds from their own collateral. (See plans of readjustment under "Union Trust Financing").

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#### EXHIBIT U-65

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

#### THE VAN SWERINGEN CORPORATION

##### SUMMARY

The Van Sweringen Corporation is a shell and the value of its common stock is dependent entirely on its investment in Cleveland Terminals Building. The stock has no present worth other than in the nature of a warrant, and in view of the manner in which Cleveland Terminals Building was financed there is some question as to its probable value at the time of its issuance. (See comment on Cleveland Terminals Building for value of that Company's stock).

##### HISTORY

The Van Sweringen Corporaton was incorporated April 21, 1930, by the Terminal Building Company and General Securities Corporation primarily as a financing medium for Cleveland Terminals Building Company and for General Securities Corporation. Of the original stock issued, The Terminal Building Company received 1,124,800 shares in exchange for its equity in the Cleveland Terminals Building Company and General Securities Corporation received 620,000 shares in exchange for 500,000 shares of Alleghany Corporation common. Terminal Building Company in turn liquidated its indebtedness to Terminal Properties Company by selling the above mentioned 1,124,800 shares of Van Sweringen Corporation stock to Terminal Properties.

The Van Sweringen Corporation issued \$30,000,000 of 5-year 6% Notes, dated May 1, 1930, which were sold by a syndicate headed by the Guaranty Company (See Union Trust Financing). Proceeds from these notes were used for the following purposes:

\$7,500,000 advanced to Cleveland Terminals Building for purchase by that Company of Higbee Company stock from Vaness Company.

\$1,087,000 advanced to Cleveland Terminals Building for purchase of Country Club Notes from Van Sweringen Company.

\$6,053,000 advanced to Cleveland Terminals Building to retire an issue of Cleveland Terminals Building Company 3-year Notes, which were secured by title to the air rights in the Terminal development (except Tower Building Site and Cleveland Hotel site<sup>1</sup>).

\$15,360,000 covered discount on the Notes, retirement of some small obligations of subsidiaries (\$340,500 payable to Union Trust) and the balance was used for working capital. Details not furnished by the Company.

When the Van Sweringen Corporation note issue was sold it was provided in the indenture that "Messrs. O. P. and M. J. Van Sweringen, as individuals, will enter into an agreement for the benefit of the holders of these notes effectively guaranteeing (until at least \$15,000,000 of these notes shall have been retired with the proceeds of said stock) that if at any time and while the market value of said Alleghany Corporation common stock then owned together with the proceeds of any shares sold and/or United States Government obligations representing the investment of such proceeds, shall amount to less than 50% of the amount of these notes then outstanding, they will make available additional readily marketable securities to the extent necessary to make up such deficiency, all as set forth in the Trust Indenture."

#### EXHIBIT U-65a.

In the fall of 1930 the market value of Alleghany Corporation stock had declined to such an extent that the Vans borrowed from J. P. Morgan & Company through Vaness Company and Cleveland Terminals Building Company sufficient funds to purchase and deposit \$15,000,000 of Government securities with the Trustee for these Notes in place of the Alleghany stock. In November 1931, when it became apparent that earnings of the Van Sweringen Corporation would not carry the interest on the notes, Van Sweringen Corporation made an offer of exchange to the holders of \$15,000,000 par value of notes whereby the holder of a \$1,000 note received \$500 in cash and 20 shares of common stock of Van Sweringen Corporation. In this way \$15,000,000 of the notes were retired and canceled. Vaness Company then, through a loan from Morgan, offered to acquire the other \$15,000,000 of the notes in the hands of the public on the same basis, and did obtain \$13,787,000 which it now holds and which are pledged with Morgan under the \$18,250,000 loan.

#### FINANCIAL POSITION & EARNINGS

The sole asset of Van Sweringen Corporation consists of the capital stock of and an open account with the Cleveland Terminals Building Company carried on the books at \$56,384,831. Liabilities include \$15,000,000 of 6% notes, approximately \$36,000 of accrued expense, and an account payable to Vaness Company of \$4,301,869 representing principally cash advances by that Company. The Corporation has only one class of stock, consisting of 1,744,800 shares of no-par common, having a book value of \$21.23 per share.

The Van Sweringen Corporation received no interest or dividends on its investment in Cleveland Terminals Building Company for 1932, and its expenses consisted of only \$14,601 of taxes and trustee charges. Although interest payable was accrued on the \$15,000,000 of 6% notes, interest was paid on only those outstanding in the hands of the public (\$1,213,000) and interest on these bonds has since been defaulted.

#### EXHIBIT U-66

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

#### THE CLEVELAND TERMINAL BUILDING CO.

##### UNION TRUST INTERESTS

1. Interest through Vaness Company equity in Cleveland Terminal Building.
2. Distributor of Cleveland Terminal Tower Land Trust Certificates for which Union Trust is Corporate Trustee and of which \$209,000 are held in Estates Trust.

<sup>1</sup> Union Trust held \$3,418,000 in its Securities Investment Department, and the balance were held by other Cleveland Banks.

3. Interest in Higbee Company, which is wholly owned subsidiary of Cleveland Terminal Building (See report on Higbee Company under that heading).

#### SUMMARY

1. Virtually all of Cleveland Terminal Building Company's fixed assets are mortgaged for an amount almost equivalent to their cash cost to the Company.
2. All listed securities and its investment in Higbee Company are pledged back of the Morgan Loan.
3. All of the Company's bonds as well as its notes payable to Morgan are in default.
4. Although consolidated operating statements for the various properties operated indicate a reduction in expenses, leasehold rental accruals and interest accruals are so large that prospects for the company earning these charges in the near future are not favorable.
5. It is understood that those taxes which have been billed have been paid.
6. Detailed operating statements of the various properties have been requested, but are not yet available. [Now available in our files. ———.]

#### CONCLUSION

1. The Company has no present equity in its securities or properties.
2. The Company is making arrangements with its larger creditors for extension and moratorium of interest on its obligations.
3. Outlook for profitable operations of the Company's properties as a whole is not favorable, and hence it is not likely that Vaness Company through Van Sweringen Corporation will derive any income from the operations of the Cleveland Terminal Building Company.
4. Equity for Cleveland Terminal Tower Land Trust Certificates appears ample, although rental requirements are barely being covered.

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#### EXHIBIT U-67

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

#### THE TERMINAL BUILDING COMPANY

##### UNION TRUST INTERESTS

1. \$557,000 collateral loan to Terminal Building Company and Vaness Company.
2. Interest in Terminal Building Company as subsidiary of the Vaness Company.
3. Relationship between Union Trust Company and Terminal Building Company in connection with land contracts to O. P. and M. J. Van Sweringen.

#### HISTORY

Terminal Building Company was incorporated June 10, 1911, and is a real estate holding company owning fee and leasehold properties in the neighborhood of the Terminal development and along the Rapid Transit right-of-way. The Company was originally formed by Terminal Properties, and when Terminal Properties was merged with Vaness Company in 1930 Vaness Company acquired Terminal Building Company stock which was outstanding in the amount of 1,700 shares, par value \$100.

## EXHIBIT U-68

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

OUTLINE OF VAN SWERINGEN PUBLIC FINANCING HANDLED BY THE UNION TRUST COMPANY OR UNION CLEVELAND CORPORATION

THE VAN SWERINGEN COMPANY FIRST MORTGAGE & COLLATERAL TRUST 7% NOTES DUE 1924 TO 1930.

For a period of approximately 25 years, starting in 1905, the Van Sweringen interests were active in the purchase and improvement of streets, parkways, boulevards, and other street facilities in Shaker Heights, Ohio, and in the southern portion of Cleveland Heights, Ohio.

Up to the time that The Union Trust Company was first identified with the underwriting of a Van Sweringen Company bond issue in June of 1922 there was issued and sold by the Van Sweringen Company bonds in the aggregate amount of \$10,000,000, all of which up to the time of this financing were paid, except an issue of \$2,750,000 dated September 1, 1919, which by June 1, 1922, had been reduced to \$2,044,000.

For many years the Shaker Heights district showed a constant growth in population and real estate values, resulting through the exceptional character of the improvements, in the creation of a residential section generally regarded as one of the most substantial and extensive home site developments in the country.

For the purpose of refunding bank loans and providing working capital, the Van Sweringen Company (established in 1913) sold in June of 1922 to an investment banking syndicate, headed by The Union Trust Company, Cleveland, an issue of \$3,150,000 First Mortgage Collateral Trust Gold Notes, dated June 1, 1922, due serially as follows:

\$350,000	October 1, 1924	\$450,000	October 1, 1928
350,000	October 1, 1925	600,000	October 1, 1929
400,000	October 1, 1926	600,000	October 1, 1930
400,000	October 1, 1927		

This issue was divided into two portions, one amounting to \$2,000,000 principal amount, which was retailed through investment channels specified below, and the other part placed privately.

For the \$2,000,000 portion a Purchase Group was formed at 92, consisting of:

The Union Trust Company,	with a participation of	\$633,333.34
The Herrick Company	“ “ “ “	633,333.33
Hayden, Miller & Company	“ “ “ “	633,333.33
Guardian Savings & Trust Co	“ “ “ “	100,000.00

A banking group was then formed at 94½ for the 1924 and 1925 maturities and at 93½ for the balance of maturities, which group was participated in by a number of banks and investment houses as enumerated in Exhibit "A" attached under the heading of Special Purchase Group. The Union Trust Company's participation in this Banking Group was \$341,666.67. The Selling Group was then organized at 96 for the 1924/25 maturities, and 95 on the balance of the maturities, in which group a large number of dealers participated as enumerated in Exhibit "B" attached. The Union Trust Company's participation in the Selling Group was \$185,000. The retail selling price of this issue was 100 for the 1924 and 1925 maturities, and 99 on the balance of maturities. The total profit to The Union Trust Company in the various groups as itemized in Exhibit "C" attached, amounted to \$34,673.87.

## EXHIBIT U-68a

The security for these bonds consisted of a first mortgage on land and a pledge of purchasers' obligations secured by land, which collateral and land were valued as follows:

Purchasers' Obligations	Amount	Valuation of Security
First Mtgs. and Lien Claims.....	\$2,332,361.96	<sup>1</sup> \$6,018,281.50
Land Contracts & Lien Claims.....	841,481.66	<sup>2</sup> 1,688,395.00
Total.....	\$3,173,843.62	\$7,706,676.50
Valuation of Land directly mortgaged.....		<sup>3</sup> 752,000.00
		\$8,458,676.50

<sup>1</sup> Values based on independent appraisal.

<sup>2</sup> Values based on actual selling prices of land.

<sup>3</sup> This land allocated to such individual mortgage and land contracts as are secured on a basis of less than 225%.

The appraisals of land were made as of May 25, 1922, by H. C. Robinson, Vice President of the Guardian Savings and Trust Company, Alexander S. Taylor of V. C. Taylor & Sons, and W. H. Fowler, of The Union Trust Company.

In August of the same year, namely 1922, a three-way group account was formed consisting of The Union Trust Company, Hayden, Miller and Company, and The Herrick Company, which group purchased from the Securities and Investments Department of The Union Trust Company, \$483,000 principal amount of the bonds at 94. These \$483,000 principal amount of bonds represented a part of the original portion of the bonds that were placed privately. The participation of each of the three group members was as follows:

The Union Trust Company.....	\$124,700
The Herrick Company.....	125,000
Hayden, Miller & Company.....	126,000

This accounted for \$375,700 of the \$483,000. The remaining \$107,300 were sold at 96½ to a list of dealers enumerated in Exhibit "D" attached. The total profit to The Union Trust Company on this secondary offering of the 7% bonds amounted to \$1,028.50.

All maturities of this issue were met promptly, the last two maturities having been called and paid on December 1, 1928, (prior to their due date) with proceeds of an issue of 6% bonds, described below.

VAN SWERINGEN COMPANY FIRST MORTGAGE & COLLATERAL TRUST 6'S DUE  
AUGUST 1, 1935

In 1925 there was sold an issue of \$6,500,000 of Van Sweringen Company First Mortgage and Collateral Trust Sinking Fund 6% Gold Bonds, due August 1, 1935. Although we did not participate in the underwriting of this issue, we did purchase from dealers and resell to banks and individuals from the time of original offering to 1930 about \$75,000 bonds.

These bonds were secured by a direct first mortgage on land, by the pledge of purchasers' obligations secured by land, and by the pledge of all of the capital stock and first mortgage note of the Cleveland Interurban Railroad Company valued as follows:

## EXHIBIT U-68b

Land.....	\$5,377,803
Land purchase contract and mortgage.....	6,534,539
First Mortgage Note and stock of Cleveland Interurban Railroad Company.....	2,109,707
	\$14,022,049

The land purchase contracts and mortgages covered land valued at \$2,309,311 in excess of the balances payable on them.

The note of the Cleveland Interurban Railroad Company was paid in August of 1929, thus releasing the note and capital stock of the Cleveland Interurban

Railroad Company. The proceeds were used to retire about \$1,100,000 of the 6% bonds.

Appraisals were made by H. C. Robinson, Vice President of the Guardian Trust Company (Trustee of the issue) and Mr. Alexander S. Taylor of V. C. Taylor and Son, both of whom were recognized authorities on real estate values in Cleveland.

The proceeds from this issue were used, among other purposes, for redemption of an issue of land trust certificates, for the taking up of purchase money mortgages, and for the retirement of certain corporate obligations.

These bonds defaulted in interest on August 1, 1932, by which time the \$6,-500,000 principal amount of bonds initially outstanding had been reduced to \$3,949,200. As of July 1, 1932, the security for these bonds consisted of:

Unsold land, having release prices aggregating \$1,683,319.85, appraised at time of the issue at-----	\$2, 805, 533. 08
Mortgage notes and land purchase contracts, with principal balances of \$1,308,335.14, secured by land similarly appraised at---	1, 957, 370. 75
Land committed under sales contract with affiliated interests with release prices aggregating \$1,954,185.10, secured by lands similarly appraised at-----	3, 256, 975. 15

Although in population and tax valuation, the growth of the Shaker Heights area had in the ten-year period immediately preceding been greater than that of any of Cleveland's other suburbs, the marked decline in real estate activity, together with the generally low level of business operations, resulted in a sharp falling off in new sales as well as collections upon pledged mortgage notes and land purchase contracts. Furthermore, certain of the mortgage and land contract purchasers failed to meet their taxes.

To the end that the mortgaged properties might be protected against accruing taxes and assessments, and might be held together and uniformly developed to the best advantage, the Company presented to the holders of these bonds, under date of July 28, 1932, a plan which among other features contained the following:

1. Replacement of the existing coupons on the bonds for income coupons providing for payment of interest up to 6%, any difference arising out of a smaller amount being paid to cumulate and to be payable August 1, 1935, unless maturity date of the bonds is extended.

#### EXHIBIT U-68c

2. Depositing bondholders agree to waive defaults arising out of Company's failure to meet interest, taxes, and sinking fund requirements on the existing mortgage.

3. Depositing bondholders agree to extension of maturity for five years on an income coupon basis, providing 95% of principal amount of bonds are deposited, in which event the depositing bondholders as a class would receive as a bonus 25% of the capital stock of a new corporation to be formed for the purpose of acquiring title to property covered by existing mortgage.

The Union Trust Company, Cleveland, was named Depositary under this Plan of Readjustment.

Up to the present time sufficient bonds have not been deposited to make the plan operative, only about half of the outstanding bonds having been delivered to the Depositary.

#### VAN SWERINGEN COMPANY FIRST MORTGAGE AND COLLATERAL TRUST 6'S DUE OCTOBER 1, 1938

The second piece of Van Sweringen financing with which we were identified in a substantial way was in October 1928, when, in conjunction with Tillotson and Wolcott Company, we formed a Purchase Group at 94 to underwrite an issue of \$5,700,000 of Van Sweringen Company First Mortgage and Collateral Trust Sinking Fund 6% Gold Bonds, due October 1, 1938. The Union Trust Company, Cleveland, was Trustee for this issue. Our position in this Purchase Group was \$2,850,000, as was likewise that of Tillotson and Wolcott Company.

A Special Purchase Group was then formed at 94½, comprising The Union Trust Company, whose participation was \$2,350,000, Tillotson and Wolcott, whose participation was \$2,350,000, and Pearson, Taft and Company, of Chicago, whose participation was \$1,000,000.



A subsequent Special Group was then organized at 95½, comprising the three houses above mentioned in addition to the Atlantic, Merrill, Oldham Corporation. The Union Trust Company participation in this Special Group was \$1,850,000. For participations of other members see Exhibit "E" attached.

A Special Banking Group was then formed at 96, consisting of the four houses enumerated immediately above, in addition to the Trust Department of The Union Trust Company, as well as the First National Company of St. Louis. In this Special Banking Group, The Union Trust Company Bond Department was committed for \$1,475,000, and The Union Trust Company Estates Trust Department for \$500,000. See Exhibit "E" attached for commitments of other members.

Later a Banking Group was organized at 96½, consisting of the banks and investment houses enumerated in the preceding group in addition to other banks and investment dealers named in Exhibit "E" attached.

The retailing of the bonds was accomplished through the formation of a Selling Group consisting of the banks and investment houses enumerated in Exhibit "F" attached. The Union Trust Company's participation in the Selling Group was \$500,000 for the Bond Department and a like amount for the Estates Trust Department. In addition to the \$500,000 of bonds originally purchased by

## EXHIBIT U-68d

the Bond Department of The Union Trust Company another block of \$100,000 bonds was purchased by the Bond Department from the Estates Trust Department at the latter's cost of 96. The total profit accruing to The Union Trust Company Bond Department from its positions in the various groups above listed amounted to \$75,538.11. (See Exhibit "G" attached).

At the time of this financing the statement of the Van Sweringen Company showed a net worth in excess of \$20,000,000. It was likewise estimated that up to that time over \$75,000,000 had been spent in the Shaker Heights District and vicinity by the Van Sweringen Company, municipalities, public service corporations and property owners.

These bonds were secured by land directly mortgaged and appraised at that time at \$2,301,724 and by the pledge of land contracts and first mortgage obligations with a face value of \$5,746,071, being the obligations of 185 individuals and corporations, and being secured by land and buildings which upon completion were expected to have an appraised value of \$9,893,855. This made a total appraised value of all land and buildings as shown by appraisals mentioned below of \$12,195,579. Appraisals were made by Mr. Alexander S. Taylor and the Standard Valuation Company, Cleveland, who were well recognized authorities on real estate values in metropolitan Cleveland. Mr. Taylor was a Director of The Guardian Trust Company, Cleveland, and served as President of the Cleveland Real Estate Board as well as the National Association of Real Estate Boards. Appraisals for the Standard Valuation Company were made by Mr. R. F. Berwald, who was then and still is a Director of the Cleveland Trust Company, and Mr. George Rutherford of the George A. Rutherford Company, general contractors.

The proceeds of this issue were used, among other purposes, to underwrite certain obligations of the Company bearing a higher rate of interest (including \$1,650,000 of Van Sweringen Company First Mortgage and Collateral Trust 7% Notes, still outstanding) and to provide funds for construction of a group of buildings immediately adjacent to the Shaker Square development. By June 1, 1932, this issue had been reduced from its original amount of \$5,700,000 to \$4,270,600.

The security for this issue as of June 1, 1932, consisted of:

Unsold land, appraised at the time of the issuance of the above bonds at.....	\$1, 703, 374. 00
First Mortgage Bonds, Notes and Land Contracts receivable—face amount.....	4, 483, 410. 36

Despite the rapid growth of population and tax valuation in the Shaker Heights area in the ten years from 1922 to 1932, the period of wide-spread economic depression prevailing during the end of that period caused a drastic falling off in sales and collections upon the pledged securities. In anticipation of the Company's inability to meet the interest due October 1, 1932, and to meet the circumstances caused by the curtailment in sales and collections, the Company in a letter dated June 11, 1932, proposed a plan to bondholders, the principal features of which are summarized as follows

(a) Interest coupons for a five-year period beginning April 1, 1932, to be funded at 6% in the form of a refunding bond for an amount equivalent to the

coupons, thus reducing the total annual cash interest requirements of the Company from \$256,200 to \$76,870.

(b) Depositing bondholders to waive annual maximum sinking fund requirements.

EXHIBIT U-68e

(c) Depositing bondholders to waive all defaults arising out of failure to pay taxes.

(d) Later the Company agreed to appointment by the creditor banks of a representative who will supervise the administration of the assets pledged as security for the bonds, and control the expenditure of funds arising from sale of the assets. Up to the present time approximately 86% of the bonds have been deposited under the proposed plan.

VAN SWERINGEN CORPORATION FIVE-YEAR 6% NOTES DUE MAY 1, 1935.  
(WITH STOCK PURCHASE WARRANTS)

Two years later, or in May 1930, there was formed the Van Sweringen Corporation, which company acquired from the Van Sweringen interests—

(1) All of the outstanding stock of a subsidiary having title to:

(a) "Air rights" over the new Cleveland Union Terminals Passenger Station and yards.

(b) A co-ordinated group of buildings erected and at that time being erected in the district immediately adjoining the Terminal development and including among these structures the Medical Arts Building, Builders Exchange Building, Midland Bank Building, and later the new Higbee Department Store Building.

(c) Certain additional adjoining building sites and land available for improvement as the Terminal area continued to develop.

(2) 500,000 Shares of Common Stock of the Alleghany Corporation, an investment company organized in January 1929 by the Van Sweringens to acquire substantial interests in certain railroads in which the Van Sweringens were interested. The market on the Alleghany Corporation Common Stock at the time of the issuance of the Van Sweringen Corporation Notes was 27.

To provide the funds for the purpose of acquiring the above mentioned assets there was underwritten a \$30,000,000 issue of Van Sweringen Corporation Five-Year 6% Gold Notes, due May 1, 1935, with Warrants attached. These Warrants entitled the holders to purchase during the life of the Notes 20 shares Common Stock of the Van Sweringen Corporation at \$25 per share for each \$1,000 Note.

It was estimated that annual earnings available to the Corporation, upon completion and occupancy of the various buildings after average allowance for vacancies, would be well in excess of annual interest requirements on these Notes.

This issue of \$30,000,000 of Notes was underwritten by a group of investment banking houses headed by the Guaranty Company of New York, and including Lee-Higginson and Company, Union Cleveland Corporation, Hayden, Miller and Company, and the Midland Corporation.

In the underlying Purchase Group formed at 96½, the Union Cleveland Corporation had a participation of \$4,500,000. In the Banking Group formed at 97¾ our participation was \$1,420,000. In the Selling Group formed at 98½ our participation was \$1,000,000, showing a total profit in all the groups, after some deductions (as per Exhibit "H" attached) of \$57,815.49. The retail offering price was 100.

In September 1930 a joint trading account with a maximum liability of \$2,500,000 principal amount of the Notes (in which our liability was confined to 15% or \$375,000) was formed with the Guaranty Company of New York and others. This trading account took over from a Special Group at 96, \$1,431,000 par value of Notes, which apparently represented the amount of Notes remaining unsold at that time.

During the existence of this Special Group we took up \$100,000 of the bonds at 96, and sold them to the Securities and Investment Department of The Union Trust Company at the same price.<sup>1</sup> In addition to this, we took up \$39,000 more bonds which we sold retail at the then prevailing market prices. Our take-up price on these \$39,000 was market less 1.

After the close of the joint account on December 8, 1930, our proportionate share of the remaining bonds was \$64,000 par value, which bonds were taken up

<sup>1</sup> The Securities and Investment Department of The Union Trust Company on September 11, 1931, exchanged these \$100,000 bonds, together with \$600,000 additional bonds of the same issue, at 49, for \$200,000 principal amount of Missouri Pacific Convertible 5½ at 59½ and 8,035 shares of Chesapeake Corporation Common Stock at 20¼

from the Guaranty Company of New York at 91.341 (market value at that time being 67). About nine months later, on September 10, 1931, we traded these bonds to the Alleghany Corporation at 49 and accrued interest for 1119 shares of Chesapeake Corporation Common Stock at 29¼.

In the eighteen months immediately following the issuance of these Notes, general business conditions, as well as the situation prevailing in the security markets, grew more and more unfavorable, as a result of which the market on these Notes by October of 1931 had substantially declined. The Van Sweringen Corporation had available at that latter date, sufficient cash and United States Government obligations, amounting to 50% of the then outstanding Notes in the hands of the public (amounting to \$26,234,000).

In the belief that it was mutually beneficial to the Note-holders and to the Van Sweringen Corporation the latter, in October 1931 submitted an offer to all of its Note-holders to acquire its Five-Year 6% notes for \$500 in cash and 20 shares of common stock for each \$1,000 principal amount of Notes. \$15,000,000 of the Notes were retired on this exchange basis, and \$13,787,000 additional Notes were acquired by the Van Sweringen interests, now held by The Vaness Company, leaving outstanding in the hands of the public \$1,213,000. Interest on these Notes has been in default since May 1, 1933.

The Vaness Company has withheld the May 1, 1932 and the November 1, 1932 coupons on the Van Sweringen Corporation Notes held by it, and in addition has advanced to the Van Sweringen Corporation funds with which the latter paid the interest due on the May 1, 1932 and November 1, 1932 coupons on Notes held by the public. The Vaness Company recently advised the Van Sweringen Corporation that it is willing to forego the payment of all additional coupons up to May 1, 1935 (or earlier maturity of the Notes) upon condition that the holders of substantially all of the Notes outstanding in the hands of the public would likewise agree to withhold their May 1, 1933, and subsequent coupons. In the belief that it is to the best interests of all Note-holders to do so, the Van Sweringen Corporation is asking all of its Note-holders to agree to this proposal.

H. J. RANFT.

May 9, 1933.

EXHIBIT U-69

(For Walter H. Seymour, Representative of U. S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

*Summary of Union Trust position as creditor*

(See following pages for collateral on each loan)

	See Sched- ule	Principal May 1, 1933	Interest Paid to	Interest De- linquent to May 1, 1933
<b>Commercial &amp; Collateral loans:</b>				
O. P. and M. J. Van Sweringen:				
Participation.....	A	\$2,800,000 00	7- 1-31	\$327,813. 16
Direct.....	B	4,100,000 00	7- 1-31	480,012 17
J. D. Templeman note discounted.....	C	6,342. 71		
Daisy Hill Co :				
Secured.....	C	487,000 00	7- 1-31	47,659. 91
Unsecured at Terminal Office.....		50,558. 33	1- 1-33	441. 67
Vaness Co :				
Terminal Building Co and Vaness Co.....	D	304,183. 75	1- 1-32	25,457. 19
Metropolitan Utilities, Inc :	E	557,000 00	1-11-32	45,626 08
Participation.....	F	2,100,000 00	8-17-31	63,975. 19
Interest Notes to 11-14-32.....	F	165,823 75		
The Van Sweringen Co.....	G	400,000 00	10-28-31	38,160 46
do.....	G	80,000 00	7- 1-31	9,220. 00
Cleveland Interurban Railway Co.....	G	45,000. 00	10- 1-32	1,591 88
The Higbee Co. (See Higbee Co. Report).....		317,000. 00	6- 1-33	
<b>Total.....</b>		<b>\$11,412,908. 54</b>		<b>\$1,039,958. 01</b>

Summary of Union Trust position as creditor—Continued

	Original Amount	Balance Due	Interest paid to	Interest Delinquent to May 1, 1933
Mortgage loans (Schedule H):				
The Van Sweringen Co.....	\$371,620.00	\$344,415.00	Various Dates	\$17,527.37
Traction Stores Co.....	176,600.00	176,600.00	12-15-31	15,002.24
do (Paul K Jones).....	30,000.00	15,000.00	3-15-32	1,035.46
O P. and M. J. Van Sweringen.....	35,000.00	25,200.00	9-15-32	960.62
Terminal Building Co.....	150,000.00	47,000.00	12-15-31	3,992.68
Shaker Company.....	180,000.00	94,109.57	3-15-32	6,496.38
Shaker Village Land Co.....	24,000.00	19,740.00	12-15-32	447.44
B. L. and L. D. Jenks.....	50,000.00	50,000.00	12-15-31	3,625.63
Total.....		\$772,064.57		\$49,087.82
Land Contract to O. P. and M. J. Van Sweringen (Schedule J).....		\$1,000,000.00		(1)
Summary:				
Commercial & Collateral Loans.....	\$11,412,908.64			\$1,039,958.01
Mortgage Loans.....	772,064.57			49,087.82
Land Contracts.....	1,000,000.00			(1)
Total.....	\$13,184,973.11			\$1,089,045.83

<sup>1</sup> Interest, Rentals, Taxes, etc. due us totalled \$201,595.35 on May 1, 1933.

EXHIBIT U-69a

SCHEDULE "A"

O. P. AND M. J. VAN SWERINGEN

Participation—Demand—Present Balance..... \$2,800,000.00  
 Dated October 30, 1930, Interest paid to July 1, 1931, Delinquent Interest to May 1, 1933..... 327,813.16

Collateral:

Participation in \$9,000,000 Demand Loan of Cleveland Banks, secured by 97,500 shares Vaness Company Common stock (162,500 shares outstanding).

Participants in loan are:

Union Trust Company.....	\$2,800,000	} Union Trust Co. Trustee
Guardian Trust Company.....	2,500,000	
Midland Bank.....	1,200,000	
Cleveland Trust Company.....	2,500,000	

Comment:

Collateral for above loans has no present value other than on a warrant basis.

ORIGIN OF ABOVE LOAN

On April 19, 1926, the Vaness Company paid off its loans to The Union Trust Company (other Van Sweringen controlled companies were borrowing over \$2,000,000 from Union Trust at this time) and was out of debt to the bank until July 21, 1926, when \$225,000 was borrowed. From that time on the Vaness Company was a constant borrower, with loans running as high as \$2,250,000 in July 1927 and as low as \$350,000 in October 1927. On June 23, 1928, total loans to Vaness Company stood at \$4,350,000, and on July 28th at \$3,350,000. On July 28, 1928, the following notes, aggregating \$2,000,000 were paid by the substitution of a \$2,000,000 note with collateral as indicated below: (The balance of \$1,350,000 as of July 28, 1928, was gradually paid off to July 23, 1929.)

Vaness Company note dated January 14, 1928, for \$500,000, secured by—  
 32,600 shares Terminal Properties, 1st Pfd. No market.  
 27,300 " Terminal Properties, 2nd Pfd. No Market.  
 93,300 " Terminal Properties, Common. No Market.  
 Vaness Company note dated December 29, 1927, for \$250,000, secured by 2,500 shares N.Y., C. & St. L. R.R. Common, @ 125..... \$312,500  
 Vaness Company note dated February 17, 1928, for \$500,000, secured by—5,000 shares N.Y., C. & St. L. R.R. Common, @ 129..... \$645,000  
 Vaness Company note dated February 20, 1928, for \$500,000, secured by—5,000 shares N.Y., C. & St. L. R.R. Common, @ 129..... \$645,000  
 Vaness Company note dated March 1, 1928, for \$250,000, secured by—2,500 shares N.Y., C. & St. L. R.R. Common @ 130..... \$325,000

\$1,927,500

## EXHIBIT U-69b

The collateral for the new \$2,000,000 note dated July 28, 1928, consisted of the following:

32,631 shares	Terminal Properties, 1st Pfd.	No Market.
30,255 "	Terminal Properties, 2nd Pfd.	No market.
95,600 "	Terminal Properties, Common.	No Market.

It should be noted that the Nickel Plate common was released without reduction in loan and with substitution of only

31 shares	Terminal Properties, 1st Pfd.
2,955 "	Terminal Properties, 2nd Pfd.
2,300 "	Terminal Properties, Common.

The market value of the Nickel Plate common stock on July 28, 1928, was approximately 125, or a total value of \$1,875,000.

11-1-29 The Vaness Company borrowed \$9,000,000 from the Cleveland Banks, in which loan The Union Trust had a participation of \$2,000,000. The Vaness Company note to The Union Trust Company dated July 28, 1928, was paid off by the new \$2,000,000 participation in the \$9,000,000 loan and the collateral released to become part of the following collateral for the total loan of \$9,000,000:

32,893 shares	Terminal Properties, 1st Pfd.	No Market.
33,187 "	Terminal Properties, 2nd Pfd.	No Market.
99,222 "	Terminal Properties, Common.	No Market.
122,000 "	Van Sweringen Company Common.	No Market.
100 "	Cleveland Terminal Building Co. Com.	No Market.

Participants in this \$9,000,000 loan were as follows:

Union Trust	\$2,000,000
Guardian Trust	2,500,000
Midland Bank	1,200,000
Cleveland Trust	3,300,000

5-13-30 The Union Trust Company's participation of \$2,000,000 was increased to \$2,800,000 in the total loan of \$9,000,000 to the Vaness Company. At that time the Terminal Properties preferred and common stocks and the Cleveland Terminals Building Company common stock indicated above were released and 600,000 shares of Van Sweringen Corporation common stock substituted. The collateral held for the \$9,000,000 loan of the Cleveland banks then consisted of the following: [See comment 7.]

122,000 shares	Van Sweringen Co. Common.	No Market.
600,000 "	Van Sweringen Corp. Common.	No Market.

At this time the Cleveland Trust's participation was reduced \$800,000 by our increasing our participation \$800,000. [Received \$3,700,000. H.]

10-30-30 The note of the Vaness Company to Cleveland banks was released, and the note of O. P. and M. J. Van Sweringen for the same amount, \$9,000,000, was substituted. At that time the collateral which had been held for the Vaness Company loan was released, and 97,500 shares, or 60% of the common stock of Vaness Company was pledged as collateral for the O. P. and M. J. Van Sweringen \$9,000,000 loan, of which The Union Trust Company had participation of \$2,800,000. This balance of \$2,800,000 is outstanding today, as indicated in the condensed schedule of payables of the Van Sweringen interests to The Union Trust Company. [See comment 8.]

## EXHIBIT U-69c

## SCHEDULE "B"

## O. P. AND M. J. VAN SWERINGEN

Direct Loan—Demand—Present Balance	\$4,100,000.00
Dated October 30, 1930, Interest paid to July 1, 1931, Delinquent Interest to May 1, 1933	480,012.17
Collateral:	
10,296 shares Metropolitan Utilities, Inc. Common stock (10,547 shares outstanding).	
9,000 shares Vaness Company Preferred (41,385 shares outstanding).	
16,250 shares Vaness Company Common (162,500 shares outstanding).	

Comment:

Collateral for above loans has no present value other than on a warrant basis.

ORIGIN OF ABOVE LOAN

10-29-29. The Union Trust Company loaned The Vaness Company \$5,000,000, secured by—

		Market value 10-29-29
32,000 shares	Cleveland Railway Co.-----@ 100	\$3, 200, 000
6,500 "	Midland Bank----- 465	3, 022, 500
30,000 "	Alleghany Corporation Common----- 20 $\frac{5}{8}$	618, 750
6,000 "	United Corporation Common----- 25 $\frac{3}{4}$	154, 500
3,000 Units	Western Reserve Inv. Corp. 6% Pfd. <sup>1</sup> ----- 100	300, 000
		\$7, 295, 750

6-20-30. 1,760 additional shares of the Midland Bank (Market was 340—total \$598,400) were substituted for the 30,000 shares of Alleghany Corporation, (market was 19 $\frac{1}{2}$ —total market value \$585,000). \$5,972,400.

10-14-30. 50,000 shares of Van Sweringen Corporation common (no market) were pledged as additional collateral to the same loan. \$5,089,810.

10-30-30. The above loan was paid with a new loan of \$5,000,000 to O. P and M. J. Van Sweringen, secured by—

		Market value 10-30-30
4,000 shares	Niagara Hudson Power Corp. Common..@ 12 $\frac{1}{2}$	\$50, 000
5,000 "	Standard Brands, Inc. Common----- 16 $\frac{1}{4}$	81, 250
3,000 Units	Western Reserve Inv. Corp. Common----- 85	255, 000
1,400 shares	Newton Steel Company Common----- 20 $\frac{1}{2}$	28, 700
33,000 "	Peerless Motor Car Corp. Common----- 3 $\frac{3}{4}$	123, 750
6,000 "	United Corporation Common----- 22 $\frac{1}{4}$	133, 500
9,000 "	Vaness Company Pfd.-----	No Mkt.
16,500 "	Vaness Company Common-----	No Mkt.
3,000 "	Western Reserve Inv. Corp.-----	No Mkt.
17,999 $\frac{1}{2}$ "	Calumet Trust Certificates-----	No Mkt.
10,296 "	Metropolitan Utilities, Inc. Common-----	No Mkt.
		\$672, 200

EXHIBIT U-69d

and equity in the following, held in Corporate Trust Department, subject to previous pledge under Metropolitan Utilities, Inc. \$3,100,000 loan:

100 shares	Traction Stores Co. Common.	No Mkt.
5,800 "	Cleveland & Youngstown R. R. Common.	No Mkt.
100 "	Cleveland Traction Terminal Common.	No Mkt.
1,465 "	Cleveland Interurban R. R. Co. Common.	No Mkt.

		Market value 10-30-30
Released 10-30-30:		
32,000 shares	Cleveland Railway, @ 77-----	\$2, 464, 000
8,260 "	Midland Bank, 300-----	2, 472, 000
		\$4, 936, 000

50,000 shares Van Sweringen Corp. Common. No Mkt. (Probably no value.)

11-20-30. A loan of \$800,000 was made to The Vaness Company and the loan or \$5,000,000 to O. P. and M. J. Van Sweringen was reduced to \$4,200,000.

<sup>1</sup> No Market Indicated value \$100.

The following collateral was taken from the \$5,000,000 loan and transferred to the \$800,000 loan:

		Market value 11-20-30	
4,000 shares	Niagara Hudson Power Corp. Common--@	11¾	\$47, 000
5,000 "	Standard Brands, Inc. Common-----	15%	78, 125
3,000 Units	Western Reserve Inv. Corp-----	85	255, 000
1,400 shares	Newton Steel Company Common-----	19¼	26, 950
33,000 "	Peerless Motor Car Corp. Common-----	4%	144, 375
6,000 "	United Corp. Common-----	20	120, 000
3,000 "	Western Reserve Inv. Corp. Common-----	No Mkt.	
17,999½ "	Calumet Trust Certificates-----	No Mkt.	
			\$671, 450

This left the O. P. and M. J. Van Sweringen loan of \$4,200,000 secured as follows:

9,000 shares	Vaness Co. Pfd-----	No Mkt.
16,250 "	Vaness Co. Common-----	No Mkt.
10,296 "	Metropolitan Utilities, Inc. Common-----	No Mkt.

Equity in 4 blocks of securities as listed previously under October 30, 1930 loan.

12-31-30. The above loan of \$4,200,000 was paid with a new loan of \$4,200,000, and the equity in 4 blocks of securities indicated above was released. Renewal loan secured by—

9,000 shares	Vaness Co. Pfd-----	No Mkt.
16,250 "	Vaness Co. Common-----	No Mkt.
10,296 "	Metropolitan Utilities, Inc. Common-----	No Mkt.

1-24-31. \$100,000 was paid on the principal of the loan, leaving a balance of \$4,100,000, which is outstanding today (April 25, 1933).

#### EXHIBIT U-69e

#### SCHEDULE "c"

#### THE DAISY HILL Co.

1. Demand Loan-----	\$487, 000. 00
Dated \$387,000 November 1, 1930, 100,000 January 24, 1931, Interest paid to July 1, 1931, Delinquent Interest to May 1, 1933-----	
47, 659. 91	
Collateral: 7,935 shares Vaness Company Pfd. (41,385 shares outstanding).	
2. Demand Loan to Terminal Office-----	\$50, 558. 33
Dated March 7, 1930, Interest paid to January 1, 1933, Delin- quent Interest to May 1, 1933-----	
441. 67	
Unsecured.	

#### 3. Comment:

Collateral security of 7,935 shares Vaness preferred stock has no present value. The above loans are junior to the mortgage on the entire property held by Society for Savings for \$24,000. While the property is undoubtedly worth substantially in excess of the amount of this \$34,000 loan and accrued unpaid taxes, it would be almost impossible to ascertain the equity for The Union Trust Company loans in the Daisy Hill Company at the present time. However, if taxes and interest on the underlying loan can be kept up for a period of time, it is possible that some value may be realized in the future on the Union Trust loans to Daisy Hill Company, inasmuch as the property is very desirable as a country estate.

J. D. Templeman Note (Discounted)-----	\$6, 342. 71
Dated August 20, 1930, Renewed May 27, 1933, for Maturing June 22, 1933-----	
6, 231. 00	

Discounted by O. P. and M. J. Van Sweringen.

## EXHIBIT U-69f

## SCHEDULE "D"

## VANESS COMPANY

Demand Loan.....		\$304,183.75
Originally dated November 20, 1930, Interest paid to January 1, 1932, Delinquent Interest to May 1, 1933.....		25,457.19
		<i>Mkt. Value</i> <i>5-31-33</i>
Collateral:		
1,333 shares Niagara Hudson Power Corp. Common...@ 10..		\$13,330.00
5,000 " Standard Brands, Inc., Common.....20..		100,000.00
560 " Corrigan, McKinney Steel Co. Vot. Com...10..		5,600.00
140 " Corrigan, McKinney Steel Co. Non-V. Com...10..		1,400.00
6,000 " United Corp. Common.....9..		54,000.00
3,000 Units Western Reserve Inv. Corp. Com. & Pfd.....		No Market
17,999½ Shares Calumet Trust Certificates.....		No Market
1,250 shares Cleveland Base Ball Company.....		No Market
		<hr/>
		\$174,330.00

## Comment:

The marketable collateral listed above has distinct possibilities of further appreciation over a period of time. The units of Western Reserve Investing Corporation preferred and common stocks have no liquidating value and have a substantial amount of bonds and prior preferred stock ahead of them which are not completely covered by liquidating value of the Company's assets.

The Calumet Trust Certificates represent equity in unimproved and improved real estate in Chicago, with very little indebtedness ahead of the certificates. These certificates would undoubtedly have some value with any improvement in real estate conditions in Chicago.

## EXHIBIT U-69g

## ORIGIN OF \$304,183.75 DEMAND COLLATERAL LOAN

As mentioned under the Origin of the \$4,100,000 Demand Collateral Loan to O. P. and M. J. Van Sweringen, on November 20, 1930, a loan of \$800,000 was made to The Vaness Company and the loan of \$5,000,000 to O. P. and M. J. Van Sweringen was reduced to \$4,200,000. The following collateral was taken from the \$5,000,000 loan and transferred to the \$800,000 loan:

		<i>Mkt. Value</i> <i>11-20-30</i>
4,000 shares Niagara Hudson Power Corp. Common...@11¼..		\$47,000
5,000 " Standard Brands, Inc. Common.....15½%..		78,125
3,000 Units Western Reserve Inv. Corp.....85..		255,000
1,400 shares Newton Steel Company Common.....19¼..		26,950
33,000 " Peerless Motor Car Corp. Common.....4¾..		144,375
6,000 " United Corp. Common.....20..		120,000
3,000 " Western Reserve Inv. Corp. Common.....		No Market
17,999½ " Calumet Trust Certificates.....		No Market
		<hr/>
		\$671,450

10-13-31. There was pledged as additional collateral to the loan: 1,250 shares Cleveland Base Ball Company, No Market.

10-20-31. There was pledged as additional collateral to the loan: \$645,000 Note, secured by deeds to real estate.

11-31-31. A new loan of \$400,000 was made to the Van Sweringen Company, and the loan to The Vaness Company was reduced from \$800,000 to \$400,000. At that time the \$645,000 note secured by deeds to real estate was released, and the collateral to the \$400,000 Van Sweringen Company loan is probably part or all of this real estate. (See Comment 9.)

11-19-31. Upon the payment of \$95,222.25 principal, the 33,000 shares of Peerless Motor Car Corporation common was released. (Market 2½%—total \$86,625.)

12-12-31. \$594.00 was paid on account of principal.

6-30-32. The 4,000 shares Niagara Hudson Power Corporation common were exchanged for 1,333 new shares Niagara Hudson Power Corporation common. (No change in total equity.)



9-27-32. The 1,400 shares Newton Steel Company common were exchanged for 560 shares Corrigan McKinney Steel Company Voting Common and 140 shares Corrigan McKinney Steel Company Non-Voting Common.

These changes leave the loan of \$304,183.75 secured as follows:

	<i>Mkt. Value 9-27-32</i>	<i>Mkt. Value 5-31-33</i>
1,333 shares Niagara Hudson Power Corp. Common @ 10% <span style="float: right;">-----</span>	\$13,830	\$13,330
5,000 " Standard Brands, Inc. Common 18% <span style="float: right;">-----</span>	93,125	100,000
560 " Corrigan, McKinney Steel Co. Tot. Com. 4½ <span style="float: right;">-----</span>	2,520	5,600
140 " Corrigan, McKinney Steel Co. Non-V. Com. 3½ <span style="float: right;">-----</span>	490	1,400
6,000 " United Corporation Common 7¼ <span style="float: right;">-----</span>	43,500	54,000
3,000 " Western Reserve Inv. Corp. Common No Market. <span style="float: right;">-----</span>		
3,000 Units Western Reserve Inv. Corp No Market. <span style="float: right;">-----</span>		
17,999½ Shares Calumet Trust Certificates No Market. <span style="float: right;">-----</span>		
1,250 " Cleveland Base Ball Company No Market. <span style="float: right;">-----</span>		
	<hr/>	<hr/>
	\$153,465	\$174,330

5-9-33. Present amount of loan, without accrued inteeest, \$304,183.75.

EXHIBIT U-69h

SCHEDULE "E"

*Terminal Building Company and Vaness Company*

Collateral Loan due July 11, 1932 <span style="float: right;">-----</span>	\$557,000.00
Dated January 20, 1928, interest paid to January 11, 1932, Delinquent Interest to May 1, 1933 <span style="float: right;">-----</span>	45,626.08

Collateral:

A first lien against real estate held in the Corporate Trust Department for the account of Terminal Building Company.

This property is mostly that on which is erected the N. P. Freight Terminal, and was formerly owned by the so-called "Glenville Syndicate". In 1922 there were issued some Land Trust Certificates against this property in the aggregate amount of \$997,500. These certificates were redeemable at par. The property was leased to the Terminal Building Company for a rental sufficient to pay 3% semi-annually on the certificates. The lease was for a period of five years and contained an option for the Terminal Building Company to purchase at \$997,500. In July 1927 the lessee exercised its option on a portion of the property, paying therefor \$314,000. Payment was made to the Trustee by \$24,500 in cash and the surrender of a certificate amounting to \$72,500. In January 1928 the remainder of the property was purchased under this option for an aggregate consideration of \$683,500 of which \$543,500 was paid in cash and \$140,000 in surrender of Land Trust Certificates. The subject loan was made for the purpose of providing the cash necessary to consummate this transaction. A short time subsequent to this purchase a total distribution of \$551,063.36 was made to certificate holders and the sum of \$250,000 was reserved for certain taxes which were disputed. These taxes were settled, and in 1931 final distribution was made to certificate holders in the aggregate amount of \$261,993.29. [See Comment.]

*Greater part of taxes on this property paid by Nickel Plate Railroad Company, which leases the property. Balance, totalling only small amount, are in default for 1931 and 1932.*

EXHIBIT U-69i

SCHEDULE "F"

*Metropolitan Utilities, Inc.*

Participation due November 14, 1932 <span style="float: right;">-----</span>	\$2,100,000.00
Interest notes for Interest from August 17, 1932, to November 14, 1932 <span style="float: right;">-----</span>	165,823.75

Dated: See Comment under "Origin of Loan".

Interest paid to August 17, 1931.

Delinquent Interest from November 14, 1932 to May 1, 1933 <span style="float: right;">---</span>	63,975.49
--	-----------

Guaranteed By Vaness Company.

*Metropolitan Utilities, Inc.—Continued*

## Collateral:

Participation in following:

\$4,331,444.72	Note of Cleveland Interurban Railroad Company,
989,069.86	Note of Cleveland Traction Terminal Company,
73,569.95	Note of Traction Stores; also
100 shares	Cleveland Traction Terminal Company Stock (100%)
100 shares	Traction Stores Company Stock (100%)
1,465 shares	Cleveland Interurban Railroad Co. Stock (100%)
5,800 shares	Cleveland & Youngstown Railroad Co. Stock (100%)
	(Subject to \$855,041 indebtedness of Cleveland & Youngstown Railroad to New York Central).

## Participants:

Union Trust Company <sup>1</sup> .....	\$2,265,823.75
Midland Bank.....	1,078,963.68
Guardian Trust Company.....	1,510,549.17
	<hr/>
	\$4,855,336.60

Comment: While there does not appear to be any immediate possibility of Metropolitan Utilities and its subsidiaries earning sufficient money to pay interest on the above bank loans, the collateral securing the bank loans undoubtedly has some value because of the necessity of maintaining the Cleveland Interurban Railroad for the present need and further development of Shaker Heights. However, it will undoubtedly be a considerable period of time before any cash can be realized on these loans, unless the whole enterprise could be sold to the Cleveland Railway Company or other interests, a possibility which has not been developed up to the present time.

## EXHIBIT U-69j

## HISTORY OF METROPOLITAN UTILITIES, INC. LOANS PREPARED BY CORPORATE TRUST DEPARTMENT

8-14-30	Original Advance of \$2,100,000.
	Union Trust Company..... \$1,422,500.00
	Midland Bank..... 677,500.00
	Evidenced by note of Metropolitan Utilities, Inc., dated August 14, 1930, payable on or before February 15, 1931, bearing an endorsement of guarantee by The Vaness Company. Participation certificates specified the guarantee of The Vaness Company.
8-15-30	Received \$2,100,000 Promissory Note of Cleveland Interurban R.R. Co.
	1,465 Shares Cleveland Interurban R.R. Co.
	100 " The Traction Stores Co. Common.
	100 " The Traction Terminals Co. Capital.
	Also received Assignment of Equity of Metropolitan Utilities, Inc. in 5,800 shares of capital stock of Cleveland & Youngstown Railroad Company, subject to pledge to New York Central, per agreement dated 8-5-13.
9-15-30	Second Advance of \$1,000,000 made by Guardian Trust Company.
	Evidenced by note of Metropolitan Utilities, Inc., dated same date and payable on or before February 15, 1931, and bearing endorsement of guarantee by The Vaness Company. Participation certificates specified the guarantee of The Vaness Company.
9-16-30	Received \$1,000,000 Promissory Note of Cleveland Interurban R.R. Co.
11- 6-30	New notes substituted for the above, bearing endorsement of guarantee of O. P. and M. J. Van Sweringen. New participation certificates issued specifying guarantee of O. P. and M. J. Van Sweringen.
11-20-30	New notes substituted, bearing endorsement of guarantee by The Vaness Co. No record of new participation certificates issued at this time.

<sup>1</sup> Union Trust Co Trustee.

## HISTORY OF METROPOLITAN UTILITIES, INC. LOANS PREPARED BY CORPORATE TRUST DEPARTMENT—continued

- 11-26-30 Third Advance of \$400,000 made:
- |                          |           |
|--------------------------|-----------|
| Union Trust Company..... | \$210,000 |
| Midland Bank.....        | 100,000   |
| Guardian Trust Co.....   | 90,000    |
- Note dated November 26, 1930, payable on or before February 15, 1931, and bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued specifying endorsement of guarantee by The Vaness Company.
- 11-26-30 Received \$400,000 Promissory Note of Cleveland Traction Terminals Co.
- 12-15-30 Fourth Advance of \$1,000,000 made:
- |                          |           |
|--------------------------|-----------|
| Union Trust Company..... | \$467,500 |
| Midland Bank.....        | 22,500    |
| Guardian Trust Co.....   | 310,000   |
- Evidenced by note of same date and payable on or before February 15, 1931, bearing endorsement of guarantee by The Vaness Company. Same certificates of participation used.

## EXHIBIT U-69k

- 12-16-30 Received \$455,000 Promissory Note of Cleveland Traction Terminals Co.  
515,000 Promissory Note of Cleveland Interurban R. R. Co.  
30,000 Promissory Note of The Traction Stores Co.
- 2-16-31 Renewal notes given, due 8-16-31, bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued, specifying endorsement of guarantee of The Vaness Company.
- 8-17-31 Renewal notes given, due 2-17-32, bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued, specifying endorsement of guarantee by The Vaness Company.
- 2-17-32 Renewal note given, due 3 months after date, bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued, specifying endorsement of guarantee of The Vaness Company.
- 3- 3-32 Received \$420,000 Promissory Note of Cleveland Interurban R. R. Co.  
65,000 Promissory Note of Cleveland Traction Terminals Co.  
40,000 Promissory Note of The Traction Stores Co.
- 5-17-32 Renewal note given, due 90 days thereafter, bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued, specifying endorsement of guarantee by The Vaness Company.
- 8-15-32 Renewal note given, due 91 days thereafter, bearing endorsement of guarantee by The Vaness Company. New certificates of participation issued specifying endorsement of guarantee by The Vaness Company.
- 11-14-32 No renewal note given. Same certificates of participation outstanding. Present amounts of Promissory Notes held as Collateral:  
\$4,331,444.72 Cleveland Interurban R. R. Co.  
989,069.86 Cleveland Traction Terminals Co.  
73,569.95 The Traction Stores Co.

To help confirm the information that the endorsement of guarantee on notes was changed on or about November 6, 1930, from that of The Vaness Company, to that of O. P. and M. J. Van Sweringen, attention is called to a letter from J. A. House, Guardian Bank, dated October 31, 1930, referring to their participation certificate which stated that the notes evidencing the loan were guaranteed by The Vaness Company, but said Company was to be relieved and the payment of both principal and interest was to be assumed and guaranteed by endorsement of O. P. and M. J. Van Sweringen. [See comment #11.]

On November 20, 1930, Mr. Sherwin's letters to The Midland Bank and Guardian Trust Company refer to their participation in loan to Metropolitan Utilities, Inc. evidenced by the notes of said Company, bearing endorsement of guarantee by O. P. and M. J. Van Sweringen.

He stated that new notes had been received, bearing endorsement of guarantee by The Vaness Company and to forward their old certificates to be exchanged for new one embodying the change of endorsement.

## EXHIBIT U-69l

## SCHEDULE "G"

## VAN SWERINGEN COMPANY

## 1. Demand Loan

Dated November 3, 1931..... \$400, 000. 00  
 Interest paid to October 28, 1931  
 Delinquent Interest to May 1, 1933..... 38, 160. 46  
 Collateral: Title to the following real estate held in trust by The Union Trust Company:

- (1) 27.52 Acres St. Clair Avenue and Babbitt and Upson Roads,
- (2) 120.00 Ft. St. Clair Avenue, [See comment 12.]
- (3) 7.97 Acres North Woodland and Lander,
- (4) 37.98 Acres, Block 12, Shaker Country Estates,
- (5) 119.78 Acres, Block 12, Shaker Country Estates.

## 2. Demand Loan..... \$80, 000. 00

Dated July 6, 1928,  
 Interest paid to July 1, 1931,  
 Delinquent Interest to May 1, 1933..... 9, 220. 00  
 Collateral: Title to 28,586 acres of land on Wynnewood Avenue and N. Y., C. & St. L. Railroad held by Union Trust Company under trust agreement dated July 3, 1928, and July 6, 1928.

Comment: Mr. Stuber, of our Mortgage Loan Department, has advised that although there is undoubtedly some value to the above real estate held as collateral for these loans, it would be difficult, if not impossible, to determine this value at the present time. He is doubtful if the property could be sold, and the only chance of realization on the loans appears to be to keep the taxes paid on the property if possible in the hope that the property ultimately can be sold. [See comment 12.]

No taxes paid on the above properties since first half of 1930.

## CLEVELAND INTERURBAN RAILWAY

## Demand Loan..... \$45, 000. 00

Dated June 19, 1929,  
 Interest paid to October 1, 1932,  
 Delinquent Interest to May 1, 1933..... 1, 591. 88  
 Collateral: 500 shares Electric Depot Company Common Stock.

## EXHIBIT U-69m

## SCHEDULE "H"

## UNION TRUST REAL ESTATE LOANS—MAIN OFFICE

Comment: The loans listed on the following pages are held in the Real Estate Loan Department. Mr. Stuber, of that department, stated that it would not be worth while to make an appraisal of the properties held as security for the loans unless and until a buyer for any piece of property could be found. There apparently is no real market for any of this property, except that some realization might be had from the improved property on a sacrifice sale.

EXHIBIT U-690

The Union Trust Company—Main office real estate loans—April 21, 1933.

8964

STOCK EXCHANGE PRACTICES

Name	Location	Kind of Property	Date of Note	Original Amount	Total Payments	Balance Due	Interest Paid to	Int. Due as of 3-15-33	Int. Due as of 5-1-33
Shaker Company	Shaker Blvd & So. Moreland	Vacant	8-30-27	\$180,000	\$85,890	\$94,110	3-15-32	\$5,774.87	\$6,496.38
Shaker Village Land Co	West Park Blvd	"	12-10-25	8,000	2,780	5,220	12-15-32	78.30	118.32
"	"	"	12-10-25	8,000	740	7,260	12-15-32	108.90	164.56
"	"	"	12-10-25	8,000	740	7,260	12-15-32	108.90	164.56
Terminal Building Co	Eagle Ave. (& Ontario; released)	"	2-25-27	150,000	103,000	47,000	12-15-31	3,632.35	3,992.68
Traction Stores Co	Broadway & Ontario	Fr Stores	11- 6-24	16,000	0	16,000	12-15-31	1,236.54	1,359.21
"	Orange Ave	Vacant	5-23-25	8,000	0	8,000	12-15-31	618.28	679.59
"	"	"	5-16-25	7,400	0	7,400	12-15-31	571.90	628.46
"	Broadway	"	4-20-25	7,600	0	7,600	12-15-31	587.36	645.63
"	"	"	7-21-25	3,600	0	3,600	12-15-31	278.22	305.89
"	"	"	7-21-25	18,000	0	18,000	12-15-31	1,391.11	1,529.11
"	East 23rd Place	"	7-31-25	4,000	0	4,000	12-15-31	309.13	339.80
"	Broadway, Cor. 23rd Place	"	7-31-25	6,000	0	6,000	12-15-31	463.70	609.70
"	Orange Ave	"	8-27-25	14,000	0	14,000	12-15-31	1,081.98	1,189.31
"	Broadway & Pittsburgh Ave	"	7-21-25	12,000	0	12,000	12-15-31	927.41	1,019.41
"	Broadway & B & O RR	Br. Bldgs	11-14-28	80,000	0	80,000	12-15-31	6,182.72	6,796.05
Van Sweringen, O. P. & M. J	Sedgewick Road #2931	Br. Single	7-16-25	35,000	9,800	25,200	9-15-32	767.42	960.62
Van Sweringen Company	Kinsman Road #18504	Fr. Single	8-20-23	7,000	1,015	5,985	9- 1-32	159.02	204.90
"	Parkland Dr. #18514	Sgl Stone Stucco	4- 1-24	33,000	0	33,000	6-15-32	1,524.00	1,777.00
"	So. Moreland Blvd. #18419	Sgl Stone	7-31-24	26,400	3,400	23,000	8-15-32	1,411.84	1,588.17
"	Parkland Dr. #18414	Brick	4- 1-24	34,000	6,350	27,650	15- 1-32	1,128.29	1,340.27
"	Fairmount Blvd. #3387	"	11-20-24	20,000	0	20,000	3-15-33	0	153.00
"	No. Woodland Rd.	Vacant	4- 1-25	30,000	0	30,000	12-15-31	2,318.52	2,548.52
"	Granger Ave. #1353	Fr. Sgl	5-20-25	6,000	500	5,500	3-15-32	337.62	379.00
"	Larchmere Ave. #13645	Fr. Stucco	9-10-25	20,000	12,500	7,500	12-15-31	579.63	637.13
"	Shaker Blvd	Vacant	10-20-25	30,000	0	30,000	12-15-31	2,318.52	2,548.52
"	Aldersyde Drive	"	12- 1-25	3,000	240	2,760	12-15-31	213.30	234.46
"	Glengary Road	"	12- 1-25	10,000	800	9,200	12-15-31	711.01	781.54
"	"	"	12- 1-25	9,500	760	8,740	12-15-31	675.47	742.48
"	Winchell Road	"	11-23-25	800					
"	"	"	7-16-27	420	20	1,200	12-15-31	92.73	101.93
"	So. Woodland Road	"	2- 5-26	10,000	0	10,000	12-15-31	772.83	849.50
"	Lee Road	"	12-16-26	6,000	0	6,000	12-15-31	463.70	509.70
"	Brighton Road #3008	Stucco Sgl	3-27-26	13,500	1,620	11,880	3-15-33	0	91.08
"	Chadbourne Road #2992	F. Sgl	3-28-27	7,500	0	7,500	3-15-33	0	57.50
"	So. Woodland Blvd. #3125	Br. Stucco Sgl	3-15-28	22,000	0	22,000	1-21-33	136.42	305.09

EXHIBIT U-69N

Van Sweringen Company	Almar Drive #20699	Fr. Sgl.	8-14-28	4,200	0	4,200	3-15-32	257.82	290.02
	Warrensville Center Rd.	Vacant	8-14-28	6,600	0	6,600	12-15-31	510.09	560.69
	Almar Drive #20900	Br. Sgl.	8-14-28	7,200	0	7,200	3-15-32	441.97	497.17
	#20876	Fr. Br. Sgl.	10-10-28	9,500	0	9,500	<sup>1</sup> 3-15-32	583.15	655.98
	So. Moreland Blvd. #3137	Stucco Sgl.	7-29-29	20,000	0	20,000	<sup>1</sup> 2- 1-33	159.08	312.41
	Shaker Blvd. #19600	Stucco Stone Sgl.	11- 1-28	35,000	0	35,000	<sup>2</sup> 3- 1-33	91.86	360.19
Paul K. Jones <sup>2</sup>	Euclid Ave #13223	Fr. Sgl.	11-28-25	30,000	15,000	15,000	3-15-32	920.46	1,035.46
B. L. & L. D. Jenks	85.24 Acre Warrensville Center Rd.	Vacant	1926	40,000	0	40,000	12-15-31	3,398.00	3,398.00
	11 Acres S. O. M. Center Road	Vacant	1928	10,000	0	10,000	12-15-32	227.59	227.59

<sup>1</sup> Approximate date.

<sup>2</sup> Traction Stores Company recognizes this indebtedness and the liability for the payment of same now stands on their records—Letter 2-23-29.

## EXHIBIT U-69p

## History of present loan of \$2,800,000 to O. P. and M. J. Van Sweringen

Date	Amount	Maker	Collateral	Changes in Amt. of Loan	Substitution of Collateral	
					In	Out
1-14-28	\$500,000	Vaness Co.	32,600 Shs. Term. Prop. 1st Pfd. 27,300 Shs. Term. Prop. 2nd Pfd. 93,300 Shs. Term. Prop. Common.			
12-29-27	250,000	Vaness Co.	2,500 Shs. Nickel Plate Common.			
2-17-28	500,000	Vaness Co.	5,000 Shs. Nickel Plate Common.			
2-20-28	500,000	Vaness Co.	5,000 Shs. Nickel Plate Common.			
3-1-28	250,000	Vaness Co.	2,500 Shs. Nickel Plate Common.			
	2,000,000					
7-28-28	2,000,000	Vaness Co.	32,631 Shs Term. Prop. 1st 30,255 Shs. Term. Prop. 2nd Pfd. 95,600 Shs. Term Prop. Common.	<i>Paid by Renewal July 28, 1928</i> None	31 Shs. Term Prop 1st Pfd. 2,955 Shs Term. Prop. 2nd Pfd. 2,300 Shs. Term. Prop. Common.	15,000 Shs. Nickel Plate Com. Market Value, \$1,875,000.
11-1-29	2,000,000 Participation in \$9,000,000 Loan to Cleve. banks: U. Tr. \$2,000,000 Guardian 2,500,000 Midland 1,200,000 Cleve. Tr. 3,300,000	Vaness Co.	Above and 122,000 Shs Van Sweringen Co. Com., 100 Shs. Cleve. Term Bldg. Co. Com.	<i>Paid by Renewal Nov 1, 1929</i> \$7,000,000 total increase in Loan.	122,000 Shs. Van Sweringen Co Com, 100 Shs. Cleveland Term. Bldg Com.	
5-15-30	2,300,000	Vaness Co.	{ 122,000 Shs. Van Sweringen Co. Com., 600,000 Shs. Van Sweringen Corp. Com.	{ U. Tr. took over \$800,000 from Cleve. Trust Co.	{ 600,000 Shs. Van Sweringen Corp. Com.	{ 32,631 Shs. Term. Prop. 1st Pfd. 30,255 Shs. Term. Prop 2nd Pfd 95,600 Shs. Term. Prop. Common 122,000 Shs. Van Sweringen Co. Com. 600,000 Shs. Van Sweringen Corp. Com.
10-30-30	2,800,000	{ O. P. and M. J. Van Sweringen.	{ 97,500 Shs. Vaness Co. Com. (60%)	{ None	{ 97,500 Shs. Vanes Co. Com.	{

EXHIBIT U-69q

Consolidated liability to the Union Trust Company of Van Sweringen controlled companies

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
1920				1921			
July 1	\$230,587.89			Aug 22	\$1,877,213.97		\$20,000.00
July 20	270,587.89	\$40,000.00		Sept. 13	1,927,065.97	\$50,000.00	
Nov. 22	425,665.22	155,077.33		17	1,906,851.42		20,214.55
1921				19	1,886,851.42		20,000.00
Apr 2	475,665.22	50,000.00		26	1,986,851.42	100,000.00	
May 28	453,665.22		\$25,000.00	Oct. 14	2,041,449.09	499,019.00	235,077.33
June 6	981,093.62	527,428.40		26	2,021,249.09		120,000.00
15	1,081,093.62	100,000.00		Nov. 21	2,053,133.12	32,571.03	88,850.00
27	1,056,093.62		25,000.00	25	2,033,133.12		20,000.00
30	1,076,093.62	20,000.00		Dec. 8	2,062,633.12	30,000.00	
July 13	1,805,530.97	729,437.35		22	2,306,398.54	250,000.00	
14	1,825,530.97	20,000.00		27	2,296,398.54		10,000.00
21	1,855,530.97	30,000.00					
23	1,894,805.97	40,000.00					

EXHIBIT U-69r

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
1922				1922			
Jan. 5	\$2,166,972.47		\$129,426.07	June 26	\$5,042,259.62		\$25,000.00
17	2,316,001.22	\$150,000.00		July 3	3,777,140.34		764,994.01
26	2,306,001.22		10,000.00	12	3,090,802.35		500,000.00
30	2,346,001.22	40,000.00		15	3,090,802.35		683,689.99
Feb. 14	3,133,998.31	790,000.00		18	2,720,611.95	\$75,000.00	442,505.99
15	3,081,573.67		52,424.64	26	2,740,611.95	20,000.00	
27	3,058,602.42		20,000.00	26	2,715,611.95		25,000.00
Mar. 4	3,044,064.02		14,537.50	Aug. 2	2,067,453.03		40,000.00
23	4,339,590.62	1,300,000.00		11	2,067,453.03		345,000.00
24	4,319,590.62		20,000.00	24	2,567,453.03	500,000.00	263,158.92
28	4,519,590.62	200,000.00		25	2,717,453.03	150,000.00	
Apr. 25	4,426,094.53		92,500.00				
26	4,901,094.53	500,000.00	25,000.00				
May 5	5,000,094.53	100,000.00					
29	4,967,929.17		25,000.00				
31	5,074,596.84	106,667.67					

EXHIBIT U-69s

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
1922				1922			
Sept. 1	\$2,904,953.03	\$212,500.00		Nov. 7	\$3,198,377.79	\$10,000.00	
6	2,939,953.03	35,000.00		8	3,228,377.79	30,000.00	
14	2,589,968.88	25,000.00	\$375,000.00	16	3,215,667.79		\$12,710.00
15	2,664,968.88	75,000.00		20	3,265,667.79	50,000.00	
19	2,674,968.88	40,000.00	30,000.00	23	3,295,667.79	30,000.00	
25	2,646,968.88		25,000.00	24	3,270,667.79		25,000.00
28	2,746,968.88	100,000.00		29	3,320,667.79	50,000.00	
29	2,821,968.88	75,000.00		Dec 1	3,395,667.79	75,000.00	
Oct. 13	2,796,968.88		25,000.00	5	3,640,651.94	175,000.00	
17	2,773,377.79		23,591.09	19	3,682,651.94	40,000.00	
24	2,848,377.79	75,000.00		23	3,932,651.94	250,000.00	
25	2,823,377.79		25,000.00	28	3,907,651.94		25,000.00
28	3,188,377.79	365,000.00		29	4,042,651.94	135,000.00	



## EXHIBIT U-69t

Consolidated liability to the Union Trust Company of Van Sweringen controlled companies—Continued

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
<b>1923</b>				<b>1923</b>			
Jan. 25	\$3,967,052.64		\$84,599.30	June 7	\$4,324,632.70	\$15,000.00	
29	3,992,052.64	\$25,000.00		20	4,484,632.70	160,000.00	
31	4,317,052.64	325,000.00		23	4,984,632.70	500,000.00	
Feb. 9	4,274,783.30		42,269.34	25	5,094,632.70	110,000.00	
16	4,299,783.30	25,000.00		26	5,069,632.70		\$25,000.00
Mar. 28	4,274,783.30		25,000.00	July 16	5,091,632.70	25,000.00	
30	4,287,283.30	12,500.00		30	5,086,632.70		25,000.00
31	4,462,283.30	175,000.00		Aug. 3	5,086,632.70	20,000.00	
April 3	4,587,283.30	125,000.00		11	5,146,632.70	60,000.00	
11	4,562,283.30		25,000.00	31	5,236,632.70	80,000.00	
26	5,059,632.70	500,000.00		Sept. 4	5,236,632.70	10,000.00	
27	4,634,632.70		425,000.00				
30	4,609,632.70		25,000.00				
May 1	4,634,632.70	25,000.00					
5	4,334,632.70		300,000.00				
31	4,309,632.70		25,000.00				

## EXHIBIT U-69u

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
<b>1923</b>				<b>1924</b>			
Sept. 6	\$5,266,632.70	\$30,000.00		Mar. 31	2,546,399.17	35,000.000	
26	5,093,510.40		\$173,102.00			150,000.00	
27	5,068,510.40		25,000.00	Apr. 2	2,516,399.17		30,000.00
Oct. 2	5,008,510.40		60,000.00	30	2,491,374.17		25,000.00
25	1,920,478.09		2,587,000.00	May 17	3,230,255.05	750,000.00	
29	1,892,955.36		500,000.00				319,166.67
Dec. 26	1,862,408.74		25,000.00	June 5	625,363.03		280,000.00
28	1,852,374.39		10,000.00				1,235,000.00
							770,633.36
<b>1924</b>				<b>1925</b>			
Jan. 7	1,827,374.39		25,000.00	Feb. 6	1,024,863.03	400,000.00	
11	1,927,374.39	100,000.00		Apr. 2	1,124,863.03	100,000.00	
30	1,987,301.59	65,000.00		May 1	1,106,418.03		10,000.00
Feb. 5	2,013,301.59	26,000.00		June 1	1,094,418.86		10,000.00
13	2,313,222.17	300,000.00		6	1,284,418.86	200,000.00	
Mar. 17	2,362,899.17	50,000.00		16	1,092,013.49		200,000.00

## EXHIBIT U-69v

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
<b>1925</b>				<b>1927</b>			
July 3	\$1,292,013.49	\$200,000.00		Jan. 17	5,361,260.39		225,000.00
Aug. 3	1,477,729.02	200,000.00		Feb. 1	5,608,360.39	250,000.00	
24	1,276,403.58		\$200,000.00	18	5,908,064.28	300,000.00	
Sept. 1	1,268,403.58		10,000.00	23	5,593,064.28		315,000.00
Oct. 14	1,507,938.77	250,000.00		Mar. 1	5,943,064.28	350,000.00	
				June 6	4,341,363.03		1,600,000.00
Mar. 17	620,368.04		850,000.00	7	2,341,363.03		2,000,000.00
31	720,368.04	100,000.00		July 1	2,841,363.03	500,000.00	
Apr. 15	2,319,118.04	1,600,000.00		Oct. 4	941,363.03		1,900,000.00
19	2,219,118.04		100,000.00	Nov. 8	1,191,363.03	250,000.00	
July 21	2,439,585.96	225,000.00		27	1,441,363.03	250,000.00	
Aug. 20	2,753,545.34	315,000.00		Dec. 5	1,941,363.03	500,000.00	
Nov. 10	3,099,694.67	350,000.00		28	2,191,363.03	250,000.00	
29	3,337,694.67	250,000.00					
Dec. 18	3,586,548.53	250,000.00					
28	5,586,260.39	2,000,000.00					

NAME *Terminal Iron Bldg* ADDRESS *Terminal Iron Bldg* DEMAND LOAN *II* NO. *U-70*

The Vaness Co.

INTEREST *Actual Days* PRINCIPAL

DATE	DEBIT	CREDIT	BALANCE	INTEREST TO DATE	RATE	PER	DEBIT	PRINCIPAL	CREDIT	BALANCE
			1003834							1003834
			1212223							1003834
			1226667							1003834
			7220994							1003834
			7220994							1003834
			461343							1003834
			6997429682							1003834
			14147410245							1003834
			213-1697960							1003834
			27132338							1003834
			3506125							1003834
			1402830							1003834
			28152338							1003834
			46007430							1003834

FORM NO. 037 EM 2-28 HELMS-GORLING, INC.

EXHIBIT U-70

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	4000shs	The Niagara Hudson Power Corp. Com #1010733 n/o O. P. Van Sweringen		104
	X 5,000shs	The Standard Brands Inc. Com #TC54550/99 at 100shs ea n/o E. J. Smith	300 NY 23	115
	1400shs	The Newton Steel Co. Com Ctf/Dep. #C116 #440/53 at 100shs ea n/o G. L. Bradley		
	33,000shs	The Peerless Motor Car Corp Cap #C4371/4700 at 100shs ea n/o A.J. Stiver		
	X 5000shs	The United Corp. Com #C13738/51 n/o F.W. Martin #C13752/51 n/o C.W. Bleiler #C13702/37 n/o F.W. Martin at 100shs ea	104 NY 5	90
	X 3,000shs	The Western Reserve Investing Corp Com #CH104/133 at 100shs ea n/o Otto Miller		
	X 3000 Units	The Western Reserve Investing Corp. 1sh of 6 1/2 Pfd. 1sh of Com #UH104/133 at 100 Units ea n/o Otto Miller		
	X 17999 1/2shs	The Trustees of the Calumet Trust #36 at 1sh #50 at 150shs #35 at 16shs #96 at 17, 817 1/2shs #95 at 1shs n/o Vaness Co.		145
4/17/31	33000	Peerless Motor Car Corp 500 Cap - 11,700. Int. 14,217.25 days		
	1400shs	Newton Steel Co. Com. exchanged for 560shs Voting and 140shs Non-Voting Common shares of The Corrigan, McKinney Steel Co.		

Received from THE UNION TRUST COMPANY. Cleared, Collateral Securities and all other papers due in connection with the above described loan.

DATE

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	<del>645,000</del>	<del>Note of The Van Sweringen Co. secured by Deed to the following real estate, title being held in The Union Trust Co. 27.52 Acres St. Clair, Bablit &amp; Upson Rds. 120.00 Feet St. Clair Ave. 7.97 Acres No. Woodland &amp; Lakeside 37.98 Acres Block 12 Shaker Country Estates 119.78 Acres Block 12 Shaker Country Estates</del>		<del>145,000</del>
3	X 1250shs	The Cleveland Base Ball Co. Cap #89 n/o Alva Bradley	nominal 100	125,000
	X 1335shs	Niagara Hudson Power Corp. Com. \$15.00 per value #011818/30 at 100shs ea #0054408 at 33shs n/o C. F. Van Sweringen	each 5	6665
	X 560shs	The Corrigan, McKinney Steel Co. Com Voting #CV/544 n/o C.L. Bradley	100	5600
	X 140shs	The Corrigan, McKinney Steel Co. Com Non-Voting #CN/540 n/o C.L. Bradley	10	1400
				283665
		RECEIVED 645,000 note of The Van Sweringen Co. secured by title to a parcel of real estate in the Vaness Co. of C. F. Van Sweringen - \$145,000		125,000
		6,000shs The Niagara Hudson Power Corp. Com. exchanged for 1335shs \$15.00 per value stock and check for \$9.15 released to Mr. Van Sweringen		
Received from THE UNION TRUST COMPANY Cleveland, Ohio Collateral Securities and all other papers due in connection with the above described loans.				
DATE				

EXHIBIT U-70b

NAME		ADDRESS		DEMAND LOAN		NO.				
The Vaness Co						U-71				
DATE	DEBT	CREDIT	INTEREST	INTEREST TO	DATE PAID	RATE	DATE	DEBT	CREDIT	BALANCE
		53,333.34			1-2-30	6		1000.00		1000.00
		7500.00			APR 2 - 1930	5 1/2				
		1226.11								
		6250.00			DEC 1 - 1930					
<p>transferred to new bond</p>										
<p>44 3/8 5 1/2 1/2 1/2 1/2</p>										

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	50000	The Midland Bank of Cleveland Ohio Cap Temp Ctr	700	249000
	20000	#1200-6160shs - C I Bradley		
	20000	#1276-340shs %0 C I Bradley		
	30000	The Western Reserve Investing Corp 5% Pfd	60	180000
	30000	#1102/133 at 100 Units ea. Otto Miller		
	20000	The United Corp Com	24	134
	20000	#101302/51 at 100shs ea - R T Keatler		
	20000	#100607/00 at 100shs ea - G W Rhatton		
	20000	#11300/51-100shs ea N/O S. H. Martin		
	20000	#113752/51-100shs ea N/O S. H. Martin		
	20000	The Allegheny Corp Com Temp Ctr		
	20000	#101400/57 at 100shs ea - 1013219/10 at 2,000shs ea Edwin D. Haw.		
	20000	#100400/52 at 1,000shs ea Frank Rhodes.		
	20000	The Cleveland Railway Co Ctr of Deposit	70	243200
	20000	#100602-1007/00 - Stanley Zeit		
	20000	#1102/02 - Francis Lawler		
	20000	#1127/57 Jerome H. Jones		
	20000	#1100/70 C E Harrison		
	20000	#11200/1234 C E Crawford		
	20000	#112471346 The Union Trust Co at 100shs ea.		
RECEIVED <i>UP 12/27/37 for 260 Shs Midland Bank Co. C. Bradley</i>				
5,000 shs The United Corp. Com. Temp. Ctr. exchanged for Fern. Ctr.				
<i>30000 shs The Allegheny Corp Com in exchange for 2760 shs The Midland Bank Co. Ctr. The prices for C. I. Bradley's stock are set as per Book 497 shs Midland Bank. Woods' stock is set as per Book 497 shs Midland Bank. 30000 shs that of C. I. Bradley's stock is set as per Book 497 shs Midland Bank.</i>				
Received from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.				

EXHIBIT U-71a

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	50000			249000
	20000	Ven Sweringen Corp. Com.		
	20000	#13 @ 20,000shs #10 @ 20,000shs - n/o General Securities Corp.		
RECEIVED				
<i>transferred to new bank</i>				
Received from the UNION TRUST COMPANY, Collateral Securities and all other papers due in connection with the above described loan.				

EXHIBIT U-71b

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		2,800,000 Certificate of Participation in loan to O. P. & M. U. Van Sweringen Total 2,000,000.00		
		97.500shs The Vaness Co. Com		

This collateral is held in Corporate trust "art.  
 (Cof # 01 - Frank J. ...)  
 (Equity ...)

*Arly collateral ...*

RECEIVED

Reference to THE UNION TRUST COMPANY, Cleveland, Ohio, Collateral Securities and all other papers due in connection with the above described loan.

EXHIBIT U-72

DATE		DEBIT	CREDIT	BALANCE	INTEREST	DATE PAID	DATE	DEBIT	PRINCIPAL	CREDIT	BALANCE
				2505.00							
				3941.147							
				4744.667							
				4293.333							
				865.147							
				1800.394							
170500		1946.34		1210.051							
117333		2618.98		0.332075							
260644		379.74		93.33			JAN 1 1933				
21144		3800		4231.93							
				4231.93							
				4231.93							
384064		700		40748.01							
				42499.74							

FORM NO. 1067 4M 10-28

EXHIBIT U-72a

NAME: *Terminal Bldg Co. & The Vaness Co.* #2 27653 TIME LOAN

ADDRESS: Terminal Bldg. No. 1 DUE 1/11/32  
 No. 2 DUE 1/11/32  
 No. 3 DUE  
 No. 4 DUE  
 No. 5 DUE

MEMO: *M.M.M. 2/2/32*

DATE	DISCOUNT	INTEREST OR DISCOUNT			DATE PAID	INT. RATE	DATE	PRINCIPAL		BALANCE
		INT. REGATE	INT. RECEIVABLE	INTEREST TO				DEBIT	CREDIT	
			76.72	0-1-32		6	11	557000 9 20		557000
			11.48	10-1-32				557100		557100
			854067	1-1-32		6		557100 9 20		557100
			9469	1-11-32						
			751750	4-1-32						
		1516733	11465							
		844185	1608138	7-1-32						
		7450800	854067	7486688	10-1-32					
		33041 47	854067	3391335	1-1-33					
		4140364	1755	4962406	4-1-33					
			1777	2165099	7-1-32					
			27800	213711	4-1-32					
		5819744	27800	6082902	10-1-32					
		6457222	637333	7094515	1-1-34					

*10818 3rd street*  
*attn*  
*4/6/32*

*10818 3rd street*  
*attn*  
*4/6/32*

*52800 54618166*

Form No. 89 19M 3-30

EXHIBIT U-73

DATE	PAY OR CHARGED	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		Title to real estate held in Corporate Trust Dept.		
		First Lien against Real Estate held in Corporate Trust Dept for account of Terminal Bldg Co. Trust #4244		
		Copy of agreement in loan file		
		<i>Hold collateral, M. &amp; Inty. Loan</i>		
		RECEIVED		
		Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.		
		DATE		

EXHIBIT U-73a





1000 4/11/31 R.F.C. DEMAND LOAN  
 ADDRESS The Van Sweringen Co. NO. U-75  
*Actual Days* *Lease*

DATE	DEBIT	INTEREST		INTEREST TO	DATE PAID	PRINCIPAL	CREDIT	BALANCE
		DRUGS	DRAVAGE					
		433333			6/10/31	400000		400000
1000	006607	6571046572						
1000	606667	157731669012		JUL 1 1932				
2200	613333	25242207543						
1000	613333	346532955579		JAN 1 1933				
1000	4000	431 3598199						
1000	240000	526774215261		7-1-33				
1000	267777	25389451161		7-1-33				
1000	4783242	176074887472		10-1-33				
		597737 5074595		1-1-34				

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*Preferred Shares on A/c.*  
*Trust Funds - 18,057.82*  
*Trust Funds - 2276.48*  
*Trust Funds - 382.76*  
*Trust Funds - 24,588.52*

HELMS GOBLING, INC.

EXHIBIT U-75

DATE	PAY OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		Title to the following real estate held in trust by The Union Trust Co.		
		27.52 acres St. Clair Ave, Fabbit & Upson Roads		
		120.00 Feet St. Clair Ave.		
		7.97 acres No. Woodland & Lander		
		37.98 Acres Block 12 Shaker Country Estates		
		119.78 Acres Block 12 Shaker Country Estates		
		Appraisal		
		Fabbit & Upson Road 27.52 acres	\$68,800.00	
		St. Clair Ave. 120 ft	66,000.00	
		N. Woodland & Lander 7.97 acres	15,940.00	
		Block 12, Shaker Country Est. 37.98 acres	75,960.00	
		Block 12, do do 119.78 acres	419,230.00	
		Total	645,930.00	
1/24/31	\$25,800	* <i>1/24/31. \$25,800</i>		
		* Certified copy of agreement		
		* Certificate of Resolution Board of Directors		
		The Van Sweringen Co.		
		<i>Henry C. ...</i>		
		RECEIVED		
		© Receives from THE UNION TRUST COMPANY		

EXHIBIT U-75a



MEMO *4/12* R.F.C. DEPOSIT SLIP *118*

ADDRESS The Daisy Hill Co.

*Wm. M. Mace*

INTEREST				PRINCIPAL			
DATE	DEBIT	CREDIT	BALANCE	DATE PAID	DEBIT	CREDIT	BALANCE
			4914.13				
			6845.05				
			11013.8631				
			20763.2138010				
			28462.43				
			738617.7908592				
			7407.33				
			35929.76				
			4304.269896710.1.33				
			7407.33	JAN 1 1933			
			43317.03				
			55012.4500772	1.1.33			
			7305-				
			50702.09				
			65016.52963184-1.33				
			712.43				
			58077.16				
			732611.6111103	7.1.34			
			5127.43				
			5127.43	1.1.33			
			540.63				
			65532.46				
			1000.00				
			73022.43				
			7467.93				
			7949.68				
			141.34				

FORM NO. 0-57 EN 2-25 HELMS-GORLING, INC.

EXHIBIT U-76

PER OR SHARE DESCRIPTION OF COLLATERAL MARKET BAL'S AIR

*107* 7935shs The Vaness Co. Pfd. Cap Temp Ctf #185 n/o B. L. Jenks

*5000.00*

RECEIVED

Received from THE UNION TRUST COMPANY, Cleveland, Ohio. Collateral Securities and all other papers due in connection with the above described loan.

DATE

EXHIBIT U-76a

EXHIBIT U-69w

Consolidated liability to the Union Trust Company of Van Sweringen controlled companies—Continued

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
1928				1928			
Jan. 10	\$2,691,363.03	\$500,000.00	-----	Dec. 1	7,055,172.28	-----	23,838.00
14	3,191,363.03	500,000.00	-----	3	7,543,253.28	500,000.00	-----
20	3,748,363.03	557,000.00	-----	1929			
Feb. 17	4,248,363.03	500,000.00	-----	Jan. 10	8,043,253.28	500,000.00	-----
20	4,748,363.03	500,000.00	-----	18	8,643,253.28	600,000.00	-----
Mar. 1	4,998,363.03	250,000.00	-----	25	9,143,253.28	500,000.00	-----
Apr. 2	4,998,363.03	500,000.00	\$500,000.00	Feb. 20	8,248,363.03	-----	800,000.00
June 23	5,998,363.03	1,000,000.00	-----	26	9,948,363.03	1,700,000.00	-----
26	5,998,363.03	1,000,000.00	1,000,000.00	Mar. 1	11,448,363.03	1,500,000.00	-----
27	6,698,363.03	700,000.00	-----	22	11,394,363.03	-----	54,000.00
July 6	6,781,863.03	83,500.00	-----	Apr. 19	11,394,363.03	1,000,000.00	1,000,000.00
Sept. 4	6,632,243.03	-----	149,620.00	23	11,259,363.03	-----	135,000.00
6	6,597,386.03	-----	34,857.00				
13	6,581,894.03	-----	15,492.00				
Oct. 17	6,582,510.28	20,000.00	-----				
18	7,082,510.28	500,000.00	-----				

EXHIBIT U-69x

Date	Balance	Increase	Decrease	Date	Balance	Increase	Decrease
1929				1930			
May 31	\$10,759,363.03	-----	\$500,000.00	Oct. 30	10,361,863.03	7,800,000.00	7,800,000.00
June 19	10,804,363.03	\$45,000.00	-----	Nov. 1	10,362,500.00	387,000.00	386,363.03
July 13	10,654,363.03	-----	80,000.00	20	10,362,500.00	800,000.00	800,000.00
20	9,294,363.03	-----	70,000.00	26	11,040,000.00	677,500.00	-----
23	7,294,363.03	-----	1,360,000.00	1931			
25	3,293,363.03	-----	930,000.00	Jan. 24	11,040,000.00	100,000.00	100,000.00
Oct. 29	8,293,363.03	5,000,000.00	-----	Oct. 6	11,035,000.00	-----	5,000.00
1930				Nov. 3	11,035,000.00	400,000.00	400,000.00
Mar. 7	8,344,363.03	51,000.00	-----	19	10,939,777.75	-----	95,222.25
May 13	8,939,363.03	800,000.00	205,000.00	1932			
Aug. 14	10,361,863.03	1,422,500.00	-----	Jan. 26	10,924,183.75	-----	10,000.00

(Exhibits U-70 through U-76a face this page)

EXHIBIT U-77

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENT—ESSENTIAL CREDIT INFORMATION—FOR EXCLUSIVE USE OF CREDIT DEPARTMENT

July 26, 1928

THE VAN ESS COMPANY

It was agreed to loan The Van Ess Company \$2,000,000.00 secured by 32,631 shares first preferred 30,255 shares second preferred 95,600 shares common stock of the Terminal Properties Company. The proceeds of this loan will be used to pay existing loans of the company to this bank, and consequently this loan will not increase the amount of its indebtedness here.

DISCOUNT COMMITTEE,  
R. S. CRAWFORD, Secretary.

WMB

## EXHIBIT U-78

THE VANESS COMPANY,  
TERMINAL TOWER,  
Cleveland, November 1st, 1929.

THE UNION TRUST COMPANY,  
Corporate Trust Department, Cleveland, Ohio.  
Attention: Mr. Hull

GENTLEMEN: Reference is made to our demand loan in the amount of \$9,000,000 dated today, collaterally secured by stock of The Terminal Properties Company, The Van Sweringen Company and The Cleveland Terminals Building Company.

With reference to the various participations in this loan, the proceeds of same are to be credited by the participants as follows:

The Cleveland Trust Company (to the credit of our account at their bank).....	\$3, 300, 000
The Guardian Trust Company (to the credit of our account at their bank).....	2, 500, 000
Midland Bank (to the credit of our account at their bank).....	1, 200, 000
The Union Trust Company (to be applied to take up our present loan in the amount of \$2,000,000, dated July 27, 1928, collaterally secured by stock of The Terminal Properties Company).....	2, 000, 000
Total.....	\$9, 000, 000

Very truly yours,

THE VANESS COMPANY,  
By J. J. ANZALONE,  
Assistant Treasurer.

J. J. Anzalone  
HOC

## EXHIBIT U-79

INTERVIEWS AND COMMITMENTS AFFECTING LOANS—OFFICIAL INSTRUCTIONS TO CREDIT DEPARTMENT—COMMENTS ON FINANCIAL STATEMENTS—ESSENTIAL CREDIT INFORMATION—FOR EXCLUSIVE USE OF CREDIT DEPARTMENT

October 28, 1930

O. P. & M. J. VAN SWERINGEN—VANESS COMPANY—METROPOLITAN UTILITIES INC.

It was agreed to accept participation of \$2,800,000.00 in a loan of \$9,000,000.00 to O. P. and M. J. Van Sweringen, to be secured by 60% of the entire issue of common stock of the Vaness Company. The other participants in this loan are The Cleveland Trust Company, the Guardian Trust Company and the Midland Bank.

It was agreed to loan O. P. and M. J. Van Sweringen \$5,000,000.00 to be secured by collateral—

9,000 shares Vaness Company preferred  
1,400 shares Newton Steel Company common  
4,000 shares Niagara & Hudson Power Corp.  
33,000 shares Peerless Motor Car Corp. common  
5,000 shares Standard Brands Inc.  
6,000 shares United Corporation common  
3,000 shares Western Reserve Investing Corporation common  
3,000 units Western Reserve Investing Corporation pfd. and common  
17,999½ shares Calumet Trust  
16,250 shares Vaness Company common  
10,296 shares Metropolitan Utilities, Inc.

and—

100 shares Traction Stores common  
100 shares Cleveland Traction Terminal common  
1,465 shares Cleveland Interurban Railroad common  
5,800 shares Cleveland and Youngstown Railroad common previously pledged to secure loan of \$3,100,000.00 of Metropolitan Utilities, Inc.

the above two loans being accepted in lieu of similar amounts now loaned to the Vaness Company.

It was agreed to accept the personal guarantee of O. P. and M. J. Van Sweringen in lieu of the present guarantee of the Vaness Company on participation of \$1,422,500.00 in a loan of \$3,100,000 to Metropolitan Utilities, Inc.

FINANCE COMMITTEE,  
R. S. CRAWFORD, *Secretary*.

WMB

EXHIBIT U-80

JANUARY 8th, 1931.

Mr. O. C. GRAY,  
*Superintendent of Banks, Columbus, Ohio.* [State of]

DEAR MR. GRAY: We wish to acknowledge receipt of your letter of January 3rd addressed to our Board of Directors, in reference to what appears to be an excess loan limit. This matter will have our prompt attention.

Very truly yours,

WMB.EMS

\_\_\_\_\_  
*President.*

EXHIBIT U-81

JANUARY 24th, 1931.

Mr. O. C. GRAY,  
*Superintendent of Banks, Columbus, Ohio.* [State of]

DEAR MR. GRAY: Referring again to your letter of January 3rd, I wish to advise that the excess loan has been cleared.

Very truly yours,

WMB.EMS

\_\_\_\_\_  
*President.*

EXHIBIT U-3

LOANS MADE BY THE UNION TRUST CO. TO VAN SWERINGENS AND CONTROLLED COMPANIES

PAINTER-BRADLEY-NUTT VAN SWERINGEN SYNDICATE—W. H. SEYMOUR

SEPTEMBER 13, 1929.

THE VAN SWERINGEN COMPANY,  
*Terminal Tower Building, Cleveland, Ohio.*

(Attention: Mr. T. W. Boutall, Asst. Secretary.)

GENTLEMEN: In accordance with your request in a letter to us under date of September 12, 1929, relative to subplot number 1942 Sutherland Road, sold under land contract to Hans Glad-Block, which property is subject to the so-called Painter-Bradley-Nutt Syndicate Agreement, we hand you herewith duly executed quit claim deed together with our copy of the land contract.

This deed and land contract are lodged with you as agent to be used only when you can deposit with us the note secured by mortgage deed, to be substituted in lieu thereof and fully in accordance with the terms and conditions as outlined in your letter of September 12, 1929 as referred to above. We ask that you kindly acknowledge receipt of the enclosures upon the accompanying carbon and return to us for our files.

Very truly yours,

L. C. GILGER,  
*Asst. Secretary.*

REP:EP  
Enc.

EXHIBIT U-3-1

JANUARY 9, 1933

Mr. K. V. PAINTER,  
*3240 Fairmount Blvd., Shaker Heights, Ohio.*

DEAR MR. PAINTER: We advise that we are preparing the usual Fiduciary return of income for the calendar year 1932 with reference to our Trust No. 2975 known as the "*Painter-Bradley-Myers Syndicate*," in which you have a  $\frac{1}{2}$ h interest. The total income of the Trust to be reported is \$13,510.08 and the report

lists your share thereof, namely, \$2,702.01. We are advising you of this for your information in connection with your 1932 return.

Very truly yours,

L. C. GILGER,  
Assistant Secretary.

LCG G

EXHIBIT U-3-2

JANUARY 9, 1933.

ESTATES TRUST DEPARTMENT,  
Bank.

GENTLEMEN: We advise that we are preparing the usual fiduciary return of income for the calendar year 1932 with reference to our Trust No. 2975 known as the "Painter-Bradley-Myers Syndicate". The total income of the Trust to be reported is \$13,510.08 and the report lists the shares of the various parties listed below:

Name	Interest	Share of income
Estate of P. A. Myers.....	1/10th.....	\$1,351.01
J. R. Nutt, Jr., Trust.....	3/100ths.....	405.29
Frances Nutt Trust.....	3/100ths.....	405.29
Jane Nutt Akens Trust.....	3/100ths.....	405.29
Louise Nutt Iseman Trust.....	3/100ths.....	405.29
David Clark Nutt Trust.....	8/100ths.....	1,080.86

We are advising you of this for your information in connection with 1932 returns for the above trusts.

Very truly yours,

L. C. GILGER,  
Assistant Secretary.

LCG G

EXHIBIT U-3-3

COPY OF A LETTER FOUND IN THE FILES OF THE UNION TRUST COMPANY

FEBRUARY 5, 1932.

K. V. PAINTER,  
3240 Fairmount Blvd., Shaker Heights, Ohio.

DEAR SIR: Your share of the distributable income for 1931 from the so-called Painter,Bradley-Myers Syndicate, our Trust No. 2975, is \$12,065.47. This amount is returnable by you and will be reported by us as Trustee on the Fiduciary Return of Income for the calendar year 1932, for this Trust.

Yours very truly,

L. C. GILGER,  
Assistant Secretary.

LCG:MT

EXHIBIT U-3-4

COPY OF A LETTER FOUND IN THE FILES OF THE UNION TRUST COMPANY

CLEVELAND, OHIO, October 15th, 1924.

To: The Union Trust Company, successor by consolidation to The Citizens Savings and Trust Company, Trustee under agreement by and among K. V. Painter, C. L. Bradley, F. E. Myers & Bro. and The Van Sweringen Company, dated April 14, 1920.

The undersigned, Supervisors appointed by the above described Agreement, do hereby authorize and direct you to distribute to the holders of "Land Trust Certificates of Equitable Ownership in Residential Allotment Property" issued under the above referred to agreement, the sum of One Hundred and Thirty-five Thousand Dollars (\$135,000.), being a portion of the monies accumulated in

your hands as Trustee as aforesaid—said distribution to be made in accordance with the terms of said Agreement dated April 14, 1920.

(Signed) O. P. VAN SWERINGEN,  
*Supervisor.*  
(Signed) C. L. BRADLEY, *Supervisor.*

Approved:  
(S) J. P. MURPHY.

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EXHIBIT U-3-5

COPY OF A LETTER FOUND IN THE FILES OF THE UNION TRUST COMPANY

CLEVELAND, OHIO, *April 7th, 1925.*

To: The Union Trust Company, successor by consolidation to The Citizens Savings and Trust Company, Trustee under agreement by and among K. V. Painter, C. L. Bradley, F. E. Myers & Bro. and The Van Sweringen Company, dated April 14, 1920.

The undersigned, Supervisors appointed by the above described Agreement, do hereby authorize and direct you to distribute to the holders of "Land Trust Certificates of Equitable Ownership in Residential Allotment Property" issued under the above referred to Agreement, the sum of Forty Thousand Dollars (\$40,000.00), being a portion of the monies accumulated in your hands as Trustee as aforesaid—said distribution to be made in accordance with the terms of said Agreement dated April 14, 1920.

(Signed) O. P. VAN SWERINGEN,  
*Supervisor.*  
(Signed) C. L. BRADLEY, *Supervisor.*

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EXHIBIT U-3-6

COPY OF A LETTER FOUND IN THE FILES OF THE UNION TRUST COMPANY

TERMINAL TOWER,  
*Cleveland, May 7, 1929.*

Mr. I. C. GILGER,  
*Asst. Secretary, The Union Trust Company, Cleveland, Ohio.*

DEAR MR. GILGER: Mr. C. L. Bradley is in receipt of your letter of May 4th relative to the Painter-Bradley-Myers Trust No. 2975. He wishes you to be advised that Mr. Alva Bradley is the owner of 1/10 interest in this trust. Although disbursements for the combined Bradley interest, aggregating 1/5 of the beneficial interest of the trust, are usually made to Mr. C. L. Bradley, the latter turns over 1/2 of the receipts to Mr. Alva Bradley.

This for your information in connection with the Internal Revenue Department reports.

Yours very truly,

(Signed) F. L. JOUANNET,  
*Secretary to Mr. Bradley.*

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EXHIBIT U-3-7

MARCH 10, 1933.

Mr. J. R. KRAUS,  
*Chairman of the Board Bank.*

DEAR MR. KRAUS: I urge that we immediately give consideration to setting apart in the trust departments cash or special credit in the Federal Reserve Bank to take care of all items which might properly be classed as special deposits or trust funds under the rule laid down in the so-called Sears-Roebuck and later cases.

I think the same principle should be applied to items held in the collection department, and to drafts and certified checks which, under the statutes, are entitled to preference.

My idea is that we should bring ourselves within the rule which applies when a bank has at all times had available in cash an amount in excess of the amount represented by such trust and preferred items.

The prestige of our profitable trust business has undoubtedly suffered already through stoppage of payments on such classes of items, and I think it is extremely important that our cash be not reduced by payments on unpreferred items below the amount of cash required to meet such preferred items.

Very truly yours,

*Vice President.*

WJO'N-o.

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EXHIBIT U-8

FEBRUARY 20, 1930.

The VAN SWERINGEN COMPANY,  
*Terminal Tower, Cleveland, Ohio.*  
(Attention Mr. J. J. Anzalone.)

GENTLEMEN: For your information in connection with your Income Tax Return for 1929, we advise that our records show \$23,503.20 received by us and distributable to you in 1929 on your one-fifth interest in the so-called Painter-Bradley-Myers Trust property.

Very truly yours,

L. C. GILGER,  
*Asst. Secretary.*

LCG:W

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EXHIBIT U-9

JULY 30, 1929.

The VAN SWERINGEN COMPANY,  
*Terminal Tower Building, Cleveland, Ohio.*  
(Att: Mr. Nichols.)

Re: Trust No. 2975—Painter, Bradley, Myers property.

GENTLEMEN: In connection with the above trust will you please be kind enough to furnish us written evidence that the taxes for the last half of the year 1928 have been paid.

Very truly yours,

WM. A. GIBSON,  
*Asst. Secretary.*

DSB:EC

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EXHIBIT U-10

DECEMBER 23, 1930.

The VAN SWERINGEN COMPANY,  
*Terminal Tower, Cleveland, Ohio.*  
(Attention: T. W. Boutall, Asst. Treasurer.)

Re: Agreement by and among K. V. Painter, C. L. Bradley, F. E. Myers and Bros. and The Van Sweringen Company dated April 14, 1920.

GENTLEMEN: We acknowledge receipt of your letter of December 23rd, enclosing the revised schedule of release prices for the six months period from December 20, 1930 to June 20, 1931, approved by the Supervisors.

Will you also kindly prepare for us a statement of the land and debt status in order that we may submit it to the beneficiaries with the new schedule for their approval?

Yours very truly,

L. C. GILGER,  
*Asst. Secretary.*

CG:MT

EXHIBIT U-3-11

Recapitulation of amounts received from corporate trust no. 2975

	1924	1925	1926	1927	1928
Van Sweringen Co.....	\$27,000.00	\$11,200.00	\$19,800.00	\$26,000.00	\$35,000.00
C. L. Bradley.....	27,000.00	11,200.00	19,800.00	26,000.00	35,000.00
Alva Bradley.....	27,000.00	11,200.00	19,800.00	26,000.00	35,000.00
Estate Dept Union Trust Co., J. R. Nutt..	27,000.00	11,200.00	19,800.00	26,000.00	35,000.00
K. V. Painter.....	27,000.00	11,200.00	19,800.00	26,000.00	35,000.00
Jno. C. Myers, Administrator for Estate of F. E. Myers.....	13,500.00	5,600.00	9,900.00	13,000.00	17,500.00
P. A. Myers.....	13,500.00	5,600.00	9,900.00	13,000.00	17,500.00
Total.....	135,000.00	56,000.00	99,000.00	130,000.00	175,000.00

	1929	1930	1931	1932	Total
Van Sweringen Co.....	\$22,000.00	\$12,000.00	\$14,500.00	\$2,100.00	\$169,600.00
C. L. Bradley.....	17,500.00	6,000.00	7,250.00	1,050.00	150,800.00
Alva Bradley.....	4,500.00	6,000.00	7,250.00	1,050.00	18,800.00
Estate Dept. Union Trust Co., J. R. Nutt..	22,000.00	12,000.00	14,500.00	2,100.00	169,600.00
K. V. Painter.....	22,000.00	12,000.00	14,500.00	2,100.00	169,600.00
Jno. C. Myers, Administrator for Estate of F. E. Myers.....	11,000.00	6,000.00	7,250.00	1,050.00	84,800.00
P. A. Myers.....	11,000.00	6,000.00	7,250.00	1,050.00	84,800.00
Total.....	110,000.00	60,000.00	72,500.00	10,500.00	848,000.00

This is to certify that the above is in accordance with the trust ledgers of the Union Trust Company.

EXHIBIT U-3-12

Amounts received from the corporate trust in the names Painter, Bradley, Myers, Citiz. Savings & Trust Co., & Van Sweringen Co., as shown from trust ledger, the Union Trust Co., corporate trust no. 2975

Date	Van Sweringen Co	C. L. Bradley	Alva Bradley	Estate Dept. Union Trust Co. J. R. Nutt	K. V. Painter	Jno. C Myers Adm. for Estate of F. E. Myers	P. A. Myers	Total
Oct. 16, 1924	\$27,000.00	\$27,000.00	-----	\$27,000.00	\$27,000.00	\$13,500.00	\$13,500.00	\$135,000.00
Apr. 8, 1925	8,000.00	8,000.00	-----	8,000.00	8,000.00	4,000.00	4,000.00	40,000.00
July 9, 1925	3,200.00	3,200.00	-----	3,200.00	3,200.00	1,600.00	1,600.00	16,000.00
Jan. 21, 1926	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
May 11, 1926	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
July 22, 1926	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Aug. 30, 1926	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Sept. 8, 1926	4,800.00	4,800.00	-----	4,800.00	4,800.00	2,400.00	2,400.00	24,000.00
Oct. 14, 1926	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Jan. 3, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Apr. 7, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
June 18, 1927	4,000.00	4,000.00	-----	4,000.00	4,000.00	2,000.00	2,000.00	20,000.00
July 20, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Sept 12, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Oct. 11, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Nov. 26, 1927	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Dec. 31, 1927	4,000.00	4,000.00	-----	4,000.00	4,000.00	2,000.00	2,000.00	20,000.00
Feb. 1, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Feb 27, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Mar 16, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Apr 20, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
June 2, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
July 17, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Aug. 8, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	-----	1,500.00	13,500.00
Sept 6, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	3,000.00	1,500.00	16,500.00
Oct 18, 1928	3,000.00	3,000.00	-----	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Nov 12, 1928	4,000.00	4,000.00	-----	4,000.00	4,000.00	2,000.00	2,000.00	20,000.00
Dec 31, 1928	4,000.00	4,000.00	-----	4,000.00	4,000.00	2,000.00	2,000.00	20,000.00
Jan 24, 1929	4,000.00	4,000.00	-----	4,000.00	4,000.00	2,000.00	2,000.00	20,000.00



Amounts received from the corporate trust in the names Painter, Bradley, Myers, Cutz, Savings & Trust Co., & Van Sweringen Co., as shown from trust ledger, the Union Trust Co., corporate trust no. 2975—Continued.

Date	Van Sweringen Co.	C. L. Bradley	Alva Bradley	Estate Dept. Union Trust Co. J. R. Nutt	K. V. Painter	Jno. C. Myers Adm. for Estate of F. E. Myers	P. A. Myers	Total
Mar 5, 1929	\$3,000.00	\$3,000.00	-----	\$3,000.00	\$3,000.00	\$1,500.00	\$1,500.00	\$15,000.00
Apr. 12, 1929	3,000.00	3,000.00	-----	3,000.00	3,000.00	-----	1,500.00	13,500.00
May 10, 1929	3,000.00	3,000.00	-----	3,000.00	3,000.00	3,000.00	1,500.00	16,500.00
July 12, 1929	3,000.00	1,500.00	\$1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Sept. 10, 1929	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Nov. 18, 1929	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Jan. 24, 1930	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Apr. 18, 1930	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
July 11, 1930	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Oct. 22, 1930	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Jan. 2, 1931	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
Apr 7, 1931	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	1,500.00	1,500.00	15,000.00
July 7, 1931	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	-----	1,500.00	13,500.00
Sept. 9, 1931	3,000.00	1,500.00	1,500.00	3,000.00	3,000.00	3,000.00	1,500.00	16,500.00
Dec. 16, 1931	2,500.00	1,250.00	1,250.00	2,500.00	2,500.00	1,250.00	1,250.00	12,500.00
May 7, 1932	2,100.00	1,050.00	1,050.00	2,100.00	2,100.00	1,050.00	1,050.00	10,500.00
Total..	169,600.00	150,800.00	18,800.00	169,600.00	169,600.00	84,800.00	84,800.00	848,000.00

No other payments were made. Balance as shown by the records as of Feb. 28, 1933, amounted to \$5,940.30.

Possession of Business and Property taken June 15, 1933, by I. J. Fulton, Supt of Banks.

This is to certify that the above is in accordance with the trust ledgers of the Union Trust Company.

THE UNION TRUST COMPANY—JOHN H. WINCHESTER WINDOW DRESSING

MEMORANDUM

There is no Exhibit U-9-19.

Apparently The Union Trust Company was quite expert in the art of Window-Dressing, so much so in fact that they were awarded a cup from the American Institute of Banking. This appeared in a newspaper photograph clipped from the Cleveland Press of March 15, 1934.

(THE CLEVELAND PRESS, MARCH 15, 1934)

BEST WINDOW DRESSER

The best bank window-dressing in the nation was done by the Union Trust Co. in February 1930. The bank got this cup for it from the American Institute of Banking. Still reposing in a trophy case in a dim corner of what was the largest banking room in America, the cup bears this inscription: "Presented for the Best Window Display During National Publicity Week."

(Institute Cup faces this page)

EXHIBIT U-9-1

Rec'd Oct. 7, 1931  
Mailed Oct. 14, 1931  
STATE OF OHIO,  
DIVISION OF BANKS,  
Columbus, Oct. 6, 1931.

To the President or Cashier of the Bank Addressed:

DEAR SIR: In accordance with the provisions of Sections 710-31-32-33 of the General Code of Ohio, you are hereby required to forward immediately to this office, a report of the condition of your bank at the close of business on Sept. 29, 1931, using the blank forms herewith enclosed. Form CI (large sheet) should be made in duplicate, one to be retained in your files and the other forwarded to this office.



Form C2 (small sheet) is provided for proof of publication one copy of which should be sent to this office as soon as the publishers' certificate has been executed thereon.

Where there is no entry applicable to any of the items on the face of the report or in the schedules, the word "NONE" should be written therein.

Use the blank lines if necessary, but do not change or erase any of the printed items.

Respectfully,

I. J. FULTON,  
Superintendent of Banks.

NOTE.—Form CI (large sheet) should be executed and sent to this office immediately and in no case held awaiting proof of publication.

PLEASE read and follow all printed instructions and notes in order to avoid unnecessary correspondence.

The time limit for filing the report Form C-1 expires on Oct. 16, 1931.

EXHIBIT U-9-2

Schedules

Past due paper		Cash items		
Amount of paper past due on which no interest has been paid for six months.....	\$3,041,967.19	Carried Since		Amount
Amount of paper past due on which no interest has been paid for one year.....	3,029,457.51		All temporary.....	\$242,905.02
<b>RATE OF INTEREST PAID</b>				
Highest rate of interest paid on Public Deposits.....	3¼%			
Highest rate of interest paid on Time Certificates.....	3½%			
Highest rate of interest paid on Savings Deposits.....	3½%			
Highest rate of interest paid on Bills Payable.....	2½%			
Highest rate of interest paid on Bills Rediscounted.....	0%			
<b>LAWFUL RESERVE</b>				
Day of this Report.....	4 86%			
Average for 10 days previous.....	5.32%			

Other bonds, stock and securities (Must agree with Item 10)

Par Value	Name and Kind of Bond, Stock or Security	Rate	Mature	Amount Carried on Books	Default Since
<i>Domestic Securities</i>					
	Railroad Bonds.....			\$3,951,217.23	
	Other Public Service Corporation Bonds.....			6,988,522.58	
	All Other Bonds.....			2,182,548.19	
	Stock of Other Corporations.....			5,386,223.83	
	Collateral Trust and Other Corpn Notes.....				
	Municipal Warrants.....				
	All Other, including claims, judgments, etc.....				
<i>Foreign Securities</i>					
	Government Bonds.....			993,159.64	
	Other Foreign Securities including Bonds of Municipalities, etc.....			7,213,698.78	
	Total.....			26,715,370.25	

*Other real estate owned (Must agree with Item 14)*

Description	Amount Carried on Books	Prior Lien if Any	Tax Value	Date When Title Acquired	Reason
Schedule Attached					
Total.....					

*Overdrafts*

Standing 6 months or more.....	\$14, 213. 03
Temporary.....	15, 927. 10
Officers and Directors.....	1, 866. 79
Employees.....	
Total.....	32, 006. 92

Important for Statistical Purposes. No. of Savings Accounts, 249,440. No. of Commercial Accounts 40,072.

Has any loan been made or renewed since last report, to any officer, or director, which was not authorized by the Directors, None. Sec. 710-115 G. C.

~~See~~ All schedules must be filled in—

IMPORTANT.—See that this Report Balances. Items Making Group Totals are Correct. It is Properly Dated and Signed. All Questions are Answered. All Schedules are Filled in. This will save unnecessary correspondence.

*Loans including other investments exceeding the limit prescribed by Sections 710-111, 710-121, 710-122, and 710-125 General Code of Ohio, including overdrafts*

Name of Borrower.	Total direct.	Total indirect.	Combined
None			

*Net balances due from banks and bankers (item 24)*

Per Cent Interest Received	Name and Location of Bank	Amount	Per Cent Interest Received	Name and Location of Bank	Amount
	Schedule Attached				

*Liability of officers and directors*

Names of Officers and Directors	Official Title	No Shares Owned	Cash Items and Checks	Amount Borrowed from Bank	Amount as Endorser to Bank	Overdrafts to Bank
Schedule Attached						
Total.....						

List the name of every Officer and Director and write "NONE" after the name of those who are not indebted to your bank.

*All schedules must be filled in—*

MEMBER BANK FEDERAL RESERVE SYSTEM

Report of the Union Trust Co., Cleveland, Ohio, September 29, 1931.

Mail promptly to Department of Banks and Banking, Columbus, Ohio.

*Do not hold for publisher's certificate.*

EXHIBIT U-9-2h

[ Use the blank lines if necessary, but do not erase or change any of the printed items—For use only of member banks—Federal Reserve System]

*Report of condition of The Union Trust Company at Cleveland in the State of Ohio at the close of business on the 29th day of September 1931*

Verify all items and totals.

		Insert word NONE if no amount is to be entered at right	Amount
RESOURCES			
1 Loans on Real Estate.....	\$72,537,215 07		
2 Loans on Collateral.....	71,374,391 05		
3 Other Loans and Discounts.....	29,847,219.83		
3a Acceptances of other bands discounted.....	None		
3b Acceptances of this bank purchased or discounted.....	2,359,877 47		
4 Overdrafts, secured (14,293 42) unsecured (17,713 50).....			\$176,118,703.42
5 United States Bonds and Treasury Certificates.....	22,117,061 83		32,006.92
6 Liberty Loan Bonds.....	None		
7 Premium on U.S. Bonds (Items 5-6).....	None		
8 War Savings Certificates and Stamps.....	None		
9 State, County and Municipal Bonds.....			22,117,016.83
10 Other Bonds, Stocks and Securities.....			1,771,365.35
11 Premiums on Bonds and Securities (Items 9-10).....		None	26,715,370 25
12 Banking House and Lot (Tax Value \$ ).....			13,437,976.17
13 Furniture and Fixtures.....			41,531.09
14 Real Estate other than Banking House.....			5,029,805.51
15 Cash Items.....			242,905.02
16 Lawful reserve with Federal Reserve Bank.....			10,685,511.89
16a Stock of Federal Reserve Bank (50% of subscription).....			1,050,000.00
16b Items with Federal Reserve Bank in process of collection (not available as reserve).....			9,367,563.83
16c Real Estate Sold Under Land Contract.....			1,429,690.80
17 Exchange for clearing.....	\$2,571,655 50		
18 Gold Coin and Gold Certificates.....	118,787 50		
19 Silver Coin (Dollars—Halves—Quarters—Dimes).....	125,093.65		
20 Nickels and Pennies.....	46,789 13		
21 Paper Currency.....	2,412,369.00		
			5,274,694.78

Report of condition of The Union Trust Company at Cleveland in the State of Ohio  
at the close of business on the 29th day of September 1931—Continued

		Insert word NONE if no amount is to be entered at right	Amount
RESOURCES—continued			
22	Accrued Interest Receivable .....		\$2,034,040.27
23	Foreign Money .....		1,712.48
24	Net amount due from Banks and Bankers .....		32,226,761.75
25	Items in Transit .....		305,690.63
26	Other Assets (attach schedule) .....		720,677.29
26a	"Acceptances" executed by this bank and now outstanding .....		6,618,837.50
26b	Liability of bankers to this bank, a/c acceptances guaranteed or endorsed (Contra Item 53) .....		4,136,557.61
26c	Liability of others to this bank, a/c endorsement of bills of exchange or drafts sold (Contra Item 54) .....		2,574.89
27	Cash short .....		423.99
28	Letters of Credit—Customer's Liability .....		1,424,261.18
(Verify all items)	Total .....		320,785,679.45
LIABILITIES			
29	Capital Stock paid in .....		22,850,000.00
30	Surplus Fund .....		12,150,000.00
	Undivided Profits .....	\$15,316,460.39	
	Less Expenses, Interest and Taxes paid .....	10,243,516.79	
31	Net undivided profits .....	5,072,943.60	5,072,943.60
32	Reserved for Taxes \$503,087.04; Interest \$1,021,149.59 .....	1,524,236.63	
33	Reserved for Depreciation .....		1,524,236.63
34	U.S. Deposits other than Postal Savings .....		2,081,945.19
35	Public Funds (except Postal Savings) .....	5,783,105.39	
36	Individual Deposits subject to Check (except Public Funds) .....	81,796,607.28	
37	Demand Certificates of Deposit (except Public Funds) .....	1,122.36	
38	Cashier's Checks outstanding .....	909,879.08	
39	Certified Checks outstanding .....	405,907.23	
40	Net amount due to Banks and Bankers .....	33,033,463.62	
41	Dividends Unpaid .....	687,322.75	
	Total Demand Deposits .....	122,617,607.71	122,617,607.71
42	Time Certificates of Deposit .....	13,224,410.46	
	Public Funds .....	5,363,457.86	
43	Savings Deposits .....	101,967,828.41	
	Other Time Deposits .....	7,962,956.18	
44	U.S. Postal Savings .....	895,709.67	
	Total Time Deposits .....	130,414,362.58	130,414,362.58
45	Funds on Deposit by Trust Department .....		11,721,912.00
46	Notes and Bills Rediscounted .....	None	
47	Bills Payable .....	None	
48	Certificates of Deposit representing Money Borrowed .....	None	
49	Bonds Borrowed .....	None	
50	Bills payable with Federal Reserve Bank .....	None	
50a	Rediscounts with Federal Reserve Bank .....	None	
51	Liabilities other than above stated (attach schedule) .....		160,390.56
	"Acceptances" executed for customers .....	8,978,714.97	
	Less "Acceptances" of this bank purchased or discounted .....	2,359,877.47	
51a	Net acceptances .....	6,618,837.50	6,618,837.50
52	Cash over .....	None	
53	Acceptances of banks payable at a future date, guaranteed by this bank by endorsement or otherwise. (Contra Item 26b) .....		4,136,557.61
54	Bills of exchange or drafts sold with endorsement of this bank. (Contra Item 26c) .....		2,574.89
55	Letters of Credit executed for customers .....		1,425,311.18
(Verify all items)	Total .....		320,785,679.45

Prove all footings. (Enter Items 4-34-51 in Total column only).

I, A. W. Lewis, Vice Pres., of the Union Trust Company do solemnly swear that the above statement is true, and that the schedules on the back hereof fully and

correctly represent the matters therein to be covered, to the best of my knowledge and belief.

Correct—Attest:

(Signed) E. R. GRASELLI,  
 (Signed) F. P. ROOT,  
 (Signed) OTTO MILLER,  
*Directors.*

(Signed) A. W. LEWIS\*,  
*Vice President.*

\* Report of condition must be sworn to by President, Vice President, Cashier, Secretary or Treasurer and forwarded to the Superintendent of Banks not later than 10 days from receipt of request. (See Sec. 710-31 G.C.)

STATE OF OHIO,  
 County of Cuyahoga.

Sworn to and subscribed before me this 13th day of October, 1931.

[SEAL]

(Signed) C. H. ROYON,  
*Notary Public.*

NOTE.—Notary must not be a director or officer of this bank.

EXHIBIT U-9-2a

*Net amount due from banks and bankers (Item No. 24) the Union Trust Company Cleveland, Ohio. At the close of business on September 29, 1931*

Due from New York City banks:		
Bank of America-Atlantic Office.....	\$24,508.50	
Bank of Manhattan Trust Company.....	68,327.03	
Bankers Trust Company.....	3,545,187.09	
Central Hanover Bank and Trust Com- pany.....	268,583.74	
Chase National Bank.....	1,500,712.15	
Chemical Bank and Trust Company.....	99,236.38	
Commercial National Bank and Trust Com- pany.....	111,972.29	
First National Bank.....	1,008,918.16	
Guaranty Trust Company.....	5,982,925.16	
Irving Trust Company.....	327,471.21	
Manufacturers Trust Company.....	50,000.00	
J. P. Morgan Company.....	5,279,660.87	
National City Bank.....	7,361,877.06	
New York Trust Company.....	127,691.41	
		\$25,757,071.05
Due from Chicago banks:		
Central Republic Bank and Trust Com- pany.....	\$312,081.76	
Continental Illinois Bank and Trust Com- pany.....	491,441.80	
First National Bank.....	462,059.04	
Northern Trust Company.....	46,783.29	
		\$1,312,365.89
Due from other correspondents.....		\$5,157,324.81
		<hr/> \$32,226,761.75

## EXHIBIT U-9-2b

*Liability of officers and directors the Union Trust Company—Cleveland at the close of business on September 29, 1931*

## OFFICERS

Name	Official title	Liability (individual or firm) as payers	Liability (individual or firm) as indorsers or guarantors	Checks and cash items	Over-drafts	Number of shares of stock of this bank owned
Nutt, J. R.	Chairman of Board of Directors (D)		\$4,000 00			5000
Coulton, Geo. A.	Vice Chairman of Board of Directors (D).					2500
Kraus, J. R.	Vice Chairman of Board of Directors (D).					1200
Baldwin, W. M.	President (D)					1000
Smith, Allard	Executive Vice President (D)	\$16,750 00				310
Farnsworth, C. E.	Executive Vice President	3,900 00				350
Crawford, R. S.	Executive Vice President & Secy					110
Anderson, J. C.	Vice President	6,430 00				10
Armstrong, J. G.	Vice President	2,400 00				200
Carlson, C. W.	Vice President	24,900 00				10
Champion, T. J.	Vice President					140
Clark, J. H.	Vice President	3,100 00				25
Creswell, E. E.	Vice President	22,000 00				
Dunn, James, Jr.	Vice President	6,175 00	10,500 00			
Fisher, L. H.	Vice President					915
Geddes, J. G.	Vice President	3,000 00				25
Geason, Chas. B.	Vice President		3,000 00			1420
Halliday, M. S.	Vice President	18,150 00				60
Harris, J. P.	Vice President	284,000 00				
Harrold, F. T.	Vice President	13,575 00				
Hills, H. E.	Vice President	3,500 00				40
Hull, Grover H.	Vice President	15,050 00	20,300 00			
Lewis, A. W.	Vice President					10
Messick, H. D.	Vice President					120
O'Neill, W. J.	Vice President	91,305 00				
Paton, James L.	Vice President					200
Pawonka, Charles	Vice President	2,000 00				90
Royon, J. C.	Vice President	8,490 00				400
Sherwin, Geo. N.	Vice President					400
Stach, P. J.	Vice President	2,000 00				1200
Steele, Geo. P.	Vice President					400
Stubler, Wm. G.	Vice President	16,800 00				50
Tonks, Wm.	Vice President and Credit Manager	10,000 00				
Anderson, C. B.	Treasurer	1,175 00				

## EXHIBIT U-9-2c

Tewksbury, C. L.	Auditor, Branches					5
Bechberger, C. S.	Assistant Vice President	\$3,400 00				10
Brown, H. L.	Assistant Vice President	5,980 00				
Carr, L. O., Jr.	Assistant Vice President					10
Caswell, J. H.	Assistant Vice President	15,000 00				
Freytag, W. H.	Assistant Vice President	350 00				60
Hance, J. P.	Assistant Vice President	16,350 00				240
Heil, C. F.	Assistant Vice President	6,400 00				10
Herbert, H. H.	Assistant Vice President	11,975 00				10
Hodous, Chas. J.	Assistant Vice President	27,000 00				120
Jindra, C. J.	Assistant Vice President					10
Koelliker, M. B.	Assistant Vice President					10
Kovachy, G. M.	Assistant Vice President		\$230 50			350
Lackamp, J. H.	Assistant Vice President	7,750 00				10
LaFever, D. Y.	Assistant Vice President	9,500 00				90
Moler, A. L.	Assistant Vice President	6,100 00				10
Pettit, R. B.	Assistant Vice President	3,360 00				210
Pfeiffer, W. A.	Assistant Vice President	1,340 00				
Purdy, Van R.	Assistant Vice President	15,555 00				25
Stromberg, W. O.	Assistant Vice President	7,060 00				10
Wadsworth, J. L.	Assistant Vice President	5,060 00				150
Wagley, E. N.	Assistant Vice President					10
Williams, R. L.	Assistant Vice President	4,520 00				
Armstrong, J. C.	Assistant Secretary	1,500 00				5
Chimo, Arnold	Assistant Secretary					
Coen, E. M.	Assistant Secretary					
Fairbanks, C. J.	Assistant Secretary	10,435 00	1,050 00			
Forsythe, W. M.	Assistant Secretary	5,980 00				9
Genee, E. C.	Assistant Secretary	7,400 00				10
Gibson, W. A.	Assistant Secretary	6,140 00				5
Guger, L. C.	Assistant Secretary	8,050 00				10



*Liability of officers and directors the Union Trust Company—Cleveland at the close of business on September 29, 1931—Continued*

OFFICERS—Continued

Name	Official title	Liability (individual or firm) as payers	Liability (individual or firm) as indorsers or guarantors	Checks and cash items	Over-drafts	Number of shares of stock of this bank owned
Hiles, W. A.	Assistant Secretary	\$1,475 00				
Holecek, John V.	Assistant Secretary	29,500 00				5
Kakes, Joseph	Assistant Secretary					5

EXHIBIT U-9-2d

Kinsey, W. H.	Assistant Secretary	\$6,000 00				25
Mason, A. E.	Assistant Secretary	9,950 00				25
Mazach, J. E.	Assistant Secretary	2,400 00				85
Mickey, R. Z.	Assistant Secretary	4,320 00				8
Morgan, C. A.	Assistant Secretary					10
Pwionka, H.	Assistant Secretary					5
Rozman, Gustave	Assistant Secretary					5
Takesky, J. L.	Assistant Secretary	1,380 00				5
Bastel, T. W.	Assistant Treasurer	10,280 00				60
Bauknet, W. J.	Assistant Treasurer	24,000 00				25
Benes, J. H.	Assistant Treasurer	4,775 00				10
Bethel, C. L.	Assistant Treasurer	2,550 00				10
Black, H. W.	Assistant Treasurer	5,000 00				10
Boethelt, A. R.	Assistant Treasurer	1,640 00				10
Chappell, H. B.	Assistant Treasurer	4,300 00				
Elme, T. J.	Assistant Treasurer	2,820 00				5
Falkner, Geo. W.	Assistant Treasurer	4,900 00				10
Glove, Paul	Assistant Treasurer	7,040 00				10
Grigor, D. D.	Assistant Treasurer					45
Grow, E. F.	Assistant Treasurer	4,200 00				10
Hall, George Q.	Assistant Treasurer					10
Hart, Fred A.	Assistant Treasurer	2,320 00				10
Hartford, W. A.	Assistant Treasurer	8,190 00				23
Irwin, W. R.	Assistant Treasurer	4,710 00				10
James, S. D.	Assistant Treasurer	12,265 00				5
Knepper, Henry	Assistant Treasurer	5,700 00				5
Kowallek, Paul	Assistant Treasurer	785 00				5
Lackamp, J. B.	Assistant Treasurer					8
Lange, Henry C.	Assistant Treasurer					10
Lewis, Dave P.	Assistant Treasurer					10
Lustig, Ladimer	Assistant Treasurer	3,660 00				10
McGinness, H. J.	Assistant Treasurer	10,452 00				

EXHIBIT U-9-2e

McHaffie, J. W.	Assistant Treasurer					5
Monda, J. B.	Assistant Treasurer					18
Morgan, C. C.	Assistant Treasurer					5
Orlkowski, Carl	Assistant Treasurer	\$2,200 00				5
Park, W. R.	Assistant Treasurer	5,000 00				5
Peter, B. L.	Assistant Treasurer	6,200 00				5
Schacht, E. W.	Assistant Treasurer	3,925 00				10
Scott, D. D.	Assistant Treasurer					5
Simak, Ernest J.	Assistant Treasurer					30
Spear, G. A.	Assistant Treasurer	3,340 00				50
Zdara, H. E.	Assistant Treasurer					5
Pratt, Harry F.	Manager Safe Deposit Department.					133
Culver, G. H.	Assistant Estates Trust Officer.	5,705 00				5
Knowlton, D. S.	Manager Publicity Department.	11,860 00				10
Dombey, Clara L.	Manager Women's Service Department.	2,700 00				
Hoyer, F. W.	Purchasing Agent	1,000 00				34
Cordrey, L. A.	Assistant Credit Manager	5,760 00				10
Cheadle, F. A.	Assistant Credit Manager	200 00				5
Stout, C. T.	Assistant Credit Manager					20
Ginther, P. C.	Assistant Credit Manager					15
Brauer, George	Tax Consultant	1,100 00				20
Stark, C. G.	Tax Consultant					5
Stofer, L. H.	Real Estate Officer	8,905 00				17
Hollander, J. R.	Assistant Real Estate Officer					5
Bosworth, R. W.	Manager Statistical Department.	7,680 00				17

NOTE.—An Officer, who is also a Director, is indicated by the letter "D" following his name and title.

## EXHIBIT U-9-2f

## Liability of Officers and Directors

The Union Trust Company, Cleveland, at the close of business on September 29, 1931

## DIRECTORS

Name	Liability (individual or firm) as payers	Liability (individual or firm) as indorsers or guarantors	Checks and cash items	Overdrafts	Number of shares of stock of this owned
Barkwill, E. S.	\$19,000.00	\$13,400.00			148
Bartol, George					860
Belden, W. P.	17,235.27				100
Comey, Geo. P.	85,000.00				400
Corning, Henry W.					1,688
Crawford, W. J., Jr.	61,500.00				800
Dalton, H. G.	3,480.74				700
Pretter, F. B.					550
Gerhauser, W. H.	1,000.00				100
Ginn, F. H.	43,526.39	148,820.00			1,100
Girdler, T. M.	10,000.00				100
Gordon, George C.					300
Grandin, G. W.	345,000.00				500
Grasselli, E. R.					196
Grasselli, Thomas S.	731,130.70				1,176
Gund, George	405,800.00				6,218
Hadden, John A.	19,883.02				25
Hanna, H. M.					1,000
Harshaw, W. A.	10,500.00	7,400.00			500
Hassert, P. H.					3,660
Hayden, W. S.	73,750.00	36,780.63			2,060
Herrick, Parmely W.	870,000.00				1,270
Hodgson, George H.					4,000
Johnson, David L.		2,700.00			1,340
Joseph, Emil					3,312
Joyce, Adnan D.	711,500.00				825
King, Ralph T.	110,000.00				340
Kling, John A.		6,105.00			1,510
Kulas, E. J.		11,300.00			483
Langenbach, E. A.					384
Lenihan, E. P.	40,000.00				1,000
Little, Bascom	44,000.00	195,500.00		1,866.79	1,800
Mather, Samuel	386,803.33	3,600.00			4,000
Mather, Wm. G.	800,740.37				2,500

## EXHIBIT U-9-2g

Miller, Otto	859,750.00	136,780.83			3,630
Mitchell, Ralph D.					322
Mitchell, R. V.	16,000.00				40
Moss, Herman	10,000.00	22,054.85			170
Myers, P. A.		14,060.67			2,600
Norton, Laurence H.	81,680.00				1,600
Norton, Robert C.					1,200
Osborne, Carl N.	100,000.00				110
Painter, Kenyon V.	3,080,000.00				21,671
Richman, N. G.					160
Robbins, Thomas P.		500.00			800
Root, F. P.		22,500.00			600
Smith, Samuel Lewis	68,378.75				1,140
Squire, Andrew	345,000.00				1,350
Trammel, H. G.					1,050
Wade, J. H. Jr.	352,000.00				6,517
Warner, Whitney	113,905.20	329,875.00			20
White, Fred R.	157,292.50				1,200
White, Thomas H.					40
White, Windsor T.		35,000.00			2,272
Rogers, J. E.					10
Less: Eliminations on account of duplication of joint liability of Officers and Directors	\$10,955,548.27	\$1,025,357.68		1,866.79	
	2,000.00	36,780.83			
Total	10,953,548.27	988,576.85		1,866.79	

## EXHIBIT U-9-3

[Cleveland News 10/15/31]

## REPORT OF THE CONDITION OF THE UNION TRUST CO., AT CLEVELAND, IN THE STATE OF OHIO, AT THE CLOSE OF BUSINESS SEPT. 29, 1931

(Member Bank—Federal Reserve System)

<i>Resources</i>	
Loans and discounts.....	\$176, 118, 703. 42
Overdrafts.....	32, 006. 92
U. S. bonds and securities owned.....	22, 117, 016. 83
Other bonds, stocks and securities.....	29, 536, 735. 60
Customers' liabilities on account of acceptances executed and letters of credit.....	8, 043, 098. 68
Banking house.....	13, 437, 976. 17
Furniture and fixtures.....	41, 531. 09
Real estate other than banking house.....	5, 029, 805. 51
Reserve with Federal Reserve bank.....	10, 685, 511. 89
Cash and due from banks.....	46, 870, 732. 84
Outside checks and other cash items.....	548, 595. 65
Acceptances of other banks and bills of exchange or drafts sold with indorsement of this bank.....	4, 139, 132. 50
Other assets.....	721, 101. 28
Real estate sold under land contract.....	1, 429, 690. 80
Accrued interest receivable.....	2, 034, 040. 27
Total.....	320, 785, 679. 45
<i>Liabilities</i>	
Capital stock paid in.....	22, 850, 000. 00
Surplus.....	12, 150, 000. 00
Undivided profits—Net.....	5, 072, 943. 60
Reserves for dividends, contingencies, etc.....	685, 500. 00
Reserves for interest, taxes and other expenses accrued and unpaid.....	1, 524, 236. 63
Due to banks, including certified and cashier's checks outstanding.....	34, 349, 249. 93
Demand deposits.....	87, 582, 857. 78
Time deposits.....	142, 136, 274. 58
United States deposits.....	2, 081, 045. 19
"Acceptances" executed for customers.....	\$8, 978, 714. 97
"Acceptances" of this bank purchased or discounted.....	2, 359, 877. 57
Other liabilities.....	6, 618, 837. 50
Letters of credit executed for customers.....	4, 308, 523. 06
Total.....	\$320, 785, 679. 45

I, A. W. Lewis, vice president of the above named The Union Trust Company, do solemnly swear that the above statement is true to the best of my knowledge and belief.

Correct—Attest:

A. W. LEWIS, *Vice President.*

E. R. GRASELLI,  
E. P. ROOT,  
OTTO MILLER,  
*Directors.*

State of Ohio, County of Cuyahoga.

Subscribed and sworn to before me this 13th day of October, 1931.

[SEAL]

C. H. ROYON, *Notary Public.*

EXHIBIT U-9-4

Consolidated financial statement The Union Trust Company-Cleveland, Ohio

8986

STOCK EXCHANGE PRACTICES

Liabilities	Monday Sept. 28, 1931	Tuesday Sept. 29, 1931	Wednesday Sept. 30, 1931	Thursday Oct. 1, 1931	Friday Oct. 2, 1931	Saturday Oct. 3, 1931
<b>DEMAND DEPOSITS</b>						
Due Corporations and Individuals.....	75,961,759.78	80,863,356.77	77,244,356.01	79,431,487.06	77,640,900.20	76,736,953.18
Due Cleveland Banks and Bankers.....	1,859,051.10	2,275,654.79	2,180,006.73	2,565,379.21	2,119,617.27	1,962,510.65
Due Out-of-Town Banks and Bankers.....	28,607,220.98	29,937,073.95	28,894,791.13	33,187,372.23	32,530,993.29	31,277,495.92
Public Funds.....	2,577,538.00	5,783,105.39	6,091,713.74	2,633,853.21	2,548,621.11	2,377,730.06
Federal Reserve Bank—Fiscal Agent.....	2,023,000.00	2,023,000.00	2,023,000.00	1,932,000.00	1,841,000.00	1,841,000.00
United States Deposits.....	61,586.09	58,945.19	59,202.03	85,779.37	101,174.83	99,292.64
Certificates of Deposit.....	1,122.36	1,122.36	1,122.36	1,122.36	1,122.36	1,122.36
Certified Checks.....	389,379.98	405,907.23	182,191.86	198,865.31	169,166.00	173,785.01
Official Checks.....	1,042,751.56	909,879.08	3,039,581.10	1,977,788.11	1,704,489.17	1,465,452.49
Unpaid Dividends.....	2,067.75	2,022.75	687,522.75	441,245.25	238,004.25	152,049.00
Sundry Bank Credits—Undistributed.....	608.17	72,581.99	16,045.31	32,854.43	125.00	248.50
Unremitted Funds.....	106,447.59	54,036.52	63,775.19	83,302.47	87,863.14	281,944.13
Late Entries, Missorts, etc.....	5,554.38	5,269.28	3,416.11	15,596.45	8,240.44	22,311.22
Dormant Accounts.....	249,916.12	249,254.80	249,156.43	248,700.18	248,051.23	247,561.30
Unlocated Deposits.....	2,793.27	1,381.35	1,381.35	1,381.35	1,536.35	1,386.35
Due to Foreign Banks—Dollar Accounts.....	817,771.46	748,152.89	763,597.36	764,365.32	768,890.60	792,046.35
Other Foreign Banking Department Deposits.....	3,813.14	4,243.14	14,978.14	13,006.19	4,244.39	4,614.39
Stock Transfer Deposits.....	208,998.92	844,736.04	2,503,030.96	2,363,682.42	1,756,274.88	1,374,150.22
Total demand deposits.....	113,921,380.65	124,239,723.52	123,988,868.56	125,977,780.92	121,740,119.51	118,811,653.77
<b>TIME DEPOSITS</b>						
Savings Deposits.....	99,957,348.86	99,780,301.29	99,737,149.48	98,346,650.24	97,857,110.33	97,651,575.86
Savings Deposits—Foreign Banking Department.....	1,164,003.50	1,159,801.46	1,162,310.56	1,156,668.72	1,137,763.33	1,131,621.91
Christmas Money Club.....	1,024,546.00	1,027,695.25	1,030,516.50	1,035,385.75	1,039,636.25	1,043,243.50
Estates Trust Deposits.....	5,768,765.26	5,735,428.45	5,603,136.57	6,476,051.90	6,574,444.88	6,469,120.99
Corporate Trust Deposits.....	3,691,750.38	5,805,114.24	4,453,734.59	4,198,884.26	4,216,737.28	4,103,599.49
Certificates of Deposit.....	13,228,410.46	13,224,410.46	13,174,410.46	13,171,664.15	13,589,664.15	13,588,664.15
Public Funds.....	7,213,457.86	6,363,457.86	6,357,457.86	6,176,635.82	6,337,923.81	6,337,923.81
Postal Savings Deposits.....	860,000.00	895,709.67	936,902.50	936,902.50	1,060,000.00	1,060,000.00
Acceptances Anticipated.....	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Other Time Deposits.....	7,862,856.18	7,862,856.18	4,584,262.68	3,178,109.23	3,182,955.84	3,362,955.66
Total time deposits.....	140,771,138.50	141,954,874.86	137,139,881.20	134,778,952.57	135,096,235.87	134,848,705.37

BILLS PAYABLE AND REDISCOUNTS						
Bills Payable with Federal Reserve Bank.....				4,000,000.00		
Rediscounts with Federal Reserve Bank.....						
Total bills payable and rediscounts.....				4,000,000.00		
ACCEPTANCES AND LETTERS OF CREDIT						
Our Acceptances Sold and Outstanding.....	6,890,790.50	6,618,837.50	6,568,837.50	6,560,815.68	6,470,815.68	6,470,815.68
Acceptances of Other Banks Sold and Outstanding.....	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61
Our Acceptances Executed Under L/C Outstanding.....	25,370.01	25,370.01	25,370.01	25,370.01	25,370.01	25,370.01
Acceptances of Other Banks Guaranteed by Us.....						
Acceptances to Create Dollar Exchange.....						
Letters of Credit Outstanding—Commercial.....	1,131,663.07	934,027.42	907,858.14	907,858.14	809,325.17	809,325.17
Letters of Credit Outstanding—Travelers'.....	471,312.75	461,243.75	446,848.75	446,848.75	438,441.42	449,091.42
Travelers' Checks Outstanding.....	4,210.00	4,670.00	4,670.00	4,670.00	4,670.00	4,570.00
Letters of Credit Issued Under Guarantee of Other Banks.....						
Foreign Bills Sold with Our Endorsement.....	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89
Total acceptances and letters of credit.....	12,662,478.83	12,183,281.18	12,092,716.90	12,084,695.08	11,887,754.78	11,898,304.78
OTHER LIABILITIES						
Interest and Discount Unearned.....	129,171.68	126,304.36	128,171.49	137,154.61	176,675.54	173,832.14
Other Income Unearned.....	20,639.05	14,750.91	12,660.84	181,842.69	176,008.83	170,174.97
Accrued Interest Payable.....	1,096,558.60	1,059,008.02	1,070,446.88	1,073,471.68	1,066,196.91	1,079,636.44
Total other liabilities.....	1,246,366.33	1,200,063.29	1,211,279.21	1,392,468.98	1,418,881.28	1,423,643.55
RESERVES						
Reserve for Taxes.....	499,691.51	503,087.04	506,683.91	10,500.00	513,474.97	516,870.50
Reserve for Expenses.....	31,521.57	9,526.14		510,079.44	3,139.26	13,639.26
Reserve for Adjustment of State Bank Assets.....	3.00	3.00	3.00	3.00	3.00	13.00
Reserve for Dividend.....	685,500.00	685,500.00				
Total reserves.....	1,153,672.94	1,179,063.90	506,686.91	520,582.44	516,617.23	530,522.76
CAPITAL						
Capital Stock.....	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00
Surplus.....	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00
Undivided Profits.....	3,863,964.07	3,863,964.07	5,094,444.54	5,094,444.54	5,094,444.54	5,094,444.54
Current Period Profits.....	1,188,763.72	1,208,979.53		6,717.30	22,643.66	40,028.08
Total capital, surplus and profits.....	40,052,727.79	40,072,943.60	40,094,444.54	40,101,161.84	40,117,088.20	40,134,472.62
Total liabilities.....	309,807,765.04	320,829,950.35	315,033,877.32	318,863,641.83	310,776,696.87	307,647,302.85

EXHIBIT U-9-4a

Consolidated financial statement The Union Trust Company, Cleveland, Ohio

8988

STOCK EXCHANGE PRACTICES

Liabilities	Monday Sept. 28, 1931	Tuesday Sept. 29, 1931	Wednesday Sept. 30, 1931	Thursday Oct. 1, 1931	Friday Oct. 2, 1931	Saturday Oct. 3, 1931
<b>LOANS AND DISCOUNTS</b>						
Call Loans.....						
Demand Collateral Loans.....	41,021,727.58	40,984,284.37	41,028,111.37	41,200,115.34	41,187,884.15	41,300,639.75
Time Collateral Loans.....	30,218,967.54	30,208,737.37	30,326,814.45	29,933,711.23	29,883,945.57	29,860,402.74
Real Estate Loans.....	72,541,839.92	72,537,215.07	72,564,792.60	72,472,746.82	72,432,110.12	72,433,545.35
Demand Loans Unsecured.....	5,119,832.94	5,128,522.94	5,130,037.94	4,986,167.94	4,956,117.94	4,981,117.94
Notes and Bills.....	22,809,416.18	22,705,715.24	22,326,658.98	22,306,593.12	22,306,456.21	22,319,560.73
Bills of Exchange.....	420,019.67	955,482.81	861,959.74	705,160.24	633,188.13	696,623.39
Foreign Loans (General Banking Dept.).....						
Foreign Bills, Loans and Advances (Foreign Bkg. Dept.).....	1,557,859.74	1,057,498.84	1,057,124.05	1,058,153.68	1,056,506.00	1,045,220.02
Our Acceptances Held By Us—Genl. Bkg. Dept.....		109,468.05	262,484.05	268,359.47	293,359.47	293,359.47
Acceptances of Other Banks Held By Us—Genl. Bkg. Dept.....						
Customers Liability on Unpaid Acceptances.....	1,478,315.85	1,639,515.25	1,211,909.95	1,211,909.95	1,186,909.95	1,186,909.95
Total loans and discounts.....	175,167,979.42	175,326,469.94	174,769,893.13	174,142,917.69	173,906,477.54	174,117,379.34
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>						
Our Acceptances Held by Us.....	610,864.17	610,864.17	893,864.47	893,864.47	893,864.47	893,864.47
Acceptances of Other Banks Held by Us.....						
Our Acceptances Sold and Outstanding.....	6,809,790.50	6,618,837.50	6,568,837.50	6,560,815.68	6,470,815.68	6,470,815.68
Acceptances of Other Banks Sold and Outstanding.....	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61
Acceptances to Create Dollar Exchange.....						
Customers' Liability Under Letters of Credit:						
Commercial.....	1,157,033.08	959,397.43	933,228.15	933,228.15	834,695.18	834,695.18
Travelers'.....	470,262.75	460,193.75	445,798.75	445,798.75	437,391.42	448,041.42
Customers' Liability Under Travelers' Checks.....	4,210.00	4,670.00	4,670.00	4,670.00	4,670.00	4,570.00
Letters of Credit Issued Under Guarantee of Other Banks.....						
Foreign Bills Sold with Our Endorsement.....	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89
Total acceptances and letters of credit.....	13,272,293.00	12,793,095.35	12,985,531.37	12,977,509.55	12,780,569.25	12,791,119.25
<b>INVESTMENTS</b>						
United States Government Securities.....	12,376,866.84	22,406,866.84	22,406,866.84	22,406,866.84	22,406,866.84	22,406,866.84
State, County and Municipal Bonds.....	1,790,097.18	1,790,097.18	1,790,097.18	1,515,590.59	1,515,590.59	1,515,590.59
Corporation Bonds and Notes.....	12,813,706.16	12,813,706.16	12,813,706.16	12,784,693.23	12,784,693.23	12,784,693.23
Corporation Stocks.....	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83
Foreign Securities.....	8,216,858.42	8,206,858.42	8,206,858.42	8,206,858.42	8,206,858.42	8,206,858.42
Total investments.....	41,623,752.43	51,653,752.43	51,653,752.43	51,350,232.91	51,350,232.91	51,350,232.91

CASH AND CASH ITEMS						
Currency and Coin.....	2,580,012 03	2,698,248 12	2,622,093 73	2,660,264 14	2,741,358 13	2,517,704 07
Currency and Coin—Foreign Banking Dept.....	6,409 80	6,503 64	5,971 85	10,226 08	7,729 05	6,054 05
Cash Items.....	214,410.24	242,905.02	255,074 67	210,160.45	232,093 58	260,679 70
Difference Accounts.....	220 08	423 99	205 69	3,206.99	12,997.07	1,170.51
Total cash and cash items.....	2,801,052 15	2,948,080 77	2,883,345 94	2,877,443 68	2,968,183.69	2,783,267.31
LEGAL RESERVE						
Federal Reserve Bank.....	10,288,390 09	10,685,511 89	12,347,999 79	13,128,118.07	13,805,316 26	12,356,913 77
DUE FROM DOMESTIC CORRESPONDENTS						
New York City Banks.....	23,036,269 31	25,757,071.05	18,527,134 68	16,499,756.97	12,064,919.77	12,952,895 33
Chicago Banks.....	1,442,502 68	1,312,365 89	1,060,642.30	1,061,589.17	944,386 61	1,122,217.36
Other Banks.....	3,036,692.24	2,878,142 62	3,013,549.37	2,846,455 35	2,775,365.00	2,807,717 99
Total due from domestic correspondents.....	27,515,464.23	29,947,579.56	22,601,326 35	20,407,801 49	15,784,671.38	16,882,830.68
DUE FROM FOREIGN CORRESPONDENTS						
Foreign Banks (Foreign Banking Dept).....	732,260 46	728,401 59	739,360.43	748,852 43	741,083 85	728,545.66
DEFERRED CREDITS, EXCHANGES, ETC.						
Federal Reserve Bank—Deferred Credits.....	10,172,414 87	9,367,536 83	9,478,162 06	9,985,988 19	9,095,472 47	8,321,399.19
Checks on Cleveland Banks.....	3,847,253 98	2,571,655 50	2,184,578.47	3,592,230 55	3,679,425 62	2,197,798 92
Checks on Other Offices—The Union Trust Company.....	264,707 05	257,647.13	394,942.99	572,728 40	443,626 20	374,172 39
Checks on Out-of-Town Banks.....	279,571 55	220,725 77	504,675.88	351,235 35	331,206.63	418,487.13
Coupons.....	29,537.46	84,964 86	310,399 82	4,617,516.02	1,827,117.14	1,425,527 21
Due from Sundry Banks and Bankers.....	1,247,734.00	1,550,780.60	1,530,322.12	1,614,565.94	1,679,325.04	1,525,197.88
Total deferred credits, exchanges, etc.....	15,841,218.91	14,053,337.69	14,403,081.34	20,734,264.45	17,056,173.10	14,262,582.72
PROPERTY ACCOUNTS						
Real Estate, Buildings, Leaseholds, etc.....	18,510,066.80	18,509,312.77	18,508,171.57	18,507,416.97	18,506,662.37	18,490,946.45
OTHER RESOURCES						
Accrued Interest, etc., Receivable.....	1,943,001 06	2,034,040.27	2,013,017.25	1,675,824.03	1,586,265.21	1,590,732.78
Accounts Receivable.....	147,877.23	184,092.43	157,445 31	327,476 67	304,796.17	292,492.53
Prepaid and Deferred Accounts.....	72,714.92	72,221.03	71,727.18	81,109.32	80,889.40	80,395.51
Late Entries, Missorts, etc.....	11,036 12	15,257.40	15,643 56	11,092 90	20,785.26	35,343.46
Cleveland Akron Bag Co., Properties in Liquidation.....	449,106 38	449,106 38	449,106 38	449,106 38	449,106 38	449,106 38
Land Contracts.....	1,431,551.84	1,429,690 89	1,434,475 29	1,434,475 29	1,435,484.10	1,435,414.10
Total other resources.....	4,055,287 55	4,184,408 36	4,141,414 97	3,979,081 59	3,877,326.52	3,883,484.76
Total resources.....	309,807,765 04	320,829,950 35	315,033,877 32	318,853,641 83	310,776,696 87	307,647,310.85

## EXHIBIT U-9-5

THE UNION TRUST COMPANY,  
Cleveland, Ohio.

Date: Sep. 29, 1931.

\$10,112,540.98

Credit Van Sweringen Corporation for Demand deposit.

Offset entry must be described—Chg Sec Inv.

Authorized by \_\_\_\_\_, official approval.

(This Ticket should be prepared and signed with Ink.)

## EXHIBIT U-9-6

THE UNION TRUST COMPANY,  
Cleveland, Ohio.

Date: Sep. 29, 1931.

\$10,030,000.00

Charge United States Government Securities for -----  
General Ledger, Sep. 29, 1931, The Union Trust Co.

Offset entry must be described—

Authorized by \_\_\_\_\_, official approval.

(This Ticket should be prepared and signed with Ink.)

## EXHIBIT U-9-7

THE UNION TRUST COMPANY,  
Cleveland, Ohio.

Date: Sep. 29, 1931.

\$82,540.98

Charge interest, United States Government Securities, for -----  
General Ledger, Sep. 29, 1931, The Union Trust Co.

Offset entry must be described—

Authorized by \_\_\_\_\_ official approval.

(This Ticket should be prepared and signed with Ink.)

## EXHIBIT U-9-8

J. P. MORGAN & Co.,  
September 29, 1931.

DUPLICATE, FEB. 3 11:33 A.M. 1933

VAN SWERINGEN CORPORATION,  
Terminal Building, Cleveland, Ohio.

GENTLEMEN: This will confirm our purchase from you today of the following U.S. Government Treasury Certificates and Treasury Notes hereinafter described at the following prices:

\$4,000,000 U.S. Government 1 $\frac{1}{8}$ % Certificates due December 15, 1931 at 100 $\frac{1}{2}$ % -----	\$4,003,750.00
Interest -----	21,721.32
\$6,000,000 U.S. Treasury 3 $\frac{1}{2}$ % Notes due 1932 called for payment December 15, 1931 at 100 $\frac{1}{2}$ % -----	6,026,250.00
Interest -----	60,819.66

and we have today credited your checking account with the proceeds of such sale in the amount of \$10,112,540.98.

This deposit is subject to demand withdrawal and as security for such deposit we have simultaneously delivered to J. P. Morgan & Co., for your account the above mentioned \$10,000,000 par value of U.S. Government Treasury Certificates and Treasury Notes, and agree that in case of default on our part to repay said deposit upon your demand you may cause such U.S. Government obligations to be sold at public or private sale and apply the proceeds in the amount then due you.

It is understood that, if there is a partial withdrawal from said checking account, a pro rata portion of the above securities will be released.

Very truly yours,

UNION TRUST COMPANY.

M.



EXHIBIT U-9-9

FEB. 3, 11:33 A.M. 1933

SEPTEMBER 29, 1931.

Messrs. J. P. MORGAN & Co.,  
23 Wall Street, New York.

DEAR SIR: We have to-day sold to the Union Trust Company of Cleveland \$10,000,000 principal amount of United States Government Treasury Certificates and Treasury Notes now held by you for our account. Please hold these subject to the instructions of the Union Trust Company of Cleveland.

Very truly yours,

VAN SWERINGEN CORPORATION,  
By -----

M.

EXHIBIT U-9-10

FEB. 3, 11:33 A.M. 1933

SEPTEMBER 29, 1931.

Messrs. J. P. MORGAN & Co.,  
23 Wall Street, New York.

DEAR SIR: We have to-day purchased from the Van Sweringen Corporation \$10,000,000. principal amount of United States Government Treasury Certificates and Treasury Notes on terms set forth in the copy of letter addressed to the Van Sweringen Corporation of even date annexed hereto. Under the terms of this letter we have agreed to pledge the said United States Government Treasury Certificates and Treasury Notes as security for the Demand Deposit which the Van Sweringen Corporation are making with us. Kindly hold these Treasury Certificates and Treasury Notes for the account of the Van Sweringen Corporation as security for this Demand Deposit with us, all in accordance with the terms of the annexed letter.

THE UNION TRUST COMPANY,  
Cleveland, Ohio.  
-----  
Chairman.

W.

EXHIBIT U-9-11

FEB. 3, 11:32 A.M. 1933

VAN SWERINGEN CORPORATION,  
Terminal Tower, Cleveland.

V. S. Cop. copy dated 10-7-31.  
(11-20-33. J.)

J. P. MORGAN & Co.,  
23 Wall St., New York, N.Y.

GENTLEMEN: We have this day purchased from The Union Trust Company, Cleveland, Ohio, the \$10,000,000 principal amount of U.S. Government Treasury Certificates and Treasury Notes you are holding as security for the demand deposit of this Corporation with The Union Trust Company in accordance with instructions to your firm contained in letter of The Union Trust Company addressed to your firm dated September 29, 1931, signed by J. R. Nutt, Chairman. Payment of the purchase price therefor is to be (has been) made by withdrawal of said deposit.

For your information we enclose copy of our letter to The Union Trust Company confirming this purchase.

Upon receipt of appropriate instructions from The Union Trust Company, please hold these U.S. Government obligations for our account.

Yours very truly,

VAN SWERINGEN CORPORATION,  
By -----

1 Enclosure.

W.

## EXHIBIT U-9-12

FEB. 3, 11:32 A.M. 1933

OCTOBER 8, 1931.

J. P. MORGAN & COMPANY,  
*23 Wall Street, New York, N.Y.*

GENTLEMEN: We have today sold to Van Sweringen Corporation, the \$10,000,000 principal amount of U.S. Government Treasury Certificates and Treasury Notes now held by you as security for demand deposit made by the Van Sweringen Corporation with this Company in accordance with advice to you contained in our letter dated September 29, 1931, signed by J. R. Nutt, Chairman of this Company.

We have received from the Van Sweringen Corporation payment in full for the above mentioned United States Government obligations, and wish you would, therefore, kindly hold them for the account of the Van Sweringen Corporation.

Yours very truly,

R. M. BALDWIN,  
*President.*

W.

EXHIBIT U-9-13a

Consolidated Financial Statement, the Union Trust Company, Cleveland, Ohio

Resources	Monday, Oct 5, 1931	Tuesday, Oct 6, 1931	Wednesday, Oct 7, 1931	Thursday, Oct. 8, 1931	Friday Oct 9, 1931	Saturday, Oct. 10, 1931
<b>LOANS AND DISCOUNTS</b>						
Call Loans.....						
Demand Collateral Loans.....	\$41,553,303.72	\$41,416,888.43	\$41,343,118.22	\$41,325,798.22	\$41,339,252.97	\$41,337,120.89
Time Collateral Loans.....	29,748,083.96	29,522,044.64	29,496,182.71	29,414,494.88	29,357,865.17	29,332,370.17
Real Estate Loans.....	72,391,759.46	72,361,014.44	72,364,654.88	72,276,680.54	72,278,748.69	72,280,940.95
Demand Loans Unsecured.....	4,986,592.94	5,040,533.72	5,058,993.72	4,932,693.72	5,002,693.72	5,001,693.72
Notes and Bills.....	22,310,045.51	22,308,016.35	25,830,152.80	25,844,127.99	25,791,876.68	25,677,972.15
Bills of Exchange.....	691,557.71	663,143.83	634,680.31	691,101.11	329,683.31	296,187.13
Foreign Loans (General Banking Dept.).....						
Foreign Bills, Loans and Advances (Foreign Bkg Dept.).....	1,045,599.88	1,045,880.44	1,055,983.92	1,056,311.05	1,056,320.05	1,055,274.62
Our Acceptances Held By Us Genl Pkg. Dept.....	307,202.83	70,323.00				
Acceptances of Other Banks Held By Us Genl. Bkg. Dept.....						
Customers Liability on Unpaid Acceptances.....	1,186,909.95	1,116,586.94	1,189,030.95	1,189,030.95	1,072,030.95	1,072,030.95
<b>Total Loans and Discounts.....</b>	<b>174,221,055.96</b>	<b>173,544,431.80</b>	<b>176,972,797.51</b>	<b>176,730,238.46</b>	<b>176,228,471.54</b>	<b>176,053,590.58</b>
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>						
Our Acceptances Held by Us.....	893,864.47		27,435.00	27,435.00	144,435.00	144,435.00
Acceptances of Other Banks Held by Us.....						
Our Acceptances Sold and Outstanding.....	6,448,791.86	7,549,859.16	7,520,303.16	7,530,303.16	7,328,303.16	7,328,303.16
Acceptances of Other Banks Sold and Outstanding.....	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61
Acceptances to Create Dollar Exchange.....						
Customers' Liability Under Letters of Credit:						
Commercial.....	834,695.18	829,953.18	828,972.02	828,592.13	832,042.13	709,182.63
Travelers'.....	447,141.42	444,466.42	439,416.42	439,416.42	435,133.09	435,133.09
Customers' Liability Under Travelers' Checks.....	4,560.00	4,560.00	4,460.00	4,460.00	4,450.00	4,450.00
Letters of Credit Issued Under Guarantee of Other Banks.....						
Foreign Bills Sold with Our Endorsement.....	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89
Collateral loans sold under repurchase agreement.....				8,654,973.98	8,648,656.58	8,566,682.82
<b>Total Acceptances and Letters of Credit.....</b>	<b>12,768,185.43</b>	<b>12,967,971.26</b>	<b>12,959,719.10</b>	<b>21,624,313.19</b>	<b>21,532,152.46</b>	<b>21,327,319.20</b>
<b>INVESTMENTS</b>						
United States Government Securities.....	22,406,866.84	22,406,866.84	22,406,866.84	12,376,866.84	12,376,866.84	12,376,866.84
State, County and Municipal Bonds.....	1,532,548.58	1,531,498.70	1,531,498.70	1,531,498.70	1,531,498.70	1,531,498.70
Corporation Bonds and Notes.....	12,784,693.23	13,084,969.77	13,084,969.77	13,084,969.77	13,084,969.77	12,850,969.77
Corporation Stocks.....	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83	6,436,223.83
Foreign Securities.....	8,206,858.42	8,206,858.42	8,206,858.42	8,206,858.42	8,206,858.42	8,206,858.42
<b>Total Investments.....</b>	<b>51,367,190.90</b>	<b>51,666,417.56</b>	<b>51,666,417.56</b>	<b>41,636,417.56</b>	<b>41,636,417.56</b>	<b>41,402,417.56</b>

STOCK EXCHANGE PRACTICES

8993

*Consolidated Financial Statement, the Union Trust Company, Cleveland, Ohio—Continued*

8994

STOCK EXCHANGE PRACTICES

Resources	Monday, Oct. 5, 1931	Tuesday, Oct 6, 1931	Wednesday, Oct 7, 1931	Thursday, Oct. 8, 1931	Friday Oct 9, 1931	Saturday, Oct. 10, 1931
<b>CASH AND CASH ITEMS</b>						
Currency and Coin.....	\$2,672,873.52	\$2,386,416.82	92,399,794.66	\$2,559,020.59	\$2,286,450.09	\$2,022,836.53
Currency and Coin—Foreign Banking Dept.....	6,064.61	8,020.29	6,806.95	7,553.80	6,673.59	6,365.91
Cash Items.....	293,671.42	152,790.41	209,188.51	222,091.14	186,976.15	191,699.82
Difference Account.....	1,934.01	8,471.42	4,221.38	273.17	265.80	262.76
Total Cash and Cash Items.....	2,970,675.54	2,538,756.10	2,620,011.50	2,788,938.70	2,480,365.63	2,221,165.02
<b>LEGAL RESERVE</b>						
Federal Reserve Bank.....	13,180,897.22	13,883,871.21	12,934,058.54	13,333,371.37	11,916,371.90	11,940,867.70
<b>DUE FROM DOMESTIC CORRESPONDENTS</b>						
New York City Banks.....	8,082,559.83	9,626,138.57	4,984,789.17	3,534,722.84	3,659,350.26	4,267,433.74
Chicago Banks.....	1,248,243.55	1,185,118.79	1,034,223.92	1,192,020.70	1,146,445.27	1,170,606.60
Other Banks.....	2,973,930.69	3,054,168.18	3,260,124.92	2,705,951.06	2,730,679.66	2,700,763.95
Total Due from Domestic Correspondents.....	12,304,734.07	13,865,425.54	9,279,138.01	7,432,695.20	7,536,475.19	8,138,804.29
<b>DUE FROM FOREIGN CORRESPONDENTS</b>						
Foreign Banks (Foreign Banking Dept.).....	714,726.35	724,339.79	711,317.63	699,542.02	681,687.39	620,798.05
<b>DEFERRED CREDITS, EXCHANGES, ETC.</b>						
Federal Reserve Bank—Deferred Credits.....	9,566,184.02	9,057,351.66	8,723,996.34	9,093,434.12	9,266,933.98	8,339,464.92
Checks on Cleveland Banks.....	2,636,147.26	2,224,263.04	1,898,364.12	1,976,638.15	1,980,667.18	2,432,539.61
Checks on Other Offices—The Union Trust Company.....	366,990.31	286,516.15	257,129.81	288,042.46	331,692.20	298,137.58
Checks on Out-of-Town Banks.....	355,305.96	245,109.47	320,253.65	198,618.11	180,230.50	301,249.75
Coupons.....	1,089,926.82	810,940.47	598,900.92	461,649.88	419,820.83	231,471.23
Due from Sundry Banks and Bankers.....	1,374,230.22	1,430,029.14	1,315,539.68	1,253,630.73	1,071,473.55	1,089,244.94
Total Deferred Credits, Exchanges, Etc.....	15,388,784.59	14,054,209.93	13,114,184.52	13,272,013.45	13,250,818.24	12,692,108.03
<b>PROPERTY ACCOUNTS</b>						
Real Estate, Buildings, Leaseholds, etc.....	18,504,856.25	18,504,101.65	18,503,347.05	18,510,579.48	18,505,067.88	18,500,963.28
<b>OTHER RESOURCES</b>						
Accrued Interest, etc., Receivable.....	1,628,758.76	1,638,755.63	1,654,849.21	1,581,168.49	1,600,628.64	1,618,242.64
Accounts Receivable.....	245,209.07	239,882.90	238,186.40	227,544.20	218,566.62	214,930.64
Prepaid and Deferred Accounts.....	79,407.73	78,845.35	78,419.95	77,720.58	77,226.69	77,397.20
Late Entries, Missorts, etc.....	16,790.48	15,438.15	9,942.03	7,817.41	19,940.24	28,985.37
Cleveland Akron Bag Co., Properties in Liquidation.....	449,106.38	449,106.38	449,106.38	449,106.38	449,106.38	449,106.38
Land Contracts.....	1,434,784.10	1,434,784.10	1,434,784.10	1,434,578.32	1,434,166.57	1,434,166.57
Total Other Resources.....	3,854,056.52	3,856,812.51	3,865,288.07	3,777,935.38	3,799,635.14	3,822,831.80
Total Resources.....	305,275,162.83	305,606,337.35	302,626,279.49	299,806,944.81	297,567,462.93	296,720,865.51

EXHIBIT U-13b

Consolidated financial statement, the Union Trust Company, Cleveland, Ohio

Liabilities	Monday, Oct. 5, 1931	Tuesday, Oct. 6, 1931	Wednesday, Oct. 7, 1931	Thursday, Oct. 8, 1931	Friday Oct. 9, 1931	Saturday, Oct. 10, 1931
<b>DEMAND DEPOSITS</b>						
Due Corporations and Individuals.....	\$77,357,871.91	\$77,275,253.95	\$77,875,849.83	\$64,738,500.67	\$65,039,189.72	\$65,730,420.02
Due Cleveland Banks and Bankers.....	2,039,160.92	1,920,020.68	1,759,528.69	709,038.70	1,689,547.75	1,602,352.54
Due Out-of-Town Banks and Bankers.....	30,483,282.71	29,613,554.10	28,232,358.69	27,689,127.44	25,888,871.08	25,646,102.74
Public Funds.....	2,380,746.34	2,608,440.48	2,612,517.87	2,798,992.06	2,793,194.29	2,632,127.13
Federal Reserve Bank—Fiscal Agent.....	1,749,000.00	1,657,000.00	1,657,000.00	1,607,000.00	1,557,000.00	1,557,000.00
United States Deposits.....	72,161.71	64,291.79	71,744.90	70,572.67	72,926.10	64,009.12
Certificates of Deposit.....	1,122.36	1,122.36	1,122.36	1,122.36	1,122.36	1,122.36
Certified Checks.....	290,253.95	252,068.39	230,906.79	160,544.57	151,748.96	135,222.85
Official Checks.....	1,550,943.41	1,576,236.72	1,364,618.73	1,296,606.34	1,190,628.78	1,136,112.54
Unpaid Dividends.....	97,811.25	65,480.25	51,709.50	42,166.50	27,216.75	23,910.75
Sundry Bank Credits—Undistributed.....	248.50	193,036.56	23,178.37	40,131.26	6,983.35	3,807.32
Unremitted Funds.....	147,325.89	149,035.37	121,750.35	93,796.72	78,861.57	342,281.64
Late Entries, Missorts, etc.....	6,698.98	3,834.28	1,440.38	811.75	7,204.48	1,629.34
Dormant Accounts.....	246,655.10	246,171.72	246,108.34	245,848.47	245,612.08	245,432.32
Unlocated Deposits.....	1,711.35	1,711.35	1,711.35	1,753.82	1,437.59	1,437.59
Due to Foreign Banks—Dollar Accounts.....	775,573.31	709,910.04	726,815.01	665,578.26	687,464.01	708,188.67
Other Foreign Banking Department Deposits.....	5,076.63	22,893.33	16,921.13	9,254.03	7,402.03	7,457.03
Stock Transfer Deposits.....	1,006,221.06	845,228.33	605,652.97	447,612.59	368,799.39	301,901.17
<b>Total Demand Deposits.....</b>	<b>118,211,865.38</b>	<b>117,205,280.70</b>	<b>115,600,935.26</b>	<b>101,618,458.21</b>	<b>99,815,210.29</b>	<b>100,140,515.13</b>
<b>TIME DEPOSITS</b>						
Savings Deposits.....	96,809,205.10	96,264,168.46	95,993,598.00	95,811,236.45	95,635,464.20	95,553,033.19
Savings Deposits—Foreign Banking Department.....	1,131,567.02	1,123,318.80	1,120,818.80	1,113,412.07	1,113,241.70	1,112,667.56
Christmas Money Club.....	1,048,303.50	1,051,555.00	1,053,367.25	1,054,758.50	1,057,066.00	1,059,850.25
Estates Trust Deposits.....	6,165,707.99	6,129,799.72	6,059,418.54	5,980,143.91	5,841,837.56	5,811,146.01
Corporate Trust Deposits.....	3,646,820.71	3,574,512.06	3,511,512.80	3,401,158.09	3,394,463.33	3,234,705.76
Certificates of Deposit.....	13,573,664.15	13,573,664.15	13,573,664.15	13,574,664.15	13,574,664.15	13,573,649.15
Public Funds.....	6,337,923.81	6,236,822.95	6,236,822.95	6,036,822.95	6,036,822.95	6,036,822.95
Postal Savings Deposits.....	1,060,000.00	1,060,000.00	1,060,000.00	1,060,000.00	1,060,000.00	1,060,000.00
Acceptances Anticipated.....	100,000.00	100,000.00	100,000.00	100,000.00	-----	-----
Other Time Deposits.....	3,162,955.66	3,137,955.66	3,107,955.66	3,172,955.66	3,373,372.85	3,373,386.79
<b>Total time deposits.....</b>	<b>133,036,237.94</b>	<b>132,251,796.80</b>	<b>131,817,158.15</b>	<b>131,305,151.78</b>	<b>131,086,932.74</b>	<b>130,815,260.66</b>
<b>BILLS PAYABLE AND REDISCOUNTS</b>						
Bills Payable with Federal Reserve Bank.....	-----	1,000,000.00	-----	3,000,000.00	3,000,000.00	2,300,000.00
Rediscounts with Federal Reserve Bank.....	-----	-----	-----	-----	-----	-----
<b>Total bills payable and rediscounts.....</b>	<b>-----</b>	<b>1,000,000.00</b>	<b>-----</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>	<b>2,300,000.00</b>

STOCK EXCHANGE PRACTICES

8995

Consolidated financial statement, the Union Trust Company, Cleveland, Ohio—Continued

8996

STOCK EXCHANGE PRACTICES

Liabilities	Monday, Oct 5, 1931	Tuesday, Oct. 6, 1931	Wednesday Oct 7, 1931	Thursday, Oct 8, 1931	Friday, Oct 9, 1931	Saturday, Oct. 10, 1931
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>						
Our Acceptances Sold and Outstanding.....	\$6,448,791.86	\$7,549,859.16	\$7,520,303.16	\$7,530,303.16	\$7,328,303.16	\$7,328,303.16
Acceptances of Other Banks Sold and Outstanding.....	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61	4,136,557.61
Our Acceptances Executed Under L/C Outstanding.....	31,061.01	26,469.01	26,469.01	26,469.01	26,469.01	26,469.01
Acceptances of Other Banks Guaranteed by Us.....						
Acceptances to Create Dollar Exchange.....						
Letters of Credit Outstanding—Commercial.....	803,634.17	803,484.17	802,503.01	802,123.12	805,573.12	682,713.62
Letters of Credit Outstanding—Travelers'.....	448,191.42	445,516.42	440,466.42	440,466.42	436,183.09	436,183.09
Travelers' Checks Outstanding.....	4,560.00	4,560.00	4,460.00	4,460.00	4,450.00	4,450.00
Letters of Credit Issued Under Guarantee of Other Banks.....						
Foreign Bills Sold with Our Endorsement.....	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89
Loans sold under repurchase agreement.....				8,654,973.98	8,648,656.58	8,566,682.82
<b>Total acceptances and letters of credit.....</b>	<b>11,875,370.96</b>	<b>12,969,021.26</b>	<b>12,933,334.10</b>	<b>21,597,928.19</b>	<b>21,388,767.46</b>	<b>21,183,934.20</b>
<b>OTHER LIABILITIES</b>						
Interest and Discount Unearned.....	176,743.92	181,145.98	242,735.53	243,657.32	241,331.59	234,193.06
Other Income Unearned.....	12,660.84	140,012.56	134,232.54	128,398.68	123,520.32	117,686.47
Accrued Interest Payable.....	1,102,792.41	1,116,543.32	1,129,869.49	1,131,970.83	1,107,351.15	1,103,680.66
<b>Total other liabilities.....</b>	<b>1,438,043.59</b>	<b>1,437,701.86</b>	<b>1,506,837.56</b>	<b>1,504,026.83</b>	<b>1,472,203.06</b>	<b>1,455,560.19</b>
<b>RESERVES</b>						
Reserves for Taxes.....	523,661.56	527,057.09	530,452.62	533,848.15	537,243.68	540,639.21
Reserve for Expenses.....	34,639.26	45,139.26	55,639.26	66,139.26	76,639.26	87,139.26
Reserve for Adjustment of State Bank Assets.....	13.00	16.00	16.00	36.00	36.00	36.00
<b>Total reserves.....</b>	<b>558,313.82</b>	<b>572,212.35</b>	<b>586,107.88</b>	<b>600,023.41</b>	<b>613,918.94</b>	<b>627,814.47</b>
<b>CAPITAL</b>						
Capital Stock.....	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00
Surplus.....	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00
Undivided Profits.....	5,094,444.54	5,094,444.54	5,094,444.54	5,094,444.54	5,094,444.54	5,094,444.54
Current Period Profits.....	60,886.60	75,870.84	87,462.00	86,011.85	95,985.90	103,336.32
<b>Total capital, surplus and profits.....</b>	<b>40,155,331.14</b>	<b>40,170,315.38</b>	<b>40,181,906.54</b>	<b>40,180,456.39</b>	<b>40,190,430.44</b>	<b>40,197,780.86</b>
<b>Total liabilities.....</b>	<b>305,275,162.83</b>	<b>305,606,337.35</b>	<b>302,626,279.49</b>	<b>299,806,044.81</b>	<b>297,567,462.93</b>	<b>296,720,865.51</b>

EXHIBIT U-9-14

THE UNION TRUST COMPANY—CLEVELAND—FINANCIAL STATEMENT, SEPT. 29, 1931

*Statement of condition at the close of business on September 29, 1931*

RESOURCES

Cash on Hand and on Deposit with Banks.....		\$58, 105, 264. 37
United States Government Securities.....		22, 117, 016. 83
Stock of Federal Reserve Bank, Cleveland.....		1, 050, 000. 00
Other Bonds and Securities.....		28, 486, 735. 60
Commercial Loans.....		32, 207, 097. 30
Collateral Loans.....		71, 374, 391. 05
First Mortgage Loans.....		72, 537, 215. 07
Customers' Liability on Acceptances and Letters of Credit....		12, 182, 231. 18
Accrued Interest and Other Resources.....		2, 786, 724. 48
Real Estate Sold Under Land Contract.....		1, 429, 690. 80
Bank Buildings and Real Estate Owned.....		18, 509, 312. 77
<b>Total.....</b>		<b>\$320, 785, 679. 45</b>

LIABILITIES

Capital—Paid Up.....	\$22, 850, 000. 00	
Surplus and Undivided Profits.....	17, 222, 943. 60	
		\$40, 072, 943. 60
Deposits.....	\$264, 193, 822. 21	
Postal Savings Deposits.....	895, 709. 67	
Other United States Government Deposits.....	2, 081, 945. 19	
<b>Total Deposits.....</b>		<b>\$267, 171, 477. 07</b>
43rd Consecutive Dividend, Payable October 1, 1931.....		\$685, 500. 00
Bills Payable and Rediscounts.....		None
Acceptances and Letters of Credit.....		12, 183, 281. 18
Reserve for Taxes, Interest, Etc.....		672, 477. 60
<b>Total.....</b>		<b>\$320, 785, 679. 45</b>

Member Federal Reserve System. Member Cleveland Clearing House Association.

OFFICES OF THE UNION TRUST CO., CLEVELAND, OHIO

Euclid-Ninth-Chester	415 Eagle Avenue
Broadway Avenue and East 55th Street	Lorain and West 93rd Street
Woodland Avenue and East 55th Street	Fleet Avenue and East 49th Street
Buckeye Road at East 89th Street	St. Clair at East 140th Street
Euclid Avenue at East 101st Street	Euclid Avenue at Taylor Road
Terminal Tower Building	12301 Mayfield Road
East 105th at Pasadena Avenue	Cedar and Lee Roads
Kinsman Road at East 140th Street	Buckeye Road and E. 118th Street
West 65th Street and Detroit Avenue	Detroit Avenue and Cook Avenue
West 25th and Denison Avenue	Madison Avenue and Hilliard Road
Pearl and State Roads	East 185th Street and Landseer Road
	East 116th Street and Corlett Avenue

Resources over 300 millions.

## EXHIBIT U-9-15

THE UNION TRUST COMPANY,  
Cleveland, Ohio, February 15, 1934.

Mr. OTTO MORTON,  
Bank Examiner, The Union Trust Company.

DEAR SIR: This is to advise you that on September 29, 1931, the balance due on the mortgage on the Union Trust Building, from the Union Lennox Company to the Northwestern Mutual Life Insurance Company was \$4,200,000.00.

Very truly yours,

THE UNION LENNOX COMPANY,  
By P. W. JEWELL, Secretary.

PWJ:V

## EXHIBIT U-9-16

*The Union Trust Company, Cleveland, Ohio. Item 20, Depreciation*

Depreciation on Buildings (Not charged off on books) From No. B-11a.....	-157, 565. 71
Amortization of Leaseholds (Not charged off on books) From No. B-11a.....	-2, 474. 56
Depreciation on Furniture & Fixtures and Mechanical Equipment (Cost expensed and reported as unallowable deduction) (Depreciation not charged off on books) From No. B-12.....	69, 664. 23
Depreciation on Furniture & Fixtures (Cost capitalized) (Depreciation not charged off on books) From No. B-12.....	-4, 153. 11
Carried to Nontaxable Income (See Work Sheet No. A-9).....	233, 857. 61
Depreciation on Union Trust Bldg. (Charged off on books) From No. B-13.....	291, 584. 72
To Item 20 Page 1.....	505, 442. 33



The Union Trust Company, Cleveland, Ohio, Depreciation on Buildings

Building	Description	Book Value Land & Building	Cost of Building	Additions During	Cost of Building	Rate	Depreciation	
		12-31-31	12-31-30	1931	12-31-31	%	Previous years	This year— 1931
The Union Trust Co. Architect Fees.....			99,000.00		99,000.00	2	14,850.00	1,980.00
Broadway-Columbia office.....	Brick.....	412,918.67	367,133.54		367,133.54	3	91,648.37	11,014.01
Buckeye—89th.....	Brick.....	246,563.75	158,010.44		158,010.44	4	42,588.01	6,320.42
Buckeye—118th.....	Permanent Fix- tures.....	31,449.08	31,449.08		31,449.08	3½	4,371.67	1,048.30
Cedar-Lee.....	“.....	18,355.86	18,355.86		18,355.86	7	6,367.90	1,284.01
Corlett—116th.....	Brick.....	39,769.17	33,894.17		33,894.17	3	1,466.57	1,016.83
Detroit-Cook.....	“.....	151,704.21	101,704.21		101,704.21	3	12,644.06	3,051.13
Detroit—65th.....	“.....	107,802.77	52,196.38		52,196.38	3	7,737.88	1,565.89
Euclid—101st.....	“.....	550,312.84	202,752.84		202,752.84	3	24,433.22	6,082.59
Euclid-Taylor.....	Permanent Fix- tures.....	24,274.04	24,274.04		24,274.04	10	12,937.55	2,427.40
Kinsman—140th.....	Brick.....	146,251.91	136,251.91		136,251.91	3	15,548.43	4,087.56
Landsees—E 185th.....	“.....	37,992.71	34,400.28		34,400.28	3	1,501.66	1,032.01
Loran—93rd.....	“.....	146,393.71	105,393.71		105,393.71	3	21,358.20	3,161.81
Market.....	“.....	90,913.65	90,913.65		90,913.65	3	13,637.05	2,727.47
Pasadena—105th.....	“.....	143,268.92	110,022.17		110,022.17	3	27,872.88	3,300.67
Pearl-State.....	“.....	41,352.15	41,352.15		41,352.15	3	3,839.38	1,240.56
St. Clair—140th.....	Permanent Fix- tures.....	20,102.72	20,102.72		20,102.72	10	12,899.22	2,010.27
Terminal Square.....	“.....	215,382.10	215,382.10		215,382.10	5	15,390.81	10,769.11
Washington Park.....	Brick.....	9,428.34	6,928.34		6,928.34	3	1,039.25	207.85
Woodland.....	“.....	493,845.77	389,814.27		389,814.27	4	123,537.22	15,592.27
Detroit—West 65th Building.....			31,500.00		31,500.00	3	4,725.00	945.00
							460,654.33	80,866.30
							1 216,126.74	1 76,699.41
							2 676,781.07	2 157,565.71

<sup>1</sup> See Work Sheets B-11(a) Pages 2-5 incl.

<sup>2</sup> To Work Sheet No. B-11.

STOCK EXCHANGE PRACTICES

8999

*The Union Trust Company, Cleveland, Ohio, Amortization of Leaseholds*

9000

Description	Period	Cost	Previous years	This year--1931
Statler Lease.....	80 years	6,163.67	462.30	77.05
Stone Property.....	93 "	13,932.83	898.86	149.81
West 25th Denison*.....	99 "	24,525.00	2,477.30	2,247.70
			1 3,838.46	1 2,474.56

<sup>1</sup> To Work Sheet No. B-11.

\* Cost represents permanent fixtures. Transfer to Banking Properties and depreciate over 10 yr. period

STOCK EXCHANGE PRACTICES

## EXHIBIT U-9-16a

*Calculation of Accrued Depreciation on Real Estate to September 29, 1931, not deducted on the books of the Union Trust Company and employed to inflate Real Estate and Income Accounts.*

Previous Year Depreciation Accrued to December 31, 1930-----	\$676, 781. 07
Previous Year Amortization-----	3, 838. 46
Total previous year-----	680, 619. 53
Depreciation not Charged off Books Year 1931:	
Depreciation on Buildings-----	\$157, 565. 71
Amortization of Leaseholds-----	2, 474. 56
Depreciation on Furniture and Fixtures-----	4, 153. 11
Total for year 1931-----	164, 193. 38
Depreciation to September 29, 1931, is approximately 9/12 of the total for the year 1931 or-----	123, 145. 02
Total-----	803, 764. 55
Less: 1929 Reserve for Depreciation-----	250, 000. 00
Total accrued depreciation to September 29, 1931-----	\$553, 764. 55

## EXHIBIT U-9-17

STATE SUPERINTENDENT OF BANKS,  
*Columbus, Ohio.*

FEBRUARY 15, 1930.

DEAR SIR: In compiling the Daily Statement of Condition, we have been deducting compensating balances in arriving at the net amounts due from bankers and due to bankers. For example, balance of an account carried by us in Chicago is deducted from the balance the Chicago bank carries with us and the net difference is used in compiling our daily statement as due to bankers.

This is an old practice which has been in use for some time. I am told that national banks are compelled to use compensating balances in this manner.

As The Union Trust Company is a state bank, I am wondering if we would be criticized by showing the amount due from bankers and the balances due to bankers at their gross amounts without any deduction for compensating balances. The objection we find to the present practice is that the total amount shown on our daily statement as due from bankers does not show the total amount invested in such bank balances. In our case, it makes a difference on the average of from three to five million dollars. I will be pleased to have your opinion in this regard.

Very truly yours,

A. W. LEWIS, *Vice-President.*

AWL:Mc

## EXHIBIT U-9-18

STATE OF OHIO,  
DEPARTMENT OF BANKS,  
*Columbus, Feb. 28, 1930.*

Mr. A. W. LEWIS,  
*Vice President, Union Trust Co., Cleveland, Ohio.*

DEAR MR. LEWIS: We hope you will excuse delay in replying to your letter of recent date, the same having been mislaid. You ask "if the Union Trust Company would be criticized if the daily statement disclosed gross balance due to and due from bankers in place of the net balance as is being done at present. Also the objection we find to the present practice is the total amount shown on our daily statement as due from bankers does not show the total amount invested in such bank balances. In our case it makes a difference on the average from three to five million dollars."

In reply we beg to advise it is the custom of this Department as well as of both the National Department and Federal Reserve to have the published statements show only the net. To do otherwise would have a tendency to undue inflation of resources. There can be no objection to a set-up as you suggest for your own convenience but we respectfully request the published calls of condition be compiled as in the past.

Very truly yours,

O. C. GRAY,  
*Superintendent of Banks.*

## EXHIBIT U-9-20a

## Consolidated financial statement, the Union Trust Company, Cleveland, Ohio

Resources	Monday, Sept. 21, 1931	Tuesday, Sept. 22, 1931	Wednesday, Sept. 23, 1931	Thursday, Sept. 24, 1931	Friday, Sept. 25, 1931	Saturday, Sept. 26, 1931
<b>LOANS AND DISCOUNTS</b>						
Call Loans						
Demand Collateral Loans	\$42,664,681 43	\$41,078,356 49	\$41,070,815 23	\$41,054,642 07	\$41,000,082 78	\$41,128,402 14
Time Collateral Loans	37,483,205 02	33,484,473 30	33,726,404 52	33,679,027 83	30,350,496 45	30,334,006 73
Real Estate Loans	72,584,078 35	72,577,253 83	72,568,315 00	72,569,384 40	72,534,951 40	72,523,463 00
Demand Loans Unsecured	5,085,914 33	5,088,345 94	5,123,845 94	5,089,047 94	5,094,232 94	5,112,732 94
Notes and Bills	27,768,727 70	27,794,954 41	27,801,154 99	27,749,336 64	23,990,622 59	24,018,866 43
Bills of Exchange	306,669 80	367,821 92	357,526 26	441,105 92	442,091 10	312,936 12
Foreign Loans (General Banking Dept.)	250,000 00	250,000 00				
Foreign Bills, Loans and Advances (Foreign Bkg. Dept.)	1,549,911 39	1,545,338 95	1,557,329 82	1,557,258 32	1,558,114 23	1,557,669 69
Our Acceptances Held By Us—Genl. Bkg. Dept.	187,421 50	217,936 33	450,875 00			
Acceptances of Other Banks Held By Us—Genl. Bkg. Dept.	225,413 98	225,413 98	441,928 43	886,664 53		
Customers Liability on Unpaid Acceptances	1,745,422 03	1,417,410 70	1,429,633 40	1,178,073 40	1,178,073 40	1,164,330 55
<b>Total loans and Discounts</b>	<b>189,851,445 53</b>	<b>184,047,305 85</b>	<b>184,527,828 59</b>	<b>184,204,541 05</b>	<b>176,148,664 89</b>	<b>176,152,407 60</b>
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>						
Our Acceptances Held by Us	156,140 00	266,215 00	266,215 00	570,392 00	610,864 17	610,864 17
Acceptances of Other Banks Held by Us						
Our Acceptances Sold and Outstanding	6,750,620 44	6,938,041 94	6,938,958 27	7,317,216 27	7,276,744 10	7,276,744 10
Acceptances of Other Banks Sold and Outstanding	3,049,893 08	3,249,893 08	3,249,893 08	3,249,893 08	4,136,557 61	4,136,557 61
Acceptances to Create Dollar Exchange						
Customers' Liability Under Letters of Credits:						
Commercial	1,201,273 20	1,201,273 20	1,192,830 72	1,169,213 34	1,157,033 08	1,157,033 08
Travelers'	522,207 75	521,892 75	510,742 75	510,742 75	484,957 75	479,732 75
Customers' Liability Under Travelers' Checks	4,020 00	4,470 00	4,420 00	4,420 00	4,220 00	4,220 00
Letters of Credit Issued Under Guarantee of Other Banks						
Foreign Bills Sold with Our Endorsement	2,574 89	2,574 89	2,574 89	2,574 89	2,574 89	2,574 89
<b>Total Acceptances and Letters of Credit</b>	<b>11,686,729 36</b>	<b>12,184,360 86</b>	<b>12,165,634 71</b>	<b>12,824,452 33</b>	<b>13,672,951 60</b>	<b>13,667,726 60</b>
<b>INVESTMENTS</b>						
United States Government Securities	12,376,866 84	12,376,866 84	12,376,866 84	12,376,866 84	12,376,866 84	12,376,866 84
State, County and Municipal Bonds	1,361,740 93	1,361,740 93	1,458,340 93	1,452,041 74	1,750,815 74	1,790,097 18
Corporation Bonds and Notes	12,975,782 86	12,578,706 16	12,578,706 16	12,578,706 16	12,578,706 16	12,578,706 16
Corporation Stocks	6,436,223 83	6,436,223 83	6,436,223 83	6,436,223 83	6,436,223 83	6,436,223 83
Foreign Securities	8,206,858 42	8,207,055 44	8,206,858 42	8,206,858 42	8,206,858 42	8,206,858 42
<b>Total investments</b>	<b>41,357,472 88</b>	<b>40,960,593 20</b>	<b>41,056,996 18</b>	<b>41,050,696 99</b>	<b>41,349,470 99</b>	<b>41,388,752 43</b>

CASH AND CASH ITEMS						
Currency and Coin.....	2,450,151.05	2,377,424.04	2,392,511.22	2,382,934.14	2,161,470.49	2,059,601.01
Currency and Coin—Foreign Banking Dept.....	5,987.46	7,850.27	5,746.57	5,286.34	6,116.56	5,967.45
Cash Items.....	167,743.45	206,166.34	178,156.58	273,401.90	180,824.50	161,634.68
Difference Account.....	96.95	1,870.98	21,008.24	2,155.25	1,115.74	291.47
Total Cash and Cash Items.....	2,623,785.01	2,589,569.67	2,555,406.13	2,663,777.63	2,347,295.81	2,227,494.61
LEGAL RESERVE						
Federal Reserve Bank.....	10,778,159.96	11,325,410.19	12,584,763.05	11,734,035.10	12,155,242.61	12,325,742.66
DUE FROM DOMESTIC CORRESPONDENTS						
New York City Banks.....	10,695,820.43	15,304,224.51	14,203,382.41	13,538,067.61	20,772,364.26	20,502,833.86
Chicago Banks.....	2,036,917.11	1,859,595.64	1,414,436.64	1,268,538.69	1,173,197.90	1,330,559.97
Other Banks.....	3,463,558.61	3,446,230.16	3,456,302.73	3,195,071.56	2,978,807.38	3,015,143.33
Total Due from Domestic Correspondents.....	16,196,296.15	20,610,050.31	19,074,121.78	18,021,677.86	24,924,369.54	24,848,537.16
DUE FROM FOREIGN CORRESPONDENTS						
Foreign Banks (Foreign Banking Dept.).....	734,261.23	737,346.64	716,323.28	714,532.75	726,911.98	726,886.82
DEFERRED CREDITS, EXCHANGES, ETC						
Federal Reserve Bank—Deferred Credits.....	9,897,734.95	9,653,637.12	8,810,625.28	8,658,833.62	8,918,551.63	8,221,585.23
Checks on Cleveland Banks.....	1,916,568.56	1,915,620.99	1,767,544.73	1,648,734.59	1,643,211.17	1,500,797.89
Checks on Other Offices—The Union Trust Company.....	276,216.20	273,580.97	348,572.09	296,000.50	280,859.69	262,617.32
Checks on Out-of-Town Banks.....	343,691.65	245,793.39	232,769.08	216,607.59	253,245.06	260,413.41
Coupons.....	69,977.26	54,235.30	238,604.51	61,116.20	38,021.29	26,456.47
Due from Sundry Banks and Bankers.....	1,500,889.31	1,798,340.28	1,685,610.95	1,667,199.23	1,362,195.46	1,276,760.37
Total Deferred Credits, Exchanges, etc.....	14,005,077.93	13,941,208.05	13,083,726.64	12,548,491.73	12,496,084.30	11,548,630.69
PROPERTY ACCOUNTS						
Real Estate, Buildings, Leaseholds, etc.....	18,515,345.01	18,514,590.98	18,513,836.95	18,513,082.92	18,512,328.89	18,511,574.86
OTHER RESOURCES						
Accrued Interest, etc., Receivable.....	1,880,785.35	1,864,279.07	1,876,641.26	1,886,152.20	1,901,128.43	1,918,036.77
Accounts Receivable.....	156,931.83	158,639.43	157,973.69	154,194.68	151,440.74	146,438.53
Prepaid and Deferred Accounts.....	76,172.15	75,678.26	75,184.37	74,690.48	74,196.59	73,702.70
Late Entries, Missorts, etc.....	77,330.67	33,959.64	16,867.67	12,123.06	49,563.60	20,386.64
Cleveland Akron Bag Co., Properties in Liquidation.....	449,106.38	449,106.38	449,106.38	449,106.38	449,106.38	449,106.38
Land Contracts.....	1,431,551.84	1,431,551.84	1,431,551.84	1,431,551.84	1,431,551.84	1,431,551.84
Total Other Resources.....	4,071,878.22	4,013,254.62	4,007,325.21	4,007,818.64	4,056,987.58	4,039,222.86
Total Resources.....	309,820,451.28	308,923,690.37	308,285,962.52	306,263,107.00	306,390,308.19	305,436,976.29

EXHIBIT U-9-20b

Consolidated Financial Statement, the Union Trust Company, Cleveland, Ohio

Resources	Monday, Sept. 21, 1931	Tuesday, Sept. 22, 1931	Wednesday, Sept 23, 1931	Thursday, Sept 24, 1931	Friday, Sept. 25, 1931	Saturday, Sept 26, 1931
<b>DEMAND DEPOSITS</b>						
Due Corporations and Individuals.....	\$72,299 385.01	\$71,537 857 89	\$71,224,309 77	\$70,960,227 67	\$70,856,626 52	\$70,648,657 55
Due Cleveland Banks and Bankers.....	1,822,025.32	1,858,715 59	1,975,509.77	1,878,116 36	1,844,217 75	1,866,574 27
Due Out-of-Town Banks and Bankers.....	31,320,171 90	31,206,766.00	30,637,194 13	28,991,155 69	28,888,518 66	28,227,450 00
Public Funds.....	2,739,096 80	2,737,913 05	2,779,662 81	2,864,930 56	2,849,616 47	2,861,783 98
Federal Reserve Bank—Fiscal Agent.....	2,129,000 00	2,129,000 00	2,129,000 00	2,076,000.00	2,023,000 00	2,023,000 00
United States Deposits.....	52,004 45	54,805 00	58,351 78	62,535 75	58,568 88	57,775 78
Certificates of Deposit.....	1,122 36	1,122 36	1,122 36	1,122 36	1,122 36	1,122 36
Certified Checks.....	352,655 18	361,834 42	420,849 67	409,890 66	359,748 80	381,644 34
Official Checks.....	1,124,477 28	1,028,054 66	1,157,760 89	1,164,027 89	1,081,528 91	855,185 91
Unpaid Dividends.....	2,111 25	2,073 75	2,070 00	2,067 75	2,067 75	2,067 75
Sundry Bank Credits—Undistributed.....	506 04	73,365 39	4,259 95	134,723 97	315 94	286 54
Unremitted Funds.....	106,464 98	40,963 86	107,278 93	128,846 58	79,403 56	148,194 03
Late Entries, Missorts, etc.....	8,602 43	1,287 54	4,728 41	369 69	5,170.58	1,099 39
Dormant Accounts.....	252,180 61	251,299 13	251,224 93	250,895 12	250,730 61	260,493 10
Unlocated Deposits.....	1,359 35	1,381 35	1,381 35	1,381 35	1,381 35	2,793 27
Due to Foreign Banks—Dollar Accounts.....	829,004 95	800,962 70	814,467 53	827,951 12	869,528 34	856,081 07
Other Foreign Banking Department Deposits.....	4,832 44	5,177 14	6,863 14	5,790 14	17,152 39	3,706 14
Stock Transfer Deposits.....	77,446 76	75,252 52	73,581 75	72,583 16	71,295 92	70,847 17
Total demand deposits.....	113,122,447 11	112,167,812 35	111,649,617 17	109,832,615 83	109,259,994 79	108,258,762 95
<b>TIME DEPOSITS</b>						
Savings Deposit.....	100,739,756 41	100,597,218 34	100,528,959 61	100,379,691 51	100,250,109.83	100,126,908 20
Savings Deposits—Foreign Banking Department.....	1,174,432.14	1,173,121.97	1,173,204.29	1,169,074.29	1,166,117.04	1,166,475 72
Christmas Money Club.....	1,012,033 50	1,014,476 50	1,015,833 50	1,017,797 00	1,019,057 50	1,021,628.50
Estates Trust Deposits.....	6,373,214 01	6,371,542 48	6,078,571 47	6,041,044 90	5,963,086 90	5,905,114 40
Corporate Trust Deposits.....	3,474,072 50	3,435,696 07	3,391,900.05	3,394,658 10	3,394,098.34	3,517,624 82
Certificates of Deposit.....	13,878,410 46	13,878,410 46	13,728,410 46	13,228,410 46	13,228,410 46	13,228,410 46
Public Funds.....	6,295,857 43	6,513,180 56	6,780,792 93	6,881,793.21	7,084,851.09	7,164,472.68
Postal Savings Deposits.....	860,000 00	860,000 00	860,000 00	860,000 00	860,000 00	860,000 00
Acceptances Anticipated.....	100,000 00	100,000 00	100,000 00	100,000 00	100,000 00	100,000 00
Other Time Deposits.....	8,514,391 22	8,514,391 22	8,514,391 22	8,508,404.56	8,508,404.56	8,588,404.56
Total Time Deposits.....	142,422,167 67	142,458,037.60	142,172,063 53	147,580,874 03	141,574,135.72	141,679,039.34

9004

STOCK EXCHANGE PRACTICES

BILLS PAYABLE AND REDISCOUNTS						
Bills Payable with Federal Reserve Bank						
Rediscounts with Federal Reserve Bank						
Total Bills Payable and Rediscounts						
ACCEPTANCES AND LETTERS OF CREDIT						
Our Acceptances Sold and Outstanding	6,750,620.44	6,938,041.94	6,938,958.27	7,317,216.27	7,276,744.10	7,276,744.10
Acceptances of Other Banks Sold and Outstanding	3,049,893.08	3,249,893.08	3,249,893.08	3,249,893.08	4,136,557.61	4,136,557.61
Our Acceptances Executed Under L/C Outstanding	25,370.01	25,370.01	25,370.01	25,370.01	25,370.01	25,370.01
Acceptances of Other Banks Guaranteed by Us						
Acceptances to Create Dollar Exchange						
Letters of Credit Outstanding—Commercial	1,175,903.19	1,175,903.19	1,167,460.71	1,143,843.33	1,131,663.07	1,131,663.07
Letters of Credit Outstanding—Travelers'	523,257.75	522,942.75	511,792.75	511,792.75	486,007.75	480,782.75
Travelers' Checks Outstanding	4,020.00	4,470.00	4,420.00	4,420.00	4,220.00	4,220.00
Letters of Credit Issued Under Guarantee of Other Banks						
Foreign Bills Sold with Our Endorsement	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89	2,574.89
Total Acceptances and Letters of Credit	11,531,639.36	11,919,195.86	11,900,469.71	12,255,110.33	13,063,137.43	13,057,912.43
OTHER LIABILITIES						
Interest and Discount Unearned	137,395.02	131,119.09	279,947.32	274,061.35	123,241.28	127,049.22
Other Income Unearned	55,334.28	50,768.37	44,883.23	43,569.51	38,291.45	32,406.32
Accrued Interest Payable	1,002,265.21	1,016,638.25	1,029,385.85	1,039,774.93	1,054,150.97	1,067,536.53
Total Other Liabilities	1,194,974.51	1,198,525.71	1,354,216.40	1,357,405.79	1,215,683.70	1,226,992.07
CAPITAL						
Reserve for Taxes	475,922.80	479,318.33	482,713.86	486,109.39	489,504.92	492,900.45
Reserve for Expenses	41,887.37	52,387.37	62,887.37	73,287.37	83,887.37	3,382.38
Reserve for Adjustment of State Bank Assets	125.29	125.29	125.29	125.29		3.00
Reserve for Dividend	685,500.00	685,500.00	685,500.00	685,500.00	685,500.00	685,500.00
Total Reserves	1,203,184.88	1,217,080.41	1,230,975.94	1,244,871.47	1,258,892.29	1,181,785.83
RESERVES						
Capital Stock	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00	22,850,000.00
Surplus	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00	12,150,000.00
Undivided Profits	4,261,040.77	3,863,964.07	3,863,964.07	3,863,964.07	3,863,964.07	3,863,964.07
Current Period Profits	1,084,996.98	1,099,074.37	1,114,655.70	1,128,265.48	1,154,500.19	1,168,519.60
Total Capital, Surplus and Profits	40,346,037.75	39,963,038.44	39,978,619.77	39,992,229.55	40,018,464.26	40,032,483.67
Total Liabilities	309,820,451.28	308,923,690.37	308,285,962.52	306,263,107.00	306,390,308.19	305,436,976.29

EXHIBIT U-9-21

OCTOBER 6th, 1931.

Mr. F. S. BALE, *Vice President,*  
*Bankers Trust Company, 16 Wall Street, New York City,*

DEAR MR. BALE: This confirms agreement made by The Union Trust Company of Cleveland with Bankers Trust Company, of New York, upon request to repurchase from Bankers Trust Company, at their face value, the loan and the certificate of participation in loans which you have to date purchased from us in the aggregate of \$2,000,000.

This also confirms agreement of Bankers Trust Company, of New York, to purchase from The Union Trust Company, at face value, and the agreement of The Union Trust Company to repurchase from Bankers Trust Company upon request of Bankers Trust Company, at face value, (a) additional loans up to \$3,000,000 face value, inclusive, provided the collateral security for such loans are issues of corporations of financial standing satisfactory to Bankers Trust Company, and (b) additional loans up to \$5,000,000 face value, inclusive, provided the collateral security for such loans is satisfactory to Bankers Trust Company.

If the foregoing is your understanding of the agreement, kindly confirm below in duplicate.

Very truly yours,

THE UNION TRUST COMPANY OF CLEVELAND,  
 By \_\_\_\_\_ *President.*

Confirmed:  
 October , 1931.

BANKERS TRUST COMPANY, OF NEW YORK,  
 By FRED S. BALE, *Vice President.*

EXHIBIT U-9-22a

Agreement made the 8th day of October, 1931, between Union Trust Company of Cleveland, Ohio hereinafter referred to as the Party of the First Part, and Guaranty Trust Company of New York, hereinafter referred to as the Party of the Second Part,

Witnesseth: 1. That the Party of the First Part, in consideration of the agreements hereinafter contained, to be performed by the Party of the Second Part, agrees to sell and deliver to the said Party of the Second Part on the day and year first above written the following — various loans (hereinafter referred to as "securities") in the aggregate sum of Three million, five hundred and twenty thousand, four hundred and eighty and 63/100 (\$3,520,480.63) Dollars, as set forth on Schedule "A" which is hereto attached and made a part hereof, for which, in consideration thereof, the Party of the Second Part agrees to pay to the Party of the First Part Three million, five hundred and twenty thousand, four hundred and eighty and 63/100 (\$3,520,480.63) Dollars.

2. In consideration of the premises, the Party of the First Part agrees to repurchase and the Party of the Second Part agrees to sell said securities on or before demand for the sum of Three million, five hundred and twenty thousand, four hundred and eighty and 63/100 (\$3,520,480.63) Dollars with interest thereon to net the Party of the Second Part three and one-half (3½%) per centum per annum on the purchase price during the time that the Party of the Second Part is the owner of said securities.

3. Upon the failure of said Party of the First Part to accept delivery of said securities as provided for in clause two hereof, and to make payment therefor, then the Party of the Second Part may immediately, without further notice to the Party of the First Part, sell the above mentioned securities at public or private sale, at any broker's board or otherwise, and apply the proceeds of said sale as far as needed toward the above contract price, and of any or all other obligations or liabilities of the Party of the First Part to the Party of the Second Part, accounting to the Party of the First Part for any surplus arising; the Party of the First Part remaining liable to the Party of the Second Part for any deficiency remaining unpaid after such application.

4. In the event of failure of said Party of the Second Part to deliver said securities and accept payment therefor under this repurchase agreement, then the said Party of the First Part may, without further notice to the Party of the Second Part, "buy in" the Party of the Second Part under terms and conditions corresponding to those described in the preceding paragraph.



5. Delivery and payment to be made at the Office of the Party of the Second Part, 140 Broadway, City, County and State of New York.

In witness whereof, the parties above named have caused these presents to be executed and their corporate seals hereunto affixed the day and year first above written.

UNION TRUST COMPANY OF CLEVELAND, OHIO,  
By GEORGE P. STEELE, *Vice President.*

Attest:

R. S. CRAWFORD,  
*Secretary.*

GUARANTY TRUST COMPANY OF NEW YORK,  
By H. C. STEVENS, *Vice President.*

Attest:

W. VANDERPOEL,  
*Assistant Secretary.*

EXHIBIT U-9-22b

STATE OF OHIO,  
*County of Cuyahoga, ss.*

On this eighth day of October, 1931, before me personally came George P. Steele, to me known, who, being by me duly sworn, did depose and say that he resides in Painesville, Ohio, that he is Vice President of Union Trust Company of Cleveland, Ohio, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

HAROLD O. ZIEGLER, 1934

STATE OF NEW YORK,  
*County of New York ss.*

On this — day of October, 1931, before me personally came H. C. Stevens, to me known, who, being by me duly sworn, did depose and say that he resides in \_\_\_\_\_ that he is Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

JAMES I. O'HARE,  
Notary Public, Kings County  
Kings Co. Clk's. No. 10, Reg. No. 2015  
N.Y. Co. Clk's, No. 30, Reg. No. 2035.

Commission Expires March 30, 1932.

EXHIBIT U-9-23

THE UNION TRUST COMPANY

J. R. Nutt, Chairman of Board; George A. Coulton, Vice Chairman of Board, J. R. Kraus, Vice Chairman of Board, W. M. Baldwin, President; Allard Smith, Executive Vice President

CLEVELAND, OHIO

OFFICE OF THE PRESIDENT,  
*October 9th, 1931.*

THE NATIONAL CITY BANK OF NEW YORK,  
*55 Wall St., New York, N.Y.*

GENTLEMEN: This is to confirm our repurchase agreement covering:

Certificate of Participation of The Union Trust Company of Cleveland, Ohio, in loan to the Cleveland-Cliffs Iron Company, dated September 23rd, 1931, payable six months after date, in the amount of \$3,387,500.00.

The above Certificate of Participation has been discounted by you on a 4½% per annum interest basis.

Pursuant to our understanding, which we hereby confirm, you have agreed to resell the above Certificate of Participation to us and we hereby agree to repurchase same from you on or before December 23rd, 1931 on a  $4\frac{1}{2}\%$  per annum discount interest basis.

Thanking you for this accommodation, we are,  
Very truly yours,

W. M. BALDWIN, *President.*

Accepted:

NATIONAL CITY BANK OF NEW YORK,  
By W. S. LAMBIE, V.P.

EXHIBIT U-9-24

THE NATIONAL CITY BANK OF NEW YORK

Established 1812

NEW YORK, October 7, 1931.

Cable Address "Citibank"

In Replying Please Quote Initials WSL

REGISTERED MAIL

Mr. W. M. BALDWIN,  
*President Union Trust Company,*  
*Cleveland, Ohio.*

DEAR MR. BALDWIN: Upon receipt of your telegram this afternoon with reference to the Cleveland Cliffs Iron Corporation notes for \$3,500,000 payable on March 23, 1932, we charged your account with \$3,434,666.69 under advice. The notes are returned to you herewith along with a memorandum covering the debit to your account.

With best regards, I am  
Sincerely yours,

W. S. LAMBIE, *Vice President.*

ENC

EXHIBIT U-9-25

THE UNION TRUST COMPANY, CLEVELAND

Date 9/22/31 \$3,555,141  
Charge Guaranty Trust Co., New York.  
For  
Offset entry must be described.

{ Authorized by R. J. Rutenbeck.  
{ Official approval.

(This Ticket should be prepared and signed with Ink)

Form No M-24 100m 2-30

THE UNION TRUST COMPANY, CLEVELAND, OHIO

Date Sept. 25, 1931 \$6,741,281.25  
Charge Natl City Bank, New York.  
For  
Offset entry must be described.  
Ac. Cleve. Cliffs Iron Co.

{ Authorized by.  
{ Official approval W. E. HARPER.

(This Ticket should be prepared and signed with Ink)

Form No. M-24 100m 10-30

THE UNION TRUST COMPANY, CLEVELAND

Date 9/22/31 \$2,000,000.00  
Charge Bankers Trust Co, New York.  
For  
Offset entry must be described.

John L. Severence { Authorized by R. J. Rutenbeck.  
R. H. Bishop, Jr., Samuel Mather Park, Jr. { Official approval.

(This Ticket should be prepared and signed with Ink)

Form No M-24 100m 2-30

EXHIBIT U-9-26

THE NATIONAL CITY BANK OF NEW YORK, 55 WALL STREET—STATEMENT OF DISCOUNT

NEW YORK, Sept. 25, 1931.

To Union Trust Company, Cleveland, Ohio.

Rate	Days	Due	Amount	Discount	Exch.	Proceeds
4½	180	Mar 23.....	3,387,500 00	76,218.75		3,311,281.25

THE NATIONAL CITY BANK OF NEW YORK, 55 WALL STREET—STATEMENT OF DISCOUNT

NEW YORK, Sept. 25, 1931.

To Union Trust Company, Cleveland, Ohio.

Rate	Days	Due	Amount	Discount	Exch.	Proceeds
4%	180	Mar 23.....	3,000,000 00	70,000 00		3,430,000.00
		23.....	301,000M			
			500,000 00			
			3,500,000 00			

EXHIBIT U-9-27a

THE UNION TRUST COMPANY—MAIN OFFICE CLEVELAND, OHIO

ACCOUNT COLLATERAL LOANS—SOLD UNDER REPURCHASE AGREEMENT

Old balance		Date, 1931	Explana- tion	Debit	Credit	New balance		
Debit	Cred- it					Debit	Cred- it	
		Oct						
		8		8 913 733 36	258 759 38	8 654,973 98*		Coll. loan
8 654 973 98		9			6 317 40	8 648 656 58*		Coll. loan
8 648 656 58		10			81 973 76	8 566 682 82*		Coll. loan
8 566 682 82		13			3 000 00	8 563 682 82*		Coll. loans
8 563 682 82		14		500 00	500 00	8 563 682 82*		Coll. loan
8 563 682 82		15		12 100 00	307 890 00	8 267 892 82*		Coll. loan
8 267 892 82		16			38 036 72	8 229 856 10*		Coll. loan
8 229 856 10		19			3 500 00	8 226 356 10*		Coll. loan
8 226 356 10		22			42 918 60	8 183 437 50*		Coll. loan
8 183 437 50		24		11 500 00	1 028 390 50	7 166 547 00*		Coll. loan
7 166 547 00		27		6 000 00	26 919 50	7 145 627 50*		Coll. loan
7 145 627 50		28		142 200 00	142 300 00	7 145 527 50*		Coll. loan
7 145 527 50		29			500 00	7 145 027 50*		Coll. loan
		Nov.						
7 145 027 50		3		20 000 00	20 000 00	7 145 027 50*		Coll. loan
7 145 027 50		4		7 775 00	7 775 00	7 145 027 50*		Coll. loan
7 145 027 50		5			17 745 00	7 127 282 50*		Coll. loan
7 127 282 50		7			21 726 25	7 105 556 25*		Coll. loan
7 105 556 25		9		1 500 00	3 000 00	7 104 056 25*		Coll. loan
7 104 056 25		10			19 942 30	7 084 113 95*		Coll. loan
7 084 113 95		12		10 000 00	1 271 787 36	5 822 326 59*		Coll. loan
5 822 326 59		17		10 700 00	20 800 00	5 812 226 59*		Coll. loans
5 812 226 59		20			400 00	5 811 826 59*		Coll. loans
5 811 826 59		27		15 000 00	15 000 00	5 811 826 59*		Coll. loans
5 811 826 59		28		28 600 00	28 790 00	5 811 636 59*		Coll. loans
5 811 636 59		30		15 720 00	15 721 99	5 811 634 60*		Coll. loans
		Dec						
5 811 634 60		1		50 000 00	50 000 00	5 811 634 60*		Coll. loans
5 811 634 60		2		10 000 00	10 000 00	5 811 634 60*		Coll. loans
5 811 634 60		3		110 790 00	113 290 00	5 809 134 60*		Coll. loan
5 809 134 60		5			2 000 00	5 807 134 60*		Coll. loans
5 807 134 60		8		45 000 00	45 000 00	5 807 134 60*		Coll. loans

THE UNION TRUST COMPANY—MAIN OFFICE CLEVELAND, OHIO—Continued

ACCOUNT COLLATERAL LOANS—SOLD UNDER REPURCHASE AGREEMENT—Con.

Old balance		Date, 1931	Explan-ation	✓	Debit	Credit	✓	New balance	
Debit	Cred-it							Debit	Cred-it
		Dec.							
5 807 134 60	-----	10	-----		5 000 00	-----		5 802 134 60*	-----
5 802 134 60	-----	12	-----	10 000 00	13 500 00	-----		5 798 634 60*	-----
5 798 634 60	-----	14	-----		1 000 00	-----		5 797 634 60*	-----
5 797 634 60	-----	15	-----		2 500 00	-----		5 795 134 60*	-----
5 795 134 60	-----	16	-----		1 900 00	-----		5 793 234 60*	-----
5 793 234 60	-----	17	-----	10 000 00	17 500 00	-----		5 785 734 60*	-----
5 785 734 60	-----	21	-----		1 700 00	-----		5 784 034 60*	-----
5 784 034 60	-----	22	-----	11 000 00	12 500 00	-----		5 782 534 60*	-----
5 782 534 60	-----	28	-----	92 500 00	92 600 00	-----		5 782 434 60*	-----
5 782 434 60	-----	29	-----	26 000 00	26 000 00	-----		5 782 434 60*	-----
5 782 434 60	-----	30	-----	72 000 00	82 084 90	-----		5 772 349 70*	-----
5 772 349 70	-----	31	-----	16 000 00	16 029 40	-----		5 772 320 30*	-----

EXHIBIT U-9-27c

772 320 30	-----	2	-----	3 500 00	8 000 00	-----	5 767 820 30*	-----	Loans sold
767 820 30	-----	4	-----	95 000 00	124 900 00	-----	5 737 920 30*	-----	Loans sold
737 920 30	-----	5	-----		3 387 615 10	-----	2 350 305 20*	-----	Loans sold
350 305 20	-----	6	-----	10 700 00	11 500 00	-----	2 349 505 20*	-----	Loans sold
349 505 20	-----	7	-----	40 000 00	45 000 00	-----	2 344 505 20*	-----	Loans sold
344 505 20	-----	8	-----	3 500 00	10 000 00	-----	2 338 005 20*	-----	Loans sold
338 005 20	-----	9	-----		5 000 00	-----	2 333 005 20*	-----	Loans sold
333 005 20	-----	12	-----		1 000 00	-----	2 332 005 20*	-----	Loans sold
332 005 20	-----	14	-----	9 000 00	10 000 00	-----	2 331 005 20*	-----	Loans sold
331 005 20	-----	15	-----	11 900 00	14 019 38	-----	2 328 885 82*	-----	Loans sold
328 885 82	-----	16	-----		1 500 00	-----	2 327 305 82*	-----	Loans sold
327 305 82	-----	18	-----		5 000 00	-----	2 322 305 82*	-----	Loans sold
322 305 82	-----	19	-----		26 500 00	-----	2 295 885 82*	-----	Loans sold
295 885 82	-----	22	-----	26 500 00	26 500 00	-----	2 295 885 82*	-----	Loans sold
295 885 82	-----	25	-----		5 000 00	-----	2 290 885 82*	-----	Loans sold
290 885 82	-----	27	-----	68 400 00	69 500 00	-----	2 289 785 82*	-----	Loans sold
289 785 82	-----	28	-----	20 000 00	20 000 00	-----	2 289 785 82*	-----	Loans sold
289 785 82	-----	29	-----	18 000 00	18 000 00	-----	2 289 785 82*	-----	Loans sold
		Feb							
289 785 82	-----	3	-----	4 200 00	5 137 00	-----	2 288 848 82*	-----	Loans sold
288 848 82	-----	5	-----	7 000 00	7 275 00	-----	2 288 573 82*	-----	Loans sold
288 573 82	-----	5	-----	19 400 00	19 700 00	-----	2 288 273 82*	-----	Loans sold
288 273 82	-----	10	-----	11 000 00	11 000 00	-----	2 288 273 82*	-----	Loans sold
288 273 82	-----	26	-----	15 000 00	15 000 00	-----	2 288 273 82*	-----	Loans sold
288 273 82	-----	29	-----	40 550 00	44 120 00	-----	2 284 703 82*	-----	Loans sold
		Mar							
284 703 82	-----	2	-----	81 500 00	82 790 00	-----	2 283 413 82*	-----	Loans sold
283 413 82	-----	3	-----	46 500 00	51 500 00	-----	2 278 413 82*	-----	Loans sold
278 413 82	-----	8	-----	10 000 00	10 000 00	-----	2 278 413 82*	-----	Loans sold
273 413 82	-----	17	-----		10 000 00	-----	2 268 413 82*	-----	Loans sold
268 413 82	-----	18	-----		20 000 00	-----	2 248 413 82*	-----	Loans sold
248 413 82	-----	23	-----	45 000 00	1 000 00	-----	2 247 413 82*	-----	Loans sold
					45 000 00	-----			

EXHIBIT U-9-27d

THE UNION TRUST COMPANY—MAIN OFFICE CLEVELAND, OHIO—Continued

ACCOUNT COLLATERAL LOANS—SOLD UNDER REPURCHASE AGREEMENT—Con:

Old balance		Date, 1931	Explan-ation	Debit	Credit	New balance	
Debit	Cred-it					Debit	Cred-it
		Mar.					
2 247 413 82		24			2 000 00	2 245 413 82*	
2 245 413 82		25			1 600 00	2 243 813 82*	
2 243 813 82		28		59 000 00	59 000 00	2 243 813 82*	
2 243 813 82		29		76 000 00	1 076 490 62	1 243 323 20*	
1 243 323 20		30		27 200 00	27 000 00	1 243 123 20*	
1 243 123 20		31			300 00	1 242 823 20*	
		Apr.					
1 242 823 20		1		65 000 00	104 400 00	1 203 423 20*	
1 203 423 20		4		15 000 00	16 000 00	1 202 423 20*	
1 202 423 20		5			10 000 00	1 192 423 20*	
1 192 423 20		6			1 000 00	1 191 423 20*	
1 191 423 20		7		134 000 00	135 700 00	1 189 723 20*	
1 189 723 20		8			9 329 85	1 180 393 35*	
1 180 393 35		9			3 553 63	1 176 839 72*	
1 176 839 72		11			300 00	1 176 539 72*	
1 176 539 72		14			7 400 00	1 169 139 72*	
1 169 139 72		16		11 700 00	11 900 00	1 168 939 72*	
1 168 939 72		18		16 500 00	18 046 37	1 167 393 35*	
1 167 393 35		19		136 000 00	136 000 00	1 167 393 35*	
1 167 393 35		21			500 00	1 166 893 35*	
1 166 893 35		22			15 000 00	1 151 893 35*	
1 151 893 35		23		24 000 00	31 700 00	1 144 193 35*	
1 144 193 35		25			73 200 00	1 070 993 35*	
1 070 993 35		26		10 900 00	11 000 00	1 070 893 35**	
1 070 893 35		27		43 000 00	43 000 00	1 070 893 35*	
1 070 893 35		29		23 500 00	39 100 00	1 055 293 35*	
		May					
1 055 293 35		3		4 000 00	4 200 00	1 055 093 35*	
1 055 093 35		4			30 000 00	1 025 093 35*	
1 025 093 35		5			6 300 00	1 018 793 35*	
1 018 793 35		7			10 500 00	1 008 293 35*	
1 008 293 35		10		8 000 00	8 000 00	1 008 293 35*	

EXHIBIT U-9-27e

008 293 35	17		4 500 00	5 000 00	1 007 793 35*	Loans sold
007 793 35	20			500 00	1 007 293 35*	Loans sold
007 293 35	21			7 500 00	999 793 35*	Loans sold
999 793 35	23		23 500 00	23 500 00	999 793 35*	Loans sold
999 793 35	27			1 300 00	998 493 35*	Loans sold
998 493 35	31		35 000 00	33 100 00	998 393 35*	Loans sold
	June					
998 393 35	1		46 500 00	46 500 00	998 393 35*	Loans sold
998 393 35	2		9 000 00	10 000 00	997 393 35*	Loans sold
997 393 35	4		1 500 00	1 500 00	995 893 35*	Loans sold
995 893 35	6			7 236 25	988 657 10*	Loans sold
988 657 10	7		8 200 00	8 519 50	983 337 60*	Loans sold
988 337 60	8		30 000 00	30 000 00	988 337 60*	Loans sold
988 337 60	14			18 000 00	970 337 60*	Loans sold
970 337 60	21			500 00	969 837 60*	Loans sold
969 837 60	25		21 500 00	21 500 00	969 837 60*	Loans sold
969 837 60	27		138 500 00	138 500 00	969 837 60*	Loans sold
969 837 60	30		22 000 00	22 130 37	969 707 23*	Loans sold

## EXHIBIT U-9-28a

Bonds pledged to secure public funds, September 30, 1931

	Accounts	Ledger Balance	Int. Rate	Expiration of Contract	Securities Pledged	Amount
Beachwood Village Bd of Ed account carried at Union Trust Co, Woodland Office.	Board of Education.....	\$103,015.92	3%	1-28-1932.....	Depository Bond #928714 of the United States Guaranty Co., New York, to Beachwood Village School District, Beachwood, for \$100,000.00, expiring 1-28-32, Lenhan & Co. Depository Bonds to Beachwood Village Board of Education, No. 3817204 of The Fidelity & Deposit Co. of Maryland for \$20,000 00. Dated 8-4-31, expiring in one year. Cleveland Insurance Agency, Inc	
	School District Coupon Account.....	6,925.00	None			
Bratenahl Village Sinking Fund c/o A. H. Frebach. Bonds held at Union Trust Co Main Office, Safe Deposit Box No. 1967. Account carried at Union Trust Co, Main Office.	Richmond and Kinsman Rd. Bond Imp. Account.	44 00	3%	Contract for each account dated 1-1-31 expiring 1-1-33.	Board of Education, Cleveland Heights Village, School District, Ohio, 5% School Bds due 10-1-31/35.	\$25,000.00
	Trustees of the Sinking Fund of the Village of Bratenahl, Ohio.	29,046.17	3%			
	Trustees of the Sinking Fund of the Bratenahl Village School District.	13,314.29	2%			

## EXHIBIT U-9-28b

Bureau of Insular Affairs, War Dept. (Philippine Govt. Funds) Bonds held at Federal Reserve Bank, Cleveland, Ohio Accounts carried at Union Trust Co., Main Office.	General Fund Account.....	\$500,000 00	3%	Contract dated 6-17-1924 to continue until cancelled.	U S A. Treasury Bonds 3½% due 1946-49.	\$1,000,000.00
	Sundry Purpose Bond Fund.....	500,000.00	3%			
	Treasury Cert Rd. Account.....	500,000 00	3%		U S A. Treasury Bonds 3½% due 6-15-1949.	500,000 00
City of Cleveland, R. V. Johnson, City Treasurer Bonds held at Union Trust Co, Main Office, Safe Deposit Box No 975. Account carried at Union Trust Co, Main Office.	Active Account, Not to exceed \$1,000,000 00.	3,695,658 90	1½%	Dated 7-1-31 expiring 6-30-32.	U S A. Treasury Bonds 3% due 9-15-51/55	440,000.00
	Inactive Account, Not to exceed \$3,000,000 00 15 days notice of withdrawal required. Withdrawal to be made January 1, July 1.	1,600,000 00	2%	Dated 7-1-31 expiring 6-30-32.	Depository Bonds to the City of Cleveland, Inactive Funds, total amount \$1,760,000.00 and Active Account, totaling \$300,000 00. See detailed list below.	

ACTIVE FUNDS

Name of Company	Date of Contract	Amount	Agent
National Surety Co.....	9-16-31 to 9-16-32.....	\$300,000.00	Coughlin and Whited Com- pany.

EXHIBIT U-9-28c

INACTIVE FUNDS

United States Guaranty Co , N.Y.....	7-1-31 to 6-30-32.....	\$275,000.00	Hinig Bixby Company.
United States Fidelity & Guaranty Co., Maryland.....	7-1-31 to 6-30-32.....	50,000.00	Do.
Alliance Casualty Co. Penn.....	7-1-31 to 6-30-32.....	25,000.00	Do.
Alliance Casualty Co. Penn.....	7-1-31 to 6-30-32.....	75,000.00	Do.
Consolidated Indemnity & Insurance Co., N.Y.....	7-1-31 to 6-30-32.....	25,000.00	Do.
National Surety Co , N Y.....	7-1-31 to 6-30-32.....	100,000.00	Do
National Surety Co., N Y.....	7-1-31 to 6-30-32.....	225,000.00	Coughlin & Whited Co.
Hartford Accident & Indemnity Co , Conn.....	7-1-31 to 6-30-32.....	150,000.00	Hinig Bixby Company.
Hartford Accident & Indemnity Co , Conn.....	7-1-31 to 6-30-32.....	135,000.00	Brooks & Stafford Co.
Continental Casualty Co , Indiana.....	7-1-31 to 6-30-32.....	100,000.00	Hinig Bixby Company
Union Indemnity Co , Louisiana.....	7-1-31 to 6-30-32.....	150,000.00	Do.
New Amsterdam Casualty Co.....	7-1-31 to 6-30-32.....	50,000.00	Do.
Constitution Indemnity Co of Philadelphia.....	7-1-31 to 6-30-32.....	100,000.00	Do.
Bankers Indemnity Insurance Co. of N J.....	7-1-31 to 6-30-32.....	150,000.00	Do.
Bankers Indemnity Insurance Co. of N J.....	7-1-31 to 6-30-32.....	25,000.00	Do.
Central West Casualty Co., Michigan.....	7-1-31 to 6-30-32.....	50,000.00	Do.
St. Paul Mercury Indemnity Co , Delaware.....	7-1-31 to 6-30-32.....	50,000.00	Do.
St. Paul Mercury Indemnity Co , Delaware.....	7-1-31 to 6-30-32.....	25,000.00	Do.
Total.....		\$1,760,000.00	

STOCK EXCHANGE PRACTICES

9013

EXHIBIT U-9-23d

Bonds pledged to secure public funds, September 30, 1931—Continued

9014

STOCK EXCHANGE PRACTICES

	Accounts	Ledger Balance	Int. Rate	Expiration of Contract	Securities Pledged	Amount
Board of Education, city of Cleveland, c/o Mr. Alport: Bonds held at Guardian Trust Company...	Active #4.....	\$528,963.77	2¾%	1-31-1932	U. S. A. Treasury Bonds 3½% due 6-15-1949.	\$1,300,000.00
	Special Pay Roll "A".....	9,592.73	2 %	Contract to continue until cancelled.		
	Special Pay Roll "B".....	9,852.70	2 %			
Accounts carried at Union Trust Company, Main Office.	Inactive.....	296,000.00	3¼%			
	Active Account, Not to exceed \$1,000,000.00. Inactive Account, At no time to exceed \$4,000,000.00—Remain undisturbed for a period of not less than 6 months from and after February 1, 1930, and for period not exceeding two years from and after February 1, 1930.					
City of Cleveland, sinking fund c/o S. C. Rusk, Secy.: Accounts carried at Union Trust Co., Main Office.	Sinking Fund Commission, City of Cleveland.	720,165.73	1¾%	Contract dated 7-1-1931 expiring 6-30-1932.	Depository Bonds to the Sinking Fund Commission of the City of Cleveland, Ohio, See detailed list below.	

Name of Company	Date of Contract	Amount	Agent
United States Fidelity & Guaranty Co, Baltimore, Md.....	7-1-31 to 6-30-32.....	\$500,000 00	Hinig Bixby Co.
Glen Falls Indemnity Co., Glen Falls, N. Y.....	7-1-31 to 6-30-32.....	100,000 00	Lenihan and Co.
Fidelity and Deposit Co. of Maryland Corp.....	7-1-31 to 6-30-32.....	154,500 00	Cleveland Insurance Agency.
Employer's Liability Assurance Corp. Ltd. of London, England.....	7-1-31 to 6-30-32.....	445,500 00	Cleveland Insurance Agency.
		\$1,200,000.00	

The amount of deposit shall not be in excess of \$1,000,000.00.



EXHIBIT U-9-28e

	Accounts	Ledger Balance	Int. Rate	Expiration of Contract	Securities Pledged	Amount
Board of park commissioners of the Cleveland Metropolitan Park District, c/o W. A. Stinchcomb, Secretary:	Cuyahoga County No. 74 Cleveland Metropolitan Park District.	\$61,420.64	3 %	Contract dated 11-18-1929 expiring 11-18-1932.	U. S. A. Treasury Bonds 3½% due 1949.	\$75,000.00
Bonds held at Union Trust Co. Main Office, Safe Deposit Box No. 1961. Account carried at Union Trust Co., Main Office.						
City of Cleveland Heights, Ohio c/o Chas. C. Frazine, Finance Director: Bonds held at Union Trust Co. Main Office, Safe Deposit Box No. 1103. Account carried at Union Trust Co., Main Office.	General Fund.....	275,605.24	3 %	10-27-31.....	Board of Education, Cleveland Heights, O., School District Ser. 21, due 10-1-31/35-5%. Cleveland Heights, O., Paving due 10-1-32-5%. Cleveland Heights, Site Equipment due 10-1-32 to 10-1-42-5%. Cuyahoga Co., Refunding Series I due 10-1-34/37; 4-1-35/37. Cuyahoga Falls, Ohio, due 3-1-32 to 9-1-41. E. Cleveland Board of Education due 4-16-32/35-4½%. Mahoning Valley Sanitary Dist. due 11-1-1932-4½%. Village of Lyndhurst, Street Imp. Bonds, due 10-1-34-5¼%. Series "A"..... \$3,000.00 Series "B"..... 25,000.00 Board of Education, Dayton City School District, due 10-1-34 4½%.	40,000.00 31,000.00 14,000.00 32,000.00 43,000.00 20,000.00 19,000.00 33,000.00 15,000.00

STOCK EXCHANGE PRACTICES

9015

EXHIBIT U-9-28f

Bonds pledged to secure public funds, September 30, 1931—Continued

9016

STOCK EXCHANGE PRACTICES

	Accounts	Ledger Balance	Int. Rate	Expiration of Contract	Securities Pledged	Amount
Board of Trustees of the Cleveland Public Library c/o C. S. Metcalf, Sec. & Treas.:	Active not to exceed \$500,000 00....	\$86,272.69	2½%	Contract dated 2-5-1930 expiring 2-4-1932.	U. S. A. Treasury Bonds, 3½% due 1949.	\$160,000.00
Bonds held at Union Trust Co., Main Office, Safe Deposit Box No. 1167.	Inactive not to exceed \$500,000 00 Three months notice of withdrawal required.	65,000 00	3¼%	Contract dated 2-5-1930 expiring 2-4-1932.		
Account carried at Union Trust Co, Main Office This box contains various securities pledged by other Cleveland Banks	Cleveland Library S F Savings Account #79931	22,931 76	3 %	No contract...		
Cuyahoga County (Board of County Commissioners) c/o L. G. Collister, Treas .	L G Collister County Treasurer #20.	2,803,644 64	2½%	Contract dated 9-8-1930 expiring 9-7-1933.	U. S A Treasury Bonds 3½% due 6-15-1949	4,510,000 00
	<i>In Dormant Ledgers</i>					
Bonds held at Guardian Trust Company...	Cuyahoga County Treas No 42...	224.26	2 %			
Account carried at Union Trust Co, Main Office.	Cuyahoga County Mothers Pensions No 59.....	57.00	-----			
	Cuyahoga County Soldiers Relief No. 43.....	179 00	-----			
	Cuyahoga County Mothers Relief No 45.....	192 53	-----			
	Cuyahoga County Election Officers No. 46.....	45.40	-----			
	Cuyahoga County Treasurer No. 21.....	16.87	-----			

EXHIBIT U-9-28g

Village of Cuyahoga Heights, O., c/o W. J. Clark Bonds held at Union Trust Co., Main Office, Safe Deposit Box. No 1966 Accounts carried at Union Trust Co., Broad- way-Columbia Office	Clerk's Office.....	63,659.52	3%	Contract dated 12-1- 28 to con- tinue 3 years expiring 12- 1-1931.	U S A. Treasury Bonds 3½% due 6-15-1949	\$100,000 00
	Sinking Fund .....	28,659.56	3%			
	Bond and Coupon Account. ....	608.25	3%			
Sinking fund trustees, East Cleveland Library Board Account carried at Union Trust Co., Main Office	Abatement Fund.....	410.15	3%	No contract...	No securities pledged.....	
	Sinking Fund Trustees.....	36,813.22	3%			
Board of Education of the village of Euclid, Ohio, c/o Gertrude C. Witmer. Account car- ried at Union Trust Co., Landseer Office.	Active—Board of Education.....	185,106.31	3%	Contract dated 2-1-30 expiring 2-1- 1932.	Depository Bond of the Massa- chusetts Bonding and Insurance Co. for \$100,000.00 to Board of Education, Village of Euclid Dated 9-4-1931, expiring 2-1- 1932.	
	Unsecured Loan—To Euclid Vil- lage School District for \$40,000.00					

EXHIBIT U-9-28h

I. J. Fulton, Supt. of Banks of the State of Ohio: Bonds held at Union Trust Co., Main Office, Safe Deposit Box No 236 Account carried at Union Trust Co., Main Office.	I. J. Fulton, Supt. of Banks of the State of Ohio in charge of the liquidation of The Commerce Guardian Trust & Savings Bank, Toledo, Ohio.	\$1,000,000 00	1½%	No contract...	N Y. C. & St L. R R 6% 3 yr	\$100,000 00
					Notes due 10-1-32	
					Pacific Northwest Public Service	100,000 00
					6% Conv. Gold Notes due 3-1- 1950	
					Alleghany Corp 5% 20 year Coll.	100,000 00
					Trust Conv. Bonds due 6-1-1949.	
					Central Gas & Elec. Co. 5½% 3	100,000 00
					yr. Notes due 2-1-1933.	
					Cont. Gas & Elec Corp. 6% De-	50,000 00
					benture Bonds due 2-1-1958.	
					Indiana Service Corp. 5% 1st Ref.	50,000 00
Mtge Ser. A due 2-1-1963.						
Chesapeake Corp 20 yr. 5% Conv	462,000 00					
Coll Trust Bonds due 5-15-1947.						
Ghdden Co 5 yr. 5½% Gold Notes	95,000 00					
due 6-1-35.						
Super Power Co. of Illinois 1st	200,000 00					
Mtge. 4½% Gold Bonds due						
3-1-68						
B. F. Goodrich Co 1st Mtge 25	100,000 00					
yr. 6½% Gold Bonds.						
Central Illinois Public Service	170,000 00					
4½% 1st Mtge. Series F. due						
12-1-67.						

EXHIBIT U-9-28i

Bonds pledged to secure public funds, September 30, 1931—Continued

	Accounts	Ledger Balance	Int. Rate	Expiration of Contract	Securities Pledged	Amount
I. J. Fulton, Supt. of Banks of State of Ohio: Bonds held at Union Trust Co., Main Office, Safe Deposit Box. Section 13, No. 250. Account carried at Union Trust Co., Main Office.	I. J. Fulton, Supt. of Banks of the State of Ohio in charge of the liquidation of The Commercial Savings Bank & Trust Co., Toledo, Ohio.	\$243,667.47	1½%	No contract...	Village of Beachwood, Ohio 5½% Street Improvement Bonds due 10-1-31/32/33.	\$27,000.00
					City of Cuyahoga Falls, Ohio, Property Share 6% Improvement Notes due 4-1-1932.	143,000.00
					City of Massillon, Ohio, 6% Property Share Improvement Notes Series 1930-32.	-----
					County of Cuyahoga, 5% Detroit-Superior Bridge Bds. due 4-1-36.	5,000.00
					Chillicothe, Ohio, 4¾% School Bonds due 4-1-33/34/36.	6,000.00
					Village of Rocky River, Ohio, 4¾% Street Imp. Bonds due 10-1-32/33	15,000.00
					Mahoning County 4¾% Road Imp. Bonds due 10-1-32.	30,000.00
					Village of Brooklyn, Ohio, 6% Paving, Sewer and Water Bonds due 10-1-32/33.	30,000.00

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STOCK EXCHANGE PRACTICES

EXHIBIT U-9-28j

I. J. Fulton, Supt. of Banks of State of Ohio: Bonds held at Union Trust Co., Main Office, Safe Deposit Box Section B 194. Account carried at Union Trust Co., Main Office.	I. J. Fulton, Supt. of Banks of the State of Ohio in charge of the liquidation of The Commercial Savings Bank & Trust Co., Trust Department, Toledo, Ohio.	\$50,000.00	1½%	No contract...	Village of Wickliffe, Ohio, 6% Sewer Bonds due 10-1-32. Village of Newburgh Heights 5% Street Improvement due 9-15-37. Montgomery County 5½% Sewer Bonds due 10-1-33.	\$28,000.00 20,000.00 27,000.00
City of Lakewood, Ohio, c/o A. I. Kaufman: Bonds held at Union Trust Co., Main Office, Safe Deposit Box No. 972. Account carried at Union Trust Co., De- troit-Cook Office.	City of Lakewood (Sinking Fund)- Refund Assessment, Trustee Ac- count. Municipal Court, A. O. Guild, Clerk. Municipal Court, Conciliation Branch. Savings Account, M. O. #242567--- Municipal Court, Civil Court-----	59,711.13	1½%	7-15-1932-----	U. S. A. Treasury Bonds 3½% due 1949. Depository Bonds of The Na- tional Surety Co. for \$150,000.00 to the Sinking Fund Commis- sion of the City of Lakewood, Ohio, covering the period from August 25, 1931, to the closing of August 25, 1932—Joseph La- ronge, Inc.	500,000.00

EXHIBIT U-9-28k

Board of Education, Mayfield Village School District, c/o W. H. Martin Account carried at Union Trust Co., Main Office.	Mayfield Village School District..	\$65,248.73	3 %	Contract dated 3-18- 1930 for 2 years 3-18- 1932.	Depository Bond of the National Surety Co., New York, for \$100- 000.00. Dated 9-1-31, expiring 3-18-1932. The Coughlin & Whited Co. Inc.	----- \$40,000.00
Village of Newburg Heights, O., c/o Frank J. Jira, Secy.. Bonds held at Union Trust Co., Main Office, Safe Deposit Box No 1964. Account carried at Union Trust Co., Broad- way-Columbia Office.	General Account----- Sinking Fund----- Bond-Coupon Account-----	18,163.38	3 %	Contract dated 1-1- 1929 to con- tinue for 3 years to 1- 1-1932.	Zanesville, Ohio, Refunding due 7-1-1932/33/34/35—4½%.	-----
Board of Education, Parma Village School Dis- trict, G F., c/o Frank S. Shields, Clerk, Louis Jire, President: Account carried at Union Trust Co., Pearl-State Office.	General Fund-----	20,512.31	3½%	Contract dated 1-6- 1930 expir- ing 1-6-1932.	Depository Bond of The Fidelity Deposit Company of Maryland to the Board of Education, Parma Village School District, No. 3817240 for \$100,000.00. Dated 8-29-1931, expiring 1-6- 1932. Cleveland Insurance Agency Inc..	----- -----

STOCK EXCHANGE PRACTICES

9019

EXHIBIT U-9-28l

Bonds pledged to secure public funds, September 30, 1931—Continued

	Accounts	Ledger balance	Int. rate	Expiration of contract	Securities pledged	Amount
Postal Savings, Washington, D C , Division of Postal Savings, Washington, D. C , c/o W. S. Rollins, Director: Bonds held at Washington, D C. Account carried at Union Trust Co., Main Office (General Ledger)	Postal Savings.....	\$936,902.50	2½%	No contract...	U. S. A. Treasury Bonds 3½% due 1946-1949.	\$1,060,000.00
John M. Sulzmann, Sheriff. Account carried at Union Trust Co., Main Office.	Sheriff of Cuyahoga County.....	50,000.00	1½%	None.....	Depository Bond No 36-11-13-31 of The Fidelity and Guaranty of The U. S. Fidelity and Guaranty Company for \$50,000.00 to John M. Sulzmann, Sheriff of Cuyahoga County, dated March 9, 1931. U. S. Fidelity and Guaranty Co Cleveland Branch	
Village of University Heights, c/o W. A. Horky, Clerk: Bonds held at Union Trust Co., Main Office, Safe Deposit Box No. 1947 Accounts carried at Union Trust Co., Pasadena-105th and Cedar-Lee Offices	General Fund (Cedar-Lee)..... Sinking Fund (Cedar-Lee)..... Sinking Fund (Pasadena).....	142.29 13,254.61 13,382.24	3½% 3½% 3½%	This agreement shall be and remain in force until 1-1-1932 and thereafter until notice of the termination hereof shall be given by either of said parties to the other	U. S. A. Treasury Bonds 3½% due 1949	60,000.00

EXHIBIT U-9-28m

Village of Warrensville Heights, Ohio, c/o Walter E. Knowles: Bonds held at Union Trust Co., Main Office, Safe Deposit Box No. 2000. Account carried at Union Trust Co., Kinsman-140th Office.	Regular Account..... H. W. Ellicott, Mayor..... Coupon Account.....	\$83,331.42 133.20	2½% 2½%	Contract dated 7-25-30 expiring 7-24-33.	Village of Warrensville Heights 6% Series of 1931, Street Improvement, Property Owners Portion.	\$150,000.00
Total.....						\$22,237,000.00

## EXHIBIT U-9-29

Statement for comparison of the Union Trust Company's published statement September 29, 1931, and statement adjusted to conform to criticisms contained in the report on "window dressing"

	Published Statement Sept. 29, 1931	Adjusted Statement	Accounts not included on Published Statement
<b>RESOURCES</b>			
Cash on Hand and on Deposit with Banks. ....	\$58,105,264 37	\$58,105,264 37	
United States Government Securities.....	22,117,016 83	12,004,475 85	
Stock of Federal Reserve Bank, Cleveland.....	1,050,000 00	1,050,000 00	
Other Bonds and Securities.....	28,486,735 60		
		13,362,517 49	Unpledged.
		15,124,218 11	Pledged to secure
			Public Funds.
			<b>TOTAL</b>
Commercial Loans.....	32,207,097 30	28,486,735 60	
Collateral Loans.....	71,374,391 05	32,207,097 30	
First Mortgage Loans.....	72,537,215 07	83,670,813 49	
Customers Liability on Acceptances and Letters of Credit.....	12,182,231 18	72,537,215 07	
Accrued Interest and Other Resources.....	2,786,724 48	12,182,231 18	
Real Estate Sold under Land Contract.....	1,429,690 80	2,786,724 48	
Bank Building and Real Estate Owned.....	18,509,312 77	1,429,690 80	
		22,155,548 22	
Total.....	320,785,679 45	326,615,796 36	
<b>LIABILITIES</b>			
Capital—Paid Up.....	22,850,000 00	22,850,000 00	
Surplus and Undivided Profits.....	17,222,943 60	16,669,179 05	
	40,072,943 60	39,519,179 05	
Deposits.....	264,193,822 21	241,934,717 98	Unsecured Deposits
		12,146,563 25	Public Funds.
Postal Savings Deposits.....	895,709 67	895,709 67	
Other United States Government Deposits.....	2,081,945 19	2,081,945 19	
Total Deposits.....	267,171,477 07	257,058,936 09	
43rd Consecutive Dividend, Payable October 1, 1931.....	685,500 00	685,500 00	
Bills Payable and Rediscounts.....	None.	None.	
		12,296,422 44	Loans Sold Under Repurchase Agreement.
Acceptances and Letters of Credit.....	12,183,281 18	12,183,281 18	
Reserve for Taxes, Interest, Etc.....	672,477 60	672,477 60	
		4,200,000 00	Mortgages Payable.
Total.....	\$320,785,679 45	\$326,615,796 36	

**EXHIBIT U-9-30**

*Statement adjusting financial statement as of September 29, 1931, on the Union Trust Company and showing adjustments established in the report on "window dressing"*

	Published Statement September 29, 1931	Adjustments Per Report		Adjusted State- ment	
		Debit	Credit		
<b>RESOURCES</b>					
Cash on Hand and on Deposit with Banks .....	\$58, 015, 264. 37			\$58, 105, 264. 37	
U. S. Government Securities.....	22, 117, 018. 83		¹ \$10, 112, 540. 98	12, 004, 475. 85	
Stoc. of Federal Reserve Bank, Cleveland.....	1, 050, 000. 00			1, 050, 000. 00	
Other Bonds and Securities.....	28, 486, 735. 60			28, 486, 735. 60	
					Pledged..... 15, 124, 218. 11
					(Unpledged..... 13, 362, 517. 49
					28, 486, 735. 60
Commercial Loans.....	32, 207, 097. 30			32, 207, 097. 30	
Collateral Loans.....	71, 374, 391. 05	² \$12, 296, 422. 44		83, 670, 813. 49	
First Mortgage Loans.....	72, 537, 215. 07			72, 537, 215. 07	
Customers Liability on Acceptances and Letters of Credit.....	12, 182, 231. 18			12, 182, 231. 18	
Accrued Interest and Other Resources.....	2, 786, 724. 48			2, 786, 724. 48	
Real Estate Sold under Land Contract.....	1, 429, 690. 80			1, 429, 690. 80	
Bank Building and Real Estate Owned.....	18, 509, 312. 77	³ 4, 200, 000. 00	³ 553, 764. 55	22, 155, 548. 22	
Total.....	320, 785, 679. 45			326, 615, 796. 36	
<b>LIABILITIES</b>					
Capital—Paid Up.....	22, 850, 000. 00				
Surplus & Undivided Profits.....	17, 222, 943. 60				
	40, 072, 943. 60		³ 553, 764. 55	39, 519, 179. 05	
Deposits.....	264, 193, 822. 21	¹ 10, 112, 540. 98		241, 934, 717. 98	Deposits.
Postal Savings Deposits.....	895, 709. 67			12, 146, 563. 25	Public Funds.
Other United States Government Deposits.....	2, 081, 945. 19			895, 709. 67	
TOTAL DEPOSITS.....	267, 171, 477. 07			257, 058, 936. 09	
43rd Consecutive Dividend.....			² 12, 296, 422. 44	12, 296, 422. 44	Loans sold under Repurchase Agreement.
Payable October 1, 1931.....	685, 500. 00		⁴ 4, 200, 000. 00	4, 200, 000. 00	Mortgages Payable.
Bills Payable and Rediscounts.....	None.			685, 500. 00	
Acceptances and Letters of Credit.....	12, 183, 281. 18			None.	
Reserve for Taxes, Interest, Etc.....	672, 477. 60			12, 183, 281. 18	
Total.....	320, 785, 679. 45			326, 615, 796. 36	

**EXPLANATION OF ADJUSTMENTS**

¹ To reverse the fictitious purchase of \$10,000,000.00 U.S. Government Securities.  
 ² To set up the Contingent Liability to New York banks on Repurchase Agreements.

³ To effect the deduction of Accrued Depreciation to September 29, 1931.  
 ⁴ To set up the Mortgage Payable Liability on the Main Bank Building.



EXHIBIT U-9-31

SPECIAL REPORT IN RE CALL STATEMENT—SEPTEMBER 29, 1931, UNION TRUST COMPANY, CLEVELAND, OHIO

[Submitted by Robert Morris Huston, Special Deputy, Superintendent of Banks, Volume II]

Consolidated financial statement The Union Trust Company, Cleveland, Ohio

175641—34—pt 20—19

Liabilities	Sept. 29, 1931	Call Report	Statement Showing Loans Sold Under Repurchase Rediscount & True U. S. Bond Account	Published in Newspaper	Circular
DEMAND DEPOSITS					
Due Corporations and Individuals.....	80,863,356.77 E				
Due Cleveland Banks and Bankers.....	<sup>1</sup> 2,275,654.79 B				
Due Out-of-Town Banks and Bankers.....	29,937,073.95 B	33,033,463.62 B	33,033,463.62	34,349,249.93	
Public Funds.....	5,783,105.39	5,783,105.39	5,783,105.39		
Federal Reserve Bank—Fiscal Agent.....	<sup>2</sup> 2,023,000.00				
United States Deposits.....	<sup>2</sup> 58,945.19			2,081,045.19	2,081,945.10
Certificates of Deposit.....	1,122.36	1,122.36	1,122.36		
Certified Checks.....	405,907.23	405,907.23	405,907.23		
Official Checks.....	909,879.08	909,879.08	909,879.08		
Unpaid Dividends.....	2,022.75 A	687,522.75 A	687,522.75		
Sundry Bank Credits—Undistributed.....	72,581.99 B				
Unremitted Funds.....	54,034.52 E				
Late Entries, Missorts, etc.....	5,209.28 E				
Dormant Accounts.....	<sup>3</sup> 249,254.80 E	<sup>4</sup> 81,796,607.28 E	71,684,066.30		
Unlocated Deposits.....	<sup>5</sup> 1,381.35 E				
Due to Foreign Banks—Dollar Accounts.....	<sup>6</sup> 748,152.89 B				
Other Foreign Banking Department Deposits.....	<sup>6</sup> 4,243.14 E				
Stock Transfer Deposits.....	<sup>6</sup> 844,736.04 E				
<b>Total Demand Deposits.....</b>	<b>1124,239,723.52</b>	<b>124,699,552.90</b>	<b>114,587,011.92</b>	<b>87,582,857.78 D</b>	

<sup>1</sup> Net amount due banks and bankers.

<sup>2</sup> U. S. deposits other than postal savings.

<sup>3</sup> Plus 32,006.92 overdrafts.

<sup>4</sup> Minus 10,112,540.98.

<sup>5</sup> Minus 257,647.13.

<sup>6</sup> Checks on other offices —30.41 added to sav. figures.

STOCK EXCHANGE PRACTICES

9023

Consolidated financial statement The Union Trust Company, Cleveland, Ohio—Continued

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STOCK EXCHANGE PRACTICES

Liabilities	Sept. 29, 1931	Call Report	Statement Showing Loans Sold Under Repurchase Rediscount & True U S. Bond Account	Published in Newspaper	Circular
<b>TIME DEPOSITS</b>					
Savings Deposits.....	99,780,301 29	} 101,967,823.41	101,967,828 41		7264,193,822 21
Savings Deposits—Foreign Banking Dept.....	\$ 1,159,801.46				
Christmas Money Club.....	1,027,695 25	} 11,721,912.00	11,721,912 00		
Estates Trust Deposits.....	° 5,735,428 45				
Corporate Trust Deposits.....	5,805,114 24 A	} 13,224,410 46	13,224,410 46		
Certificates of Deposit.....	13,224,410 46				
Public Funds.....	6,363,457 86	} 6,363,457 86	6,363,457 86		
Postal Savings Deposits.....	895,709 67				
Acceptances Anticipated.....	100,000 00	} 7,902,956.18	7,962,956.18		
Other Time Deposits.....	7,862,956 18				
Total Time Deposits.....	141,954,874.86	142,136,274 58	142,136,274.53	142,136,274 58 D	
<b>BILLS PAYABLE AND REDISCOUNTS</b>					
Loans sold under Repurchase & Rediscounted.....	None	None 12,431,903 12	} 12,431,903.12		None
Total Bills Payable and Rediscounts.....			12,431,903 12		
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>					
Our Acceptances Sold and Outstanding.....	6,618,837.50	6,618,837 50	6,618,837 50	6,618,837.50	12,183,281.18
Acceptances of Other Banks Sold & Outstanding.....	4,138,557 61	4,136,557.61	4,136,557.61		
Our Acceptances Executed Under L/C Outstanding.....	° 25,370 01	} 1,425,311.18	1,425,311.18	1,425,311.18	
Acceptances of Other Banks Guaranteed by Us.....					
Acceptances to Create Dollar Exchange.....		} 1,425,311.18	1,425,311.18	1,425,311.18	
Letters of Credit Outstanding—Commercial.....	° 934,027 42				
Letters of Credit Outstanding—Travelers'.....	° 461,243 75	} 4,670 00			
Travelers' Checks Outstanding.....	° 4,670 00				
Letters of Credit Issued Under Guarantee of Other Banks.....		} 2,574.89	2,574.89		
Foreign Bills Sold with Our Endorsement.....	2,574.89				
Total Acceptances and Letters of Credit.....	12,183,281.18	12,183,281.18	12,183,281.18		
				4,308,523.06	

OTHER LIABILITIES					
Interest and Discount Unearned.....	<sup>11</sup> 126,304 36 D	169,390.56 D	169,390.56		
Other Income Unearned.....	14,750 91 D				
Accrued Interest Payable.....	<sup>12</sup> 1,059,008 02 C	1,524,236.63 C	1,524,236 63		
Total Other Liabilities.....	1,200,093 29	1,693,627 19	1,693,627 19		
RESERVES					
Reserve for Taxes.....	503,087 04 C			1,524,236 63	
Reserve for Expense.....	<sup>13</sup> 9,588 14 D				672,477.60
Reserve for Adjustment of State Bank Assets.....	3 00 D				
Reserve for Dividends.....	685,500 00 A			685,500 00	685,500 00
Total Reserves.....	1,179 033 90				
CAPITAL					
Capital Stock.....	22,850,000 00	22,850,000 00	22,850,000 00	22,850,000 00	22,850,000 00
Surplus.....	12,150,000 00	12,150,000 00	12,150,000 00	12,150,000 00	} 17,222,943 60
Undivided Profits.....	<sup>13</sup> 3,863,964 07	5,072,943.60	5,072,943 60	5,072,943 60	
Current Period Profits.....	1,203,979 53				
Total Capital, Surplus and Profits.....	40,072,943 60	40,072,943 60	40,072,943 60		
Total Liabilities.....	320,829,950 35	320,785,679 45	323,105,041.59	<sup>14</sup> 320,784,779 45	320,785,679 45

<sup>7</sup> Deposits

<sup>8</sup> Plus 30.41 savings deposits.

<sup>9</sup> Plus 181,369.31 advances to trusts.

<sup>10</sup> Letters of credit executed for customers

<sup>11</sup> Plus 37,858 43.

<sup>12</sup> Minus 37,858.43, interest on mortgage.

<sup>13</sup> Net undivided profits

<sup>14</sup> Short 900 00, new total 320,785,679.45.

<sup>15</sup> Italic indicates red figures.

NOTE.—The difference of \$44,270 90 in the totals between the Bank's records and the Call Statement is due to the inter-office account of \$257,647 13 being eliminated from the Call Statement, and the advances or overdrafts of certain demand and time deposits being added to the Call Statement. (\$123,895.41 — \$57,473 90 — \$32,006.92.)

Consolidated financial statement, The Union Trust Company, Cleveland, Ohio

9026

STOCK EXCHANGE PRACTICES

Resources—Sept 29, 1931	Call Report			Statement Showing Loans Sold Under Repurchase Rediscout & True U.S Bond Account	Published in—	
					Newspaper	Circular
<b>LOANS AND DISCOUNTS</b>						
	Advances to Estates Trust.					
	Advances to Corp. Trust					
Demand Collateral Loans.....	40,984,284.37					
Time Collateral Loans.....	30,203,737.37					
Real Estate Loans.....	72,537,215.07	71,374,391.05	8,931,903.12	80,306,294.17	Collateral	71,374,391.05
Demand Loans Unsecured.....	5,128,522.94	72,537,215.07		72,537,215.07		72,537,215.07
Notes and Bills.....	22,705,715.24					32,207,097.30
Bills of Exchange.....	955,482.81					
Foreign Bills, Loans & Advance (Foreign Bkg. Dept.).....	1,057,493.84	29,847,219.83	+3,500,000.00	33,347,219.83		
Our Acceptances Held by Us—Genl. Bkg. Dept.....	109,478.05	2,359,877.47		2,359,877.47		
Customers Liability on Unpaid Acceptances.....	1,639,545.25					
<b>Total loans and discounts.....</b>	<b>175,326,489.94</b>	<b>176,118,703.42</b>		<b>188,550,606.54</b>	<b>176,118,703.42</b>	
<b>ACCEPTANCES AND LETTERS OF CREDIT</b>						
Our Acceptances Held by Us.....	610,864.17					
Acceptances of Other Banks Held by Us.....		32,006.92		32,006.92	32,006.92	
Our Acceptances Sold and Outstanding.....	6,618,837.50	6,618,837.50		6,618,837.50		
Acceptances of Other Banks Sold & Outstanding.....	4,136,557.61 B	4,136,557.61		4,136,557.61	4,139,132.50 B	
Customers' Liability Under Letters of Credit:					12,182,231.18	
Commercial.....	959,397.43					
Travelers'.....	460,193.75	1,424,261.18		1,424,261.18		
Customers' Liability Under Travelers Checks.....	4,670.00					
Foreign Bills Sold with Our Endorsement.....	2,574.89 B	2,574.89		2,574.89		
<b>Total acceptances and letters of credit.....</b>	<b>12,793,095.35</b>	<b>12,214,238.10</b>		<b>12,214,238.10</b>		

INVESTMENTS		Farm Loan Bonds					
United States Government Securities.....	22,406,866.84	151,570.00	22,117,016.83	-10,030,000.00	12,087,016.83	22,117,016.83	22,117,016.83
State, County and Municipal Bonds.....	1,790,097.18	Permit on U.S. Bds 133,330.01	1,771,365.35		1,771,365.35		
Corporation Bonds and Notes.....	12,813,706.16	Other Stocks, Bonds and Securities - 1,050,000	26,715,370.25		26,715,370.25	29,536,735.60	28,486,735.60
Corporation Stocks.....	6,433,223.83	Stock in F. R. Bank +151,520 +133,330.01					
Foreign Securities.....	8,206,858.42						
Total investments.....	51,654,752.43		50,603,753.43		40,573,752.43		
CASH AND CASH ITEMS							
Currency and Coin.....	2,693,248.12	Foreign Money.....	2,703,039.28		2,703,039.28		
Currency and Coin—Foreign Banking Dept.....	6,503.64		1,712.43		1,712.48		
Cash Items.....	242,935.02	Stock of F R Bank.....	242,905.02		242,905.02	548,595.65	
Difference Account.....	423.99		423.99		423.99		
Total cash and cash items.....	2,948,080.77		1,050,000.00		1,050,000.00	46,870,732.84	1,050,000.00
			1,399,080.77		1,398,080.77		58,105,264.30
LEGAL RESERVE							
Federal Reserve Bank.....	10,685,511.89		10,685,511.89		10,685,511.89	10,685,511.89	
DUE FROM DOMESTIC CORRESPONDENTS							
New York City Banks.....	25,757,071.05 A						
Chicago Banks.....	1,312,335.89 A						
Other Banks.....	2,878,142.02 A						
Total due from domestic correspondents.....	29,947,549.56						
DUE FROM FOREIGN CORRESPONDENTS							
Foreign Banks (Foreign Banking Dept).....	728,401.59 A						
DEFERRED CREDITS, EXCHANGES, ETC							
Federal Reserve Bank—Deferred Credits.....	9,367,563.83		9,367,563.83		9,367,563.83		
Checks on Cleveland Banks.....	2,571,655.50		2,571,655.50		2,571,655.50		
Checks on Other Offices—The Union Trust Co.....	257,617.13						
Checks on Out-of-Town Banks.....	20,725.77	Items in Transit.....	305,690.63		305,690.63		
Coupons.....	84,964.86						
Due from Sundry Banks and Bankers.....	1,550,780.60	Net Amt due from Banks and Bankers.....	32,226,761.75 A		32,226,761.75		
Total deferred credits, exchanges, etc.....	14,053,337.69		44,471,671.71		44,471,671.71		
PROPERTY ACCOUNTS							
Real Estate, Buildings, Leaseholds, etc.....	18,509,312.77	Banking House & Lot	13,437,976.17		13,437,976.17	13,437,976.17	
		Furn & Fixtures.....	41,531.09		41,531.09	41,531.09	
		R. E. other than Bk House	5,029,85.51		5,029,805.51	5,029,805.51	18,509,312.77

1 Cash and due from banks.

## Consolidated financial statement, The Union Trust Company, Cleveland, Ohio—Continued

Resources—Sept. 29, 1931	Call Report			Statement Showing Loans Sold Under Repurchase Rediscount & True U.S. Bond Account	Published in—		
					Newspaper	Circular	
<b>OTHER RESOURCES</b>							
Accrued Interest, etc., Receivable.....	2,034,040.27		Int. on L. L. Bonds —82,540.98.	1,951,499.29	721,101.28 2,034,040.27	2,786,724.48	
Accounts Receivable.....	134,092.48	} Other Assets					
Prepaid and Deferred Accounts.....	72,221.03		720,677.29		720,677.29		
Late Entries, Missorts, etc.....	15,257.40						
Cleveland Akron Bag Co., Properties in Liquidation.....	449,103.33						
Land Contracts.....	1,429,690.80		1,429,690.80		1,429,690.80	1,429,690.80	1,429,690.80
Total other resources.....	4,184,403.36	4,184,403.36		4,101,887.38			
Total resources.....	320,829,950.35	320,785,679.45		323,105,041.59	320,785,679.45	320,785,679.45	

## Statement published by bank

DEPOSIT LIABILITIES		
Total Demand Deposits.....		\$124,699,552.90
“ Time “.....		142,136,274.58
Total All “.....		266,835,827.48
Bills Payable & Rediscounts.....		None
Quick Liquid Assets.....		
Cash & Cash Items.....	3,998,080.77	
Legal Reserve Federal Reserve Bank.....	10,685,511.89	
Due from Banks & Bankers, Exchange, etc.....	44,471,671.71	
	59,155,264.37	
U.S. Government Securities.....	22,117,015.83	
	81,272,281.20	

Shows 30.45+% liquid.

## True statement

DEPOSIT LIABILITIES		
Total Demand Deposits.....		\$114,587,011.92
“ Time “.....		142,136,274.58
“ All “.....		256,723,283.50
Bills Payable.....		12,431,903.12
Quick Liquid Assets.....		
Cash & Cash Items.....	3,998,080.77	
Legal Reserve Federal Reserve Bank.....	10,685,511.89	
Due from Banks & Bankers, exchange, etc.....	44,471,671.71	
	59,155,264.37	
Less Bills Payable.....	12,431,903.12	
U.S. Government Securities.....	46,723,361.25	
	12,087,016.83	
	58,810,378.08	

Shows 22.90 + liquid.

30.45  
22.90  
7.55

Loans sold under repurchase agreement and rediscount control built up from loan proof and banks & bankers ledger

	Sold to—	Payments	Total	General Books						
				Debits			Credits			
				Loans	Discount	Banks & Bankers	Notes & Bills	Time Loans	Demand Loans	
1931										
Sept. 22	R. H. Bishop & Samuel Mather, Bankers Trust Co., N. Y. 1,000,000		1,000,000.						1,000,000.	
" 22	John L. Severance, Bankers Trust Co., N. Y. 1,000,000.		2,000,000.			2,000,000.				1,000,000.
" 22	List see list in correspondence file Guaranty Trust Co. N. Y. 3,555,141.19		5,555,141.19			3,555,141.19			2,943,172.61	611,968.58
" 25	Cleveland Cliffs									
	Iron, National City Bk N. Y. 3,387,500		8,942,641.19		76,218.75					
" 25	" " " N. Y. 3,500,000		12,442,841.19		70,000.	6,741,281.25				
" 28	Chas. W. Brown Guaranty Tr	100	12,442,541.19				500,000.		3,387,500	
" 29	John L. Severance " "	10,638.07	12,431,903.12							
" 30	F. B. Mitchell " "	500	12,431,403.12							
" 30	Kather ne Fox Bowman " "	23.98	12,431,379.14							
" 30	John L. Severance " "	7,214.99	12,424,164.15			146,218.75			3,500,000	
Oct. 1	Stanley M. Feil " "	5.0	12,423,614.15			12,296,422.44			7,330,672.61	
" 2	Louis S. Bing Jr. " "	600.	12,423,014.15						1,611,938.58	
" 2	John L. Severance " "	8,830.92	12,414,233.23							
" 3	C. A. Benner " "	500.	12,413,733.23							
" 3	John L. Severance " "	49,238.52	12,364,494.71							
" 5	Milton Cayce " "	500.	12,363,994.71							
" 5	F. H. Boughton " "	6,257.60	12,357,737.11							
" 6	G. B. Collings " "	8.75	12,356,988.36							
" 7	Cleveland Cliffs Iron National City Bk	3,500,000.	8,857,738.36	3,500,000						
" 8	John L. Severance Guaranty Trust Co.	202,459.38	8,655,278.98					3,434,666.69	65,333.31	
" 8	Florence C. Gates " "	300.	8,654,978.98							

<sup>1</sup> Total.

<sup>2</sup> Securities sold in New York; see letter U. T. Co. 10/2/30 G. T. 10/5/31.

## STOCK EXCHANGE PRACTICES

EXHIBIT U-9-32a

## STATEMENT OF CONDITION

THE UNION TRUST CO., CLEVELAND, O.

Member Federal Reserve System.  
Member Cleveland Clearing House Association.  
December 31, 1931.

EXHIBIT U-9-32b.

*Statement of condition as of December 31, 1931*

## RESOURCES

Cash on Hand and on Deposit with Banks .....	\$40,410,958.65
United States Government Securities .....	12,116,968.45
Other Bonds and Securities including Stock of Federal Reserve Bank, Cleveland .....	26,593,436.32
Loans and Discounts .....	177,676,800.05
Customers' Liability on Acceptances and Letters of Credit .....	10,840,373.39
Accrued Interest and Other Resources .....	2,390,649.82
Real Estate Sold Under Land Contract .....	1,504,219.59
Bank Buildings and Real Estate Owned .....	18,588,116.32
Total .....	<u>\$290,121,522.59</u>

## LIABILITIES

Capital—Paid Up .....	\$22,850,000.00
Surplus and Undivided Profits .....	\$14,174,993.82
Deposits .....	\$37,024,993.82
Rediscounts .....	221,554,972.31
Bills Payable .....	10,529,748.06
Loans with Repurchase Agreement .....	3,436,000.00
Acceptances and Letters of Credit .....	5,772,320.30
Reserve for Taxes, Interest, Etc .....	10,840,373.39
Total .....	<u>963,114.71</u>
Total .....	\$290,121,522.59

Net earnings for the year 1931 were \$4,084,020.41. Dividends paid amounted to \$2,742,000.00. Surplus earnings, plus \$2,700,000.00 of the Undivided Profit Account, were applied to Reserve Accounts.

THE UNION TRUST CO.

CLEVELAND, O.

Member Federal Reserve System Member Cleveland Clearing House Association

EXHIBIT U-9-33a

## STATEMENT OF CONDITION

THE UNION TRUST CO., CLEVELAND, O.

Resources over 300 millions.  
September 29, 1931.

EXHIBIT U-9-33b

*Statement of condition at the close of business on September 29, 1931*

## RESOURCES

Cash on Hand and on Deposit with Banks .....	\$58,105,264.37
United States Government Securities .....	22,117,016.83
Stock of Federal Reserve Bank, Cleveland .....	1,050,000.00
Other Bonds and Securities .....	28,486,735.60
Commercial Loans .....	32,207,097.30
Collateral Loans .....	71,374,391.05
First Mortgage Loans .....	72,537,215.07



## EXHIBIT U-9-33b

Statement of condition at the close of business on September 29, 1931—Continued

## RESOURCES—Continued

Customers' Liability on Acceptances and Letters of Credit	.....	\$12, 182, 231. 18
Accrued Interest and Other Resources	.....	2, 786, 724. 48
Real Estate Sold Under Land Contract	.....	1, 429, 690. 80
Bank Buildings and Real Estate Owned	.....	18, 509, 312. 77
Total	.....	<u>\$320, 785, 679. 45</u>

## LIABILITIES

Capital—Paid Up	.....	\$22, 850, 000. 00
Surplus and Undivided Profits	.....	17, 222, 943. 60
		<u>\$40, 072, 943. 60</u>
Deposits	.....	\$264, 193, 822. 21
Postal Savings Deposits	.....	895, 709. 67
Other United States Government Deposits	.....	2, 081, 945. 19
Total Deposits	.....	<u>\$267, 171, 477. 07</u>
43rd Consecutive Dividend, Payable October 1, 1931	.....	\$685, 500. 00
Bills Payable and Rediscounts	.....	None
Acceptances and Letters of Credit	.....	12, 183, 281. 18
Reserve for Taxes, Interest, Etc	.....	672, 477. 60
Total	.....	<u>\$320, 785, 679. 45</u>

## THE UNION TRUST Co.

CLEVELAND, O.

Member Federal Reserve System Member Cleveland Clearing House Association

## EXHIBIT U-9-34

[Cleveland News 4-10-1933]

FINANCIAL STATEMENT OF THE UNION TRUST COMPANY, CLEVELAND, OHIO, AT THE CLOSE OF BUSINESS APRIL 8, 1933

## RESOURCES

Loans and Discounts:		
Call loans	.....	
Demand collateral loans:		
Unpledged	.....	\$21, 775, 151. 32
Pledged	.....	8, 382, 410. 96
Total demand collateral loans	.....	<u>\$30, 157, 562. 28</u>
Time collateral loans:		
Unpledged	.....	16, 028, 867. 91
Pledged	.....	16, 261, 173. 81
Total time collateral loans	.....	<u>\$32, 290, 041. 72</u>
Real estate loans:		
Unpledged	.....	7, 140, 357. 25
Pledged	.....	10, 356, 201. 51
Total real estate loans	.....	<u>\$17, 496, 558. 76</u>
Demand loans—unsecured	.....	2, 196, 273. 63
Notes and bills:		
Unpledged	.....	3, 252, 749. 93
Pledged	.....	9, 718, 674. 97
Total notes and bills	.....	<u>\$12, 971, 424. 90</u>
Bills of exchanges	.....	1, 057. 77
Foreign bills, loans and advances (Foreign banking department)	.....	950, 390. 34
Secured advances to trusts	.....	163, 143. 24
Total loans and discounts	.....	<u>\$96, 226, 452. 64</u>

FINANCIAL STATEMENT OF THE UNION TRUST COMPANY, CLEVELAND, OHIO, AT  
THE CLOSE OF BUSINESS APRIL 8, 1933—Continued

RESOURCES—continued

Acceptances and letters of credit:		
Our acceptances held by us.....	\$4, 543, 002. 40	
Acceptances of other banks held by us.....	-----	
Our acceptances sold and outstanding.....	1, 093, 147. 75	
Acceptances of other banks sold and out- standing.....	557, 352. 37	
Customers' liability under letters of credit:		
Commercial.....	70, 200. 13	
Travelers'.....	267, 988. 25	
Customers' liability under travelers' checks.....	150. 00	
Letters of credit issued under guarantee of other banks.....	-----	
Foreign bills sold with our indorsement.....	-----	
Customers' liability on unpaid accept- ances.....	229, 521. 08	
Collections—mortgage loans.....	360. 00	
Bonds sold under repurchase agreement.....	66, 473. 33	
	<hr/>	
Total acceptances and letters of credit.....		\$6, 828, 195. 31
Investments:		
United States Government Securities:		
Unpledged.....	55, 466. 37	
Pledged.....	12, 007, 534. 95	
	<hr/>	
Total United States Government securities.....		\$12, 063, 001. 32
State, County and Municipal Bonds:		
Unpledged.....	534, 894. 76	
Pledged.....	766, 387. 56	
	<hr/>	
Total State, County and Muni- cipal Bonds.....		\$1, 301, 282. 32
Corporation Bonds and Notes:		
Unpledged.....	\$204, 064. 17	
Pledged.....	9, 757, 871. 73	
	<hr/>	
Total Corporation Bonds and Notes.....		9, 961, 935. 90
Corporation Stocks:		
Unpledged.....	4, 016, 726. 57	
Pledged.....	523, 960. 00	
	<hr/>	
Total Corporation Stocks.....		4, 540, 686. 57
Foreign Securities.....		7, 412, 800. 38
Federal Reserve Bank Stock.....		1, 050, 000. 00
	<hr/>	
Total Investments.....		\$36, 329, 706. 49
Cash and Cash Items:		
Currency and Coin.....	1, 408, 441. 16	
Currency and Coin—Foreign Bkg. Dept.		
Cash Items.....	20, 589. 15	
Difference Account.....	. 82	
	<hr/>	
Total Cash and Cash Items.....		1, 429, 031. 12
Legal Reserve—Federal Reserve Bank.....		4, 982, 819. 37

FINANCIAL STATEMENT OF THE UNION TRUST COMPANY, CLEVELAND, OHIO, AT THE CLOSE OF BUSINESS APRIL 8, 1933—Continued

RESOURCES—continued

Due From Domestic Correspondents:		
New York City Banks.....	\$310. 77	
Chicago Banks.....		
Other Banks.....	31, 527. 04	
Attachment Account—Manufacturers' Trust Co.....	439, 182. 63	
Acceptance Group 5 Pc. Adjustment Acct.....	81, 378. 52	
Total Due From Domestic Correspondents.....		\$552, 398. 96
Due from Foreign Correspondents		
Foreign Banks (Foreign Banking Dept.)		14, 413. 85
Deferred Credits, Exchanges, Etc.		
Property Accounts		
Real Estate, Buildings, Leaseholds, Etc..		20, 428, 757. 40
Other Resources		
Western Reserve Mortgage Co., Notes..	25, 167, 784. 76	
Accrued Interest, Etc., Receivable.....	1, 832, 905. 48	
Accounts Receivable.....	281, 023. 04	
Prepaid and Deferred Accounts.....	107, 445. 55	
Late Entries, Missorts, Etc.....	100, 745. 98	
Cleveland-Aron Bag Co., Properties in Liquidation.....	449, 106. 38	
Land Contracts.....	1, 603, 301. 17	
Bonds Borrowed.....		
Interest Receivable—Mortgages Sold...	873, 412. 53	
Total Other Resources.....		30, 415, 724. 89
Sub total.....		\$197, 207, 500. 03
Amounts Segregated by bank prior to conservatorship:		
Segregated Cash.....	1, 326, 262. 07	
Federal Reserve Bank Special Account..	6, 301, 403. 20	
Deferred Accounts.....	767, 861. 06	8, 395, 526. 33
Grand total.....		\$205, 603, 026. 36

LIABILITIES

Secured liabilities:		
Deposits (see schedule A).....	\$15, 389, 595. 75	
Total secured liabilities.....		\$15, 389, 595. 75
Demand deposits:		
Due Corporations and Individuals.....	30, 705, 639. 25	
Due Cleveland banks and bankers.....	1, 937. 50	
Due out-of-town banks and bankers.....	8, 084, 392. 22	
Public funds.....	258. 82	
Certificates of deposit.....	2, 612. 50	
Certified checks.....	80, 984. 55	
Official checks.....	516, 869. 30	
Unpaid dividends.....	1, 762. 41	
Sundry bank credits—undistributed....		
Unremitted funds.....	50, 390. 88	
Late entries, missorts, etc.....	30, 952. 73	
Dormant accounts.....	213, 844. 54	
Unlocated deposits.....	285. 28	
Due foreign banks—dollar accounts....	47, 257. 62	
Other foreign banking department deposits.....	25. 00	
Stock transfer deposits.....	36, 965. 84	
Payments due to Western Reserve Mortgage Co.....	1, 505. 08	
Total demand deposits.....		39, 775, 683. 52

FINANCIAL STATEMENT OF THE UNION TRUST COMPANY, CLEVELAND, OHIO, AT  
THE CLOSE OF BUSINESS APRIL 8, 1933—Continued

## LIABILITIES—continued

Time deposits:		
Savings deposits .....	\$64, 565, 108. 69	
Christmas money club .....	184, 683. 53	
Estates trust deposits .....	5, 059, 196. 27	
Corporate trust deposits .....	2, 388, 935. 57	
Certificates of deposit .....	2, 918, 626. 19	
Public funds .....	1, 069. 84	
Acceptances anticipated .....	160. 99	
Other time deposits .....	634, 949. 10	
Corporate trust dept.—special deposit ..	75, 268. 34	
	<hr/>	
Total time deposits .....		\$75, 827, 998. 52
		<hr/>
Total all deposits .....		\$130, 993, 277. 79
Bills payable and rediscounts:		
Bills payable with Federal Reserve		
Bank .....	7, 290, 707. 33	
Rediscount with Federal Reserve bank		
Bills payable—other banks .....	2, 287, 621. 68	
Reconstruction Finance Corporation .....	15, 188, 597. 79	
	<hr/>	
Total bills payable and redis-		24, 766, 926. 80
counts .....		
Acceptances and letters of credit:		
Our acceptances sold and outstanding...	1, 073, 789. 86	
Acceptances of other banks sold and out-		
standing .....	557, 352. 37	
Our acceptances executed under L/C out-		
standing .....	38, 793. 45	
Acceptances of other banks guaranteed		
by us .....		
Letters of credit outstanding—commer-		
cial .....	31, 798. 68	
Letters of credit outstanding—travelers'	277, 838. 25	
Travelers' checks outstanding .....	150. 00	
Letters of credit issued under guarantee		
of other banks .....		
Foreign bills sold with our indorsement		
City of Cleveland—collections mortgage		
loans .....	360. 00	
Bonds sold under repurchase agreement ..	66, 473. 33	
Foreign drafts payable .....	15, 497. 59	
	<hr/>	
Total acceptances and letters of		2, 062, 053. 53
credit .....		
Other Liabilities:		
Interest and Discount Unearned .....		
Other Income Unearned .....	\$119, 031. 74	
Accrued Interest Payable .....	957, 751. 33	
Bonds Borrowed .....		
Check and Safe Deposit Tax Payable ..	1, 324. 33	
Accounts Payable .....	47, 503. 79	
	<hr/>	
Total Other Liabilities .....		1, 125, 611. 19
Reserves:		
Reserve for Taxes .....	\$683, 502. 91	
Reserve for Expenses .....	36, 415. 57	
Reserve for Adjustment of State Bank		
Assets .....	939. 28	
Reserve for Dividend .....		
	<hr/>	
Total Reserves .....		720, 857. 76

FINANCIAL STATEMENT OF THE UNION TRUST COMPANY, CLEVELAND, OHIO, AT  
THE CLOSE OF BUSINESS APRIL 8, 1933—Continued

LIABILITIES—continued	
Capital:	
Capital Stock.....	\$22, 850, 000. 00
Surplus.....	12, 150, 000. 00
Undivided Profits.....	2, 523, 750. 56
Current Period Profits.....	15, 022. 40
Total Capital, Surplus and Profits	\$37, 538, 772. 96
Sub-Total.....	\$197, 207, 500. 03
Deposits accepted in trust prior to date of appointment of conservator:	
Segregated Deposits.....	8, 303, 921. 58
5% Withheld.....	91, 604. 75
8, 395, 526. 33	
Grand total.....	\$205, 603, 026. 36

The undersigned officers of The Union Trust Company, Cleveland, Ohio, hereby certify to the best of their knowledge and belief that the foregoing four pages and the schedules appended hereto represent all the known resources and liabilities of the said bank, as shown by its books, without appraisal of assets or valuations by us.

A. W. LEWIS, *Vice President.*

R. S. CRAWFORD, *Executive Vice President.*

SECURED DEPOSITS, SCHEDULE A, THE UNION TRUST CO., CLEVELAND, O., AT THE CLOSE  
OF BUSINESS APRIL 8, 1933.

Demand deposits:	
Corporations and individuals.....	\$600, 371. 60
Public funds.....	856, 154. 07
United States deposits.....	32, 564. 10
Federal Reserve—fiscal agent.....	296, 650. 00
	\$1, 785, 739. 77
Time deposits:	
Public funds.....	\$3, 540, 505. 95
Certificates of deposit.....	190, 000. 00
Postal savings.....	9, 873, 350. 03
	13, 603, 855. 98
Total secured deposits.....	\$15, 389, 595. 75
Due Corporations and Individuals:	
I. J. Fulton, Re: The Kinsman Banking Co., Kinsman, O.....	\$3, 950. 44
I. J. Fulton, Re: Orangeville Savings Bank, Orangeville, O.....	1, 979. 65
I. J. Fulton, Re: Commercial Savings Bank, Toledo, O.....	57, 590. 04
I. J. Fulton, Re: Citizens Commercial Bank, Warren, O.....	19, 019. 37
Geo. S. Addams, Judge of Probate Court, Cuyahoga county.....	4, 487. 12
Brotherhood of Locomotive Enginemen and Firemen.....	500, 000. 00
Catholic Knights of Ohio.....	13, 344. 98
	\$600, 371. 60

SECURED DEPOSITS, SCHEDULE A, THE UNION TRUST CO, CLEVELAND, O., AT THE  
CLOSE OF BUSINESS APRIL 8, 1933—continued

Public Funds—Demand:		
Board of Education No. 4.....	\$35,071.01	
City of Cleveland Active Account.....	62,810.56	
City of Cleveland, Sinking Fund Commission.....	458,672.62	
City of Cleveland Heights, Ohio.....	41,927.43	
Cleveland Metropolitan Park District.....	194.75	
Bratenahl Village.....	8,069.48	
Mayfield Village School District.....	174.55	
Village of Cuyahoga Heights.....	53,105.77	
Beachwood Village.....	91,159.67	
Board of Education, City of Euclid, Ohio.....	71,063.13	
Village of Warrensville Heights, Ohio.....	31,257.28	
City of Lakewood, Ohio.....	2,646.82	
		\$856,154.07
Federal Reserve—Fiscal agent.....		296,650.00
United States Deposits.....		32,564.10
Certificates of Deposit—Time:		
Brotherhood of Locomotive Enginemen and Firemen.....		190,000.00
Public Funds—Time:		
City of Cleveland—Inactive Account.....	\$285,000.00	
Cuyahoga County No. 20.....	1,935,778.18	
Cleveland Metropolitan Park District.....	57,177.77	
Bureau of Insular Affairs.....	1,187,500.00	
City of Lakewood, Ohio.....	75,050.00	
		3,540,505.95
Postal Savings.....		9,873,350.03
		\$15,389,595.75

This statement is published as a matter of public information and a means of making immediately available to the depositors of The Union Trust Company of Cleveland a statement of its assets and liabilities as reflected by its books at the close of business on April 8, 1933, at which date the undersigned assumed the management of the bank as Conservator.

It should be borne in mind that only book values of assets are shown, that these are not based upon appraisals, and represent no expression of opinion as to either actual or realizable values.

OSCAR L. COX, *Conservator.*

THE UNION TRUST COMPANY, CORRIGAN-MCKINNEY STEEL COMPANY, WALTER H. SEYMOUR, FIRST COPY

EXHIBIT U-15-1a

J. R. NUTT,  
2512 Terminal Tower,  
Cleveland, Ohio, April 20, 1933.

Mr. OSCAR L. COX,  
*Conservator The Union Trust Company,  
Cleveland, Ohio.*

DEAR MR. COX: I think it was in the spring of 1919 that I first became a director of The McKinney Steel Company, at the request of Mr. James W. Corrigan. At that time the ownership of the Company was about as follows:

	<i>Percent</i>
Mr. James W. Corrigan.....	40
Mr. Price McKinney.....	30
Mr. E. S. Burke, Jr.....	13 $\frac{3}{4}$
Mrs. Ross (Mr. Burke's sister).....	8 $\frac{3}{4}$
Mrs. Stevenson Burke.....	7 $\frac{1}{2}$
Total.....	100

In the latter part of April 1925 Mr. E. S. Burke, Jr., called at my office and stated that he desired to sell his 13 $\frac{3}{4}$ % interest in the Company and wanted to give me personally the exclusive authority to represent him in the sale of this interest. He stated that he wanted to place it on a business basis and would be willing to pay me a commission of 2% of the sale price for my services. I considered the matter for a day or two and then advised Mr. Burke that I would be willing to represent him. I succeeded in making a sale of this interest about the middle of May 1925 to Mr. James W. Corrigan. Mr. Corrigan financed the purchase in the following manner, he organized The McKinney Steel Holding Company with an authorized capital of \$7,250,000 6% cumulative preferred stock, and 10,000 shares of no par common stock.

The entire issue of the preferred stock was turned over to Mr. Burke for his 13 $\frac{3}{4}$ % of McKinney Steel Company, and Mr. Corrigan received the 10,000 shares of common stock for his 40% interest in the Steel Company. This 53 $\frac{3}{4}$ % of The McKinney Steel Company stock was deposited with The Union Trust Company to be held as security for and as long as any of the preferred stock was outstanding. The McKinney Steel Holding Company preferred stock is callable at 105 and the provisions of the issue are such that no consolidation or sale or merger of any kind can be made without the consent of a certain percentage of the preferred stockholders. Mr. Burke was anxious to get cash for his holdings, and after discussing the matter with Mr. John Sherwin, then Chairman of the Board of The Union Trust Company, and other officers, we finally purchased the \$7,250,000 of preferred stock from Mr. Burke, paying him therefor \$6,500,000 in cash. Upon completion of this transaction, Mr. Burke gave me his check for \$130,000 00, being 2% on \$6,500,000. At that time I laid this whole matter before Mr. Corrigan and his personal attorney, Mr. John H. Watson, Jr., so they would know about the commission, Mr. Sherwin, of course, all the time knowing

## EXHIBIT U-15-1-b

the entire deal. When Mr. Burke gave me his check for \$130,000.00 he congratulated me on making this nice commission. I stated to him that this was not coming to me personally but would go to The Union Trust Company as earnings. This check was turned over to The Union Trust Company. I never personally directly or indirectly derived one dollar of profit in any way.

Mr. Corrigan later went in as President of the Company and with John H. Watson, Jr. and the splendid organization at the Steel Company, he operated it successfully. During this time the name of the Company was changed to The Corrigan, McKinney Steel Company. Mr. Corrigan died suddenly on January 23, 1928. In his will he named The Union Trust Company and John H. Watson, Jr. as Executors and Trustees of his estate. Mr. Watson became President of the Steel Company. The will provided that the Trustees could not sell the interest in The Corrigan, McKinney Steel Company without the approval of Mrs. Corrigan. Mrs. Corrigan receives the entire income from the estate during her life.

I think it was in March 1930, as President of The Union Trust Company, representing the Corrigan Estate, I began negotiations with Mr. W. G. Mather for the sale of the Corrigan interest in the Steel Company, represented by 10,000 shares of the McKinney Steel Holding Company common stock, which as previously stated controlled 53 $\frac{3}{4}$ % of the Corrigan, McKinney Steel Company. I also represented the 8 $\frac{3}{4}$ % owned by Mrs. Ross, or a total of 62 $\frac{1}{2}$ %. These negotiations finally resulted in a sale to The Cleveland Cliffs Iron Company,—the price agreed upon was to be on the basis of \$37,500,000 for the 62 $\frac{1}{2}$ %. Mrs. Ross' share amounted to \$5,250,000 and the Corrigan Estate \$32,250,000. The Corrigan interest, however, was represented by common stock of The McKinney Steel Holding Company and the Steel stock was pledged as security for the preferred stock, so that from the \$32,250,000 there was deducted \$7,250,000 preferred at the call price of 105, or \$7,612,500, leaving a net of \$24,637,500—this amount being paid for all of the common stock of The McKinney Steel Holding Company. My recollection is that after Mr. Corrigan's death the common stock of The McKinney Steel Holding Company was increased from 10,000 to 10,100 shares—this 100 shares being paid to Messrs. M. B. and H. H. Johnson, with Mrs. Corrigan's consent, in settlement of fees for a number of years of legal service—so that the net proceeds above mentioned were divided with all of these common stock shareholders. In the sale of Mrs. Ross' 8 $\frac{3}{4}$ % for \$5,250,000 it might have been perfectly legitimate and proper to have charged her a commission or fee, but no charge of any kind was made to Mrs. Ross.

I am giving you the above data entirely from memory, as I do not have any information in my personal files relating to the above transactions. I left everything in connection with these transactions, including the original letter from Mr. E. S. Burke, Jr. covering the commission, in The Union Trust files.

I have heard that it has been said that I profited to the extent of a large sum in this sale from the Corrigan Estate to The Cleveland Cliffs Iron Company. This

## EXHIBIT U-15-1c

is absolutely untrue in every particular. I did not directly or indirectly ever in connection with any of the above mentioned transactions receive personally one dollar of profit. I have no doubt but that you will find records complete in connection with all of the above on the Union Trust Company books, and as a matter of fairness and justice I would like to have you turn this letter over to some expert accountant, whom you may select, and have him go over The Union Trust Company books and verify the above. You will find nothing that is not to the credit of The Union Trust Company and myself personally and as an officer.

The Union Trust Company still holds a large block of The McKinney Steel Holding Company preferred stock. The members of my family now hold over a thousand shares at an average cost of about 95½, most of it purchased from The Union Trust Company. There is no market whatever for this stock at present, but eventually I believe it will be paid at 105 and accumulated dividends, for it represents the controlling interest in one of the best steel companies in this entire region. I hope that you do not permit the substantial holdings of The Union Trust Company in this corporation to be sacrificed. Remember, The Cleveland Cliffs Iron Company paid \$24,637,500 in cash for the common stock of the Holding Company.

If I can be of assistance to you at any time in any way, do not hesitate to call upon me.

Sincerely yours,

J. R. NUTT.

## EXHIBIT U-15-2

*Cleveland, Ohio, May 1st, 1925.*

Mr. J. R. NUTT,  
*Cleveland, Ohio.*

DEAR SIR: I own 13¼% of the authorized and issued capital stock of The McKinney Steel Co. which I give you exclusive authority to sell for Seven Million Dollars (\$7,000,000.00).

If sold I will pay you a commission from the proceeds of sale of 2% of sale price.

This authority is to you personally and good until June 15th, 1925, 12:00 o'clock noon.

It is understood that you may yourself purchase or be interested in the purchase of the stock, and shall, in that event, be entitled to the commission stated.

Very truly yours,

E. S. BURKE, Jr.

## EXHIBIT U-15-3

THE UNION TRUST COMPANY,  
*Cleveland, Ohio, May 6th, 1925.*

Mr. J. R. NUTT,  
*Cleveland, Ohio.*

DEAR SIR: I understand it is proposed to organize an Investment Company to own fifty-three and three-quarters per cent. (53¾%) of the authorized and issued capital stock of The McKinney Steel Company.

This Investment Company to be capitalized as follows: \$8,500,000 P.V. 6% cumulative preferred stock. The balance of the capitalization to be represented by non par shares of common stock.

I own thirteen and three-quarters per cent. (13¾%) of The McKinney Steel Company stock, which percentage is included in that mentioned above, and I authorize you, in my behalf, to turn over to the Investment Company my entire holdings in exchange for \$8,500,000, being the entire amount of preferred stock to be authorized and issued. I understand that such preferred stock is to be



issued under the terms and provisions, substantially, in accordance with the memorandum attached.

This letter will serve as your authority exclusively to represent me in this transaction and is given to you personally. This authority is good until noon Saturday, May 16, 1925.

Very truly yours,

E. S. BURKE, Jr.

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EXHIBIT U-15-4

May 6th 1925.,

Mr. J. R. NUTT,  
Cleveland, Ohio.

DEAR SIR: I understand it is proposed to organize an Investment Company to own fifty-three and three-quarters per cent. (53¾%) of the authorized and issued capital stock of The McKinney Steel Company.

This Investment Company to be capitalized as follows: \$8,500,000 P.V. 6% cumulative preferred stock. The balance of the capitalization to be represented by non par shares of common stock.

I own thirteen and three-quarters per cent. (13¾%) of The McKinney Steel Company stock, which percentage is included in that mentioned above, and I authorize you, in my behalf, to turn over to the Investment Company my entire holdings in exchange for \$8,500,000, being the entire amount of preferred stock to be authorized and issued. I understand that such preferred stock is to be issued under the terms and provisions, substantially, in accordance with the memorandum attached.

This letter will serve as your authority exclusively to represent me in this transaction and is given to you personally. This authority is good until noon Saturday, May 16th, 1925.

Very truly yours,

Mr. E. S. BURKE, Jr.,  
Cleveland, Ohio.

DEAR SIR: It is my understanding that the authority given above is contingent upon my providing you simultaneous with the delivery of your stock, a purchaser for such preferred stock of the Investment Company as you receive at the price of \$7,000,000 cash, less 2% (\$140,000.) commission.

Yours very truly,

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EXHIBIT U-15-5

Copy

CLEVELAND, OHIO, May 13, 1925.

Mr. E. S. BURKE, Jr.,  
Cleveland, Ohio.

DEAR SIR: I am confirming herewith the terms of my exchange of 72,500 shares (\$100 par value) of the Preferred stock of the McKinney Steel Holding Company, (hereinafter called the Company) for your 13¾% interest in The McKinney Steel Company. Attached to this letter you will find a memorandum of the terms of the provisions of the Preferred stock, to which further reference will be made.

I will immediately undertake the organization of a corporation under the laws of Delaware, to be known as the McKinney Steel Holding Company, if said name is available, or, if not, such other name as may be selected by The Union Trust Company, which Company will have the following capitalization: \$7,250,000 Six Per Cent Cumulative Preferred Stock (\$100 par value) 10,000 Shares, No par value Common Stock.

This Company will acquire all of your said stock of The McKinney Steel Company, and my interest therein of 40%, such interests together representing a par value of \$134,375, out of a total capital of \$250,000 par value.

All of this stock will be deposited with The Union Trust Company, Cleveland, Ohio, acting as trustee under an agreement, for safekeeping and to assure conformity with the Preferred stock provisions prohibiting the sale, pledge or otherwise imposing a lien on said stock, as set forth in the attached memorandum.

I will cause said new corporation to elect to pay, and cause it to pay, under the provisions of amended Senate Bill No. 150 enacted by the Ohio Legislature at its last session, so long as said Act remains in effect, annually a franchise tax

at the times, in the manner, on the basis and in the amount prescribed by law for domestic corporations. This provision is made for the benefit of yourself, assigns, and successors in ownership of all or any part of the preferred stock to be delivered to you.

In addition to the terms of the Preferred stock as set forth, the following provisions will apply:

1. The amount of Preferred stock to be issued will be \$7,250,000 par value, which will be the entire amount of the Preferred stock.
2. The Union Trust Company, Cleveland, Ohio, will be and/or name the registrar and transfer agent for the Preferred stock.
3. The Holding Company will deliver annually to you on or before March 31,

EXHIBIT U-15-5a

an audited statement setting forth its financial condition, and a statement of its operations for the preceding calendar year. Upon request, you will also be furnished with special statements showing current operations and balance sheets, or, at your option, you may have direct access to all of the corporate records of the Holding Company. The Holding Company will keep the annual audit statements of The McKinney Steel Company in its files, and you shall be given access to them.

4. All expenses in connection with the issuance and delivery of this stock to you will be paid by the Holding Company, such expenses to include the cost of printing and engraving, trustee's fees, and legal expenses.

5. All of the legal proceedings in connection with the organization of the Company, the issuance and delivery of stock, and other pertinent matters, shall be subject to the approval of counsel for The Union Trust Co.

6. Subject to the foregoing, I will deliver to you permanent or temporary certificates for such Preferred shares of the McKinney Steel Holding Company, as soon as possible or practicable at the principal office of The Union Trust Company, in the City of Cleveland, Ohio, upon delivery to me of your said shares of The McKinney Steel Company.

7. In the event that you desire to market the Preferred stock to be received by you in this trade, the provisions hereof shall be available, by assignment, to your assignee, and in such event I will cause the new Company to cooperate in qualifying the stock under the Blue Sky Laws of such states as your assignee may require, and will furnish such financial statements of the Holding Company as may be requested for marketing purposes.

8. Forthwith upon your acceptance of this proposition I will deposit with The Union Trust Company in escrow, the certificates for 40% of the capital stock of The McKinney Steel Company endorsed in blank, and you are to deposit the certificates for 13% of the capital stock of The McKinney Steel Company endorsed in blank, to be held and delivered to the Holding Company pursuant to the provisions of this proposition.

Yours very truly,

(signed) JAMES W. CORRIGAN

Mr. JAMES W. CORRIGAN,  
Cleveland, Ohio

I hereby accept the foregoing proposition and agree to carry out all the provisions thereof on my part to be carried out.

(signed) E. S. BURKE, Jr.

EXHIBIT U-15-6

MAY 13, 1925.

Mr. E. S. BURKE, Jr.,  
Cleveland, Ohio.

DEAR SIR: Referring to your trade of McKinney Steel Common stock for \$7,250,000 par amount of Preferred stock of a corporation to be formed, as evidenced by your agreement with Mr. James W. Corrigan dated May 13, 1925.

Upon delivery at this office, pursuant to that agreement, of a certificate or certificates for such \$7,250,000 par amount of Preferred stock as provided by that agreement, you will endorse and deliver such certificate or certificates to us, and we will purchase the same from you at the price of \$6,500,000, paying you therefor forthwith in cash.

You will at the time of such payment deliver to us an assignment of your rights under your agreement with Mr. Corrigan, above referred to; such assignment to be in form attached hereto.

Yours very truly,

J. R. NUTT, *President*

Copy  
JRN A

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EXHIBIT U-15-7

CLEVELAND, OHIO, *May 15, 1925.*

McKINNEY STEEL HOLDING COMPANY,  
*Wilmington, Delaware.*

GENTLEMEN: This is to acknowledge receipt from you of certificates for Thirteen Hundred and Forty-three and Three-fourths (1,343 $\frac{3}{4}$ ) shares of the capital stock of The McKinney Steel Company. So long as any of the present preferred stock of the McKinney Steel Holding Company is outstanding, these certificates or the certificates subsequently issued in lieu thereof to evidence said Thirteen Hundred and Forty-three and Three-fourths (1,343 $\frac{3}{4}$ ) shares of stock, are to be held by The Union Trust Company as Trustee for safekeeping, and to assure conformity with the preferred stock provisions prohibiting the sale, pledge or otherwise imposing a lien on said stock in The McKinney Steel Company, which are set forth in the Certificate of Incorporation of the McKinney Steel Holding Company.

The Certificates for all of the said stock of The McKinney Steel Company are forthwith to be transferred into and at all times stand in the name of the McKinney Steel Holding Company, except that, upon your order, one (1) share of stock shall from time to time be transferred into the name of each of the persons whom you desire to elect as Directors of The McKinney Steel Company, for the purpose of qualifying such persons as such Directors, it being understood that The Union Trust Company will require such documents as are necessary or proper to protect the beneficial interest of the McKinney Steel Holding Company in the said shares of stock of The McKinney Steel Company so standing in the names of such Directors.

Very truly yours,

THE UNION TRUST COMPANY,  
By (signed) W. J. O'NEILL,  
*Vice President.*

5/19/25 Original delivered to J. H. Watson Jr. by me.

(signed) W. J. O'N.

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EXHIBIT U-15-8

*Cleveland, Ohio, May 16, 1925.*

For value received, I hereby sell, assign, and transfer to The Union Trust Company, Cleveland, Ohio, its successors and assigns, all my right, title and interest in and to the certain contract made by me with James W. Corrigan, under his letter to me dated May 13, 1925 and heretofore accepted by me, it being the intention of this assignment that The Union Trust Company shall succeed to all property, rights and powers which I am now or hereafter may be entitled to under that agreement.

(signed) E. S. BURKE, Jr.

Witness:

(signed) J. R. NUTT.

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EXHIBIT U-15-9

*Cleveland, Ohio, May 13th, 1925.*

Mr. J. R. NUTT,  
*The Union Trust Company, Cleveland, Ohio.*

DEAR SIR: Referring to the thirteen and three-quarters percent. (13 $\frac{3}{4}$ %) interest of the authorized and issued capital stock of The McKinney Steel Company which I have placed in escrow, to be exchanged for \$7,250,000. preferred stock of The McKinney Steel Holding Company, and which the Union Trust Company has agreed to simultaneously with the delivery of said preferred stock

to me to purchase same from me, paying me therefor \$6,500,000. cash; this is to advise you that upon receipt of said \$6,500,000. cash I will pay you a commission equal to two per cent. (2%) of the sale price or \$130,000.00.

Very truly yours,

E. S. BURKE, Jr.

(Exhibits U-15-10 through U-15-10a face this page)

EXHIBIT U-15-11

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

COMPENSATION AND COMMISSIONS RECEIVED BY THE UNION TRUST CO.

Item I. May 16, 1925..... \$130, 000. 00

Above represents a commission of 2% agreed upon in Mr. Burke's contract based on the price received of \$6,500,000.00.

Item II. May 16, 1925..... \$242, 500. 00

Represents a profit taken on the sale of the McKinney Steel Holding Company, 6% Preferred Stock by the Banking Department to the Bond Department.

Item III. Profits taken by the Bond Department:

Purchased from Union Trust Co. for Syndicate Account May 16, 1925 @ 93.

Purchase Group, 93 to 95½

Special Purchase Group, 95½ to 96

Banking Group, 96 to 96½

Selling Group, 96½ to 99½

Union Trust Co. Bond Department

Purchase Group 50,000 shs 2½ points..... \$120, 000. 00

Special Pur. Gr. 35,556 shs ½ " ..... 17, 778. 00

Banking Group 33,556 shs ½ " ..... 16, 778. 00

Selling Group 28,941 shs 3 points less Expenses..... 80, 050. 04

239, 606. 04

Allowances to dealers from our Inventory ..... 1, 205. 21

\$238, 355. 83

There may have been other trading profits made by this Department, but it is rather difficult to allocate them.

(Exhibits U-15-12 through U-15-14a face this page)

EXHIBIT U-15-15

\$7,250,000 MCKINNEY STEEL HOLDING COMPANY SIX PER CENT CUMULATIVE PREFERRED STOCK

Authorized \$7,250,000 Par value \$100 Outstanding \$7,250,000 tax free in Ohio, and dividends are exempt from the present normal Federal income tax.

Dividends payable quarterly on the last days of March, June, September and December in each year. Preferred as to dividends and assets. Redeemable at the option of the Company as a whole or in part on any dividend date upon 30 days' notice, at 105% and accrued dividends.

The Union Trust Company, Cleveland, Ohio, Registrar and Transfer Agent Sinking Fund beginning on or before March 31, 1927, provides for the application annually of 75% of the net earnings for the preceding calendar year, after deduction of taxes and payment of all dividends, on this issue of Preferred Stock, and after the deduction of \$500,000 for dividends on the Common stock of the Company, to the purchase of said Preferred stock at or below the redemption price or redemption at 105 and accrued dividends.



EXHIBIT U-15-10

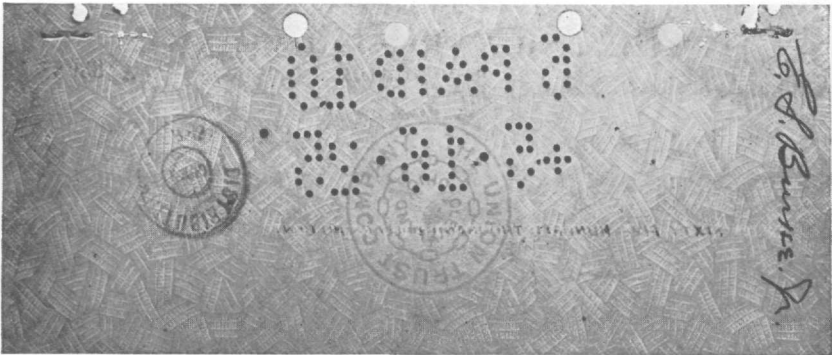


EXHIBIT U-15-10a

**OFFICIAL CHECK**

**THE UNION TRUST COMPANY**

MAIN OFFICE 6-10 No A 83088  
 CLEVELAND, OHIO MAY 16 1925 U-15-12  
 \$42,500

PAY TO THE ORDER OF THE UNION TRUST COMPANY *United Ledger*

EXACTLY TWO HUNDRED FORTY TWO THOUSAND FIVE HUNDRED DOLLARS NO CENTS

*W. Leonard*

MADE BY THE BANK OF AMERICA & CO. NEW YORK TELLER

EXHIBIT U-15-12

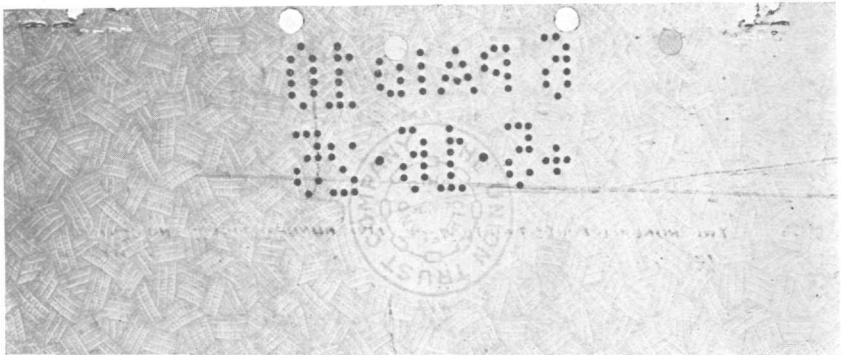


EXHIBIT U-15-12a

*Made*

**THE UNION TRUST COMPANY**

BOND DEPARTMENT  
 WHOLESALE

U-15-13  
 U-113  
 May 16/25

*OC*

*McKinney Steel Holding Co*  
 6% loan *1st Stk.*  
 SYNDICATE ACCOUNT

BOUGHT OF *Union Trust Co.*

\$ *725000* @ *93* \$ *6,747,500*

Int. Mo. days @ %  
 ( ) Total

Interest Dates  
 Numbers

*officer*  
*Chas*  
*9627*

EXHIBIT U-15-13



EXHIBIT U-15-14

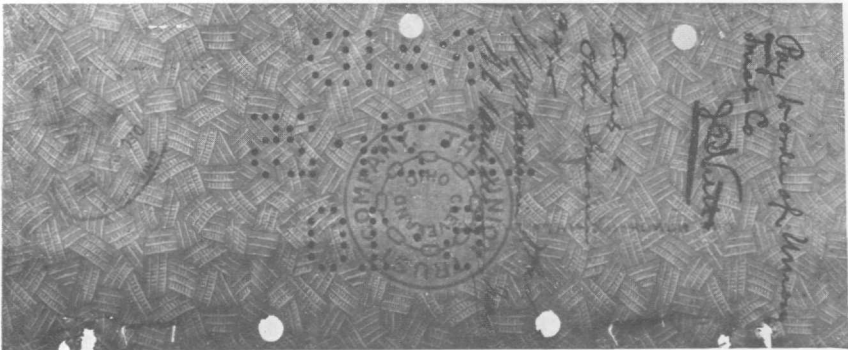


EXHIBIT U-15-14a

Mr. James W. Corrigan, President of McKinney Steel Holding Company, advises as follows:

#### THE COMPANY

"McKinney Steel Holding Company has been incorporated in Delaware for the purpose of acquiring not less than 53¾% of the outstanding capital stock of The McKinney Steel Company. The Holding Company therefore controls one of the most important independent steel companies in the United States, having no bonds or other funded indebtedness. The capitalization of McKinney Steel Holding Company, upon completion of this financing, will be as follows:

	Authorized	Outstanding
Six Per Cent Preferred Stock (this issue) ----	\$7,250,000	\$7,250,000
Common Stock (No Par Value)-----	10,000 shs.	10,000 shs.

The capital and surplus account of the McKinney Steel Company, as of December 31, 1924, according to the audit by Ernst & Ernst, Certified Public Accountants, is \$65,566,882.

Based on this statement, the net value of the Preferred and Common Stocks of McKinney Steel Holding Company is equal to approximately \$35,242,199.

#### THE MCKINNEY STEEL COMPANY

The McKinney Steel Company was founded in 1916, succeeding a business established in 1896, and its principal plants and offices are at Cleveland, Ohio. The Company upon completion of construction now in process, will be a completely rounded unit, with vast ore reserves in the Missabe, Gogebic and Menominee ranges of the Lake Superior District; the Cleveland property includes 4 blast furnaces, 204 by-product coke ovens, and a steel plant consisting of 14 open hearth furnaces, together with finishing mills now under construction, of about 1,000,000 tons annual capacity; 3 blast furnaces located in New York State and Pennsylvania; coal mines in Kentucky, comprising 13,000 acres; docks, terminals, railway equipment, and all other assets necessary to the operation of a large self contained unit in the iron and steel industry.

#### EARNINGS

Based on 53¾% of the net earnings of The McKinney Steel Company, as shown in the Company's annual income reports as prepared by Ernst & Ernst, certified public accountants, for the eight years ended December 31, 1924, after Federal income taxes, the profits applicable to dividends on the stock owned by the Holding Company have averaged \$1,835,963, as contrasted with the maximum annual dividend requirement of \$435,000 on this issue of preferred stock. These profits are equivalent to 4.22 times such dividend requirements.

#### ASSETS

The balance sheet of The McKinney Steel Company as of December 31, 1924, shows that net current assets were \$8,804,754, and that the net tangible assets at the same date were \$65,566,882. The book value of the amount of stock applicable to McKinney Steel Holding Company, is \$35,242,199, equivalent to more than \$486 per share for the Preferred stock."

#### RESTRICTIONS

The Preferred stock will be cumulative, and will be entitled to Par and accrued dividends in the event of involuntary liquidation, and 105% and accrued dividends in the event of voluntary liquidation, before any payment to Common stockholders. The Preferred stockholders shall be entitled to the entire voting power as stockholders of the Company to the exclusion of Common stockholders, in the event that any default in payment of Preferred dividends shall continue for a period of six months or more, and so long as any such default continues. Otherwise the common stock has exclusive voting power.

The Company will not without the affirmative vote or written consent of the holders of two-thirds of the outstanding Preferred stock, (1) create or assume any obligation which would take precedence over the Preferred stock (except for current obligations in the ordinary course of business); (2) sell, hypothecate or place any lien upon all or any part of the shares of stock owned by the Company in another corporation where such owned shares represent a majority or control-



ling interest; (3) vote any such owned shares in favor of a consolidation of any such corporation with any other; (4) authorize or issue any shares of stock on a parity with this issue, or having priority over it.

## TAX EXEMPTION

The Company has elected and agreed to pay each year the applicable Ohio franchise tax, making this stock tax free in Ohio.

All legal proceedings in connection with the authorization and issuance of this stock, have been under the supervision of Messrs. M. B. & H. H. Johnson and Messrs. Tolles, Hogsett, Ginn & Morlev.

All statements relating to assets and earnings have been taken from audits prepared by Messrs. Ernst and Ernst.

We offer this stock for delivery when, as and if issued and received by us, and subject to the approval of counsel. Price: 100 and accrued dividend, to yield 6%.

THE UNION TRUST COMPANY,  
Cleveland.

The statements herein have been accepted by us as accurate but are in no event to be construed as representations by us.

MAY, 1925.

## EXHIBIT U-15-16

Memorandum re The McKinney Steel Holding Company.

During February 1925 Mr. E. S. Burke, Jr. came to my office and stated that he desired to sell his thirteen and three-quarters per cent. (13¾%) interest in The McKinney Steel Company, and that he would like me to personally take charge of and represent him in any negotiations looking to its sale. Mr. Burke stated that he did not want me to do this on account of friendship, but wanted it handled on a business basis, and if agreeable to me he would like it understood, in event I should effect a sale, that he would pay me two per cent. (2%) of sale price for my services.

After considering the matter for a day I reported to Mr. Burke that I was willing to undertake the job, but that as I represented Mr. James Corrigan on The McKinney Steel Company Board he was the only person I could approach, and if Mr. Corrigan was not interested I would have to withdraw.

I 'phoned Mr. John H. Watson and learned that Mr. Corrigan was in the City and arranged a meeting at my office with Mr. Corrigan and Mr. Watson. I did not think it wise, for many reasons, to offer Mr. Burke's stock for sale, but my object in this first meeting was to learn if Mr. Corrigan would be interested in acquiring the Burke interest, and I soon learned he would if it could be financed. Several other conferences followed. Mr. Corrigan, a short time later, returned to Europe, and during his absence Mr. Watson and I were endeavoring to set up a plan for financing the purchase. Mr. Watson conceived and suggested the plan that finally was embodied in The McKinney Steel Holding Company. This plan was presented to and approved by Mr. Corrigan upon his return from Europe early in May 1925.

During one of my meetings with Mr. Watson, before Mr. Corrigan's return, I explained to Mr. Watson my reason for approaching the subject as I had, and now, as we were negotiating upon the question of price, it was understood that I represented Mr. Burke, and he and Mr. Corrigan were representing Mr. Corrigan.

After various negotiations at higher figures, Mr. Burke authorized me to accept the total authorized issue of The McKinney Steel Holding Company preferred stock, amounting to \$7,250,000. (the Holding Company to own fifty-three and three-quarters per cent. (53¾%) of The McKinney Steel Company stock) in payment for his thirteen and three-quarters per cent. (13¾%) interest.

Mr. Burke had previously told me that he desired to market all of this stock, and wanted me to find a purchaser, and after consultation with Mr. Sherwin, I told him I would agree to produce a purchaser at the cash price he had named for the entire block.

## EXHIBIT U-15-16a

I reported to our Discount Committee the deal in brief, and stated that I could buy this \$7,250,000. preferred stock at a price that would enable me to turn it over to our Bond Department at ninety-three (93), and in doing this we

would first have a very nice profit for the Banking Department. This was unanimously approved by every member of the Committee present but no record made.

Within a few days thereafter the deal was concluded. We paid Mr. Burke \$6,500,000. We turned this stock over to the Bond Department for \$6,742,500; holding for Banking Department profits \$242,500.

Mr. Burke gave me his personal check for my two per cent. (2%) or \$130,000., and congratulated me, supposing I had earned this for my personal account, and in order that there should be no false impression I stated to Mr. Burke at the time that I was not earning one dollar of personal profit; that the \$130,000. was an earning for the bank.

Mr. Corrigan was advised beforehand of the commission Mr. Burke had agreed to pay me and also advised it would be treated as a bank earning. Our senior bank officers knew all about this commission as well as several of our directors (not officers) to whom the entire transaction was explained just after it was consummated.

Both Mr. Burke and Mr. Corrigan were very profuse in their thanks to me in bringing this purchase and sale about, and expressed their complete satisfaction with every detail of the transaction.

J. R. NUTT.

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EXHIBIT U-15-17

J. R. NUTT,  
2512 TERMINAL TOWER,  
Cleveland, Ohio, April 19, 1933.

Mr. OSCAR L. COX,  
*Conservator, The Union Trust Company,  
Cleveland, Ohio.*

DEAR MR. COX: I notice by newspaper reports that some question has been raised about transactions between the Union Trust Company, The Corrigan-McKinney Steel Company, The McKinney Steel Holding Company, The Cleveland-Cliffs Iron Company and the Estate of James W. Corrigan and Joseph R. Nutt.

I welcome your most searching investigation. You will find that every transaction between myself personally, and as Chairman of the Union, with the above was in accordance with the best type of banking practice, open and above board and clean in every respect, and that not one dollar of profit ever went directly or indirectly to any officer of the Union Trust Company.

Sincerely yours,

J. R. NUTT.

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EXHIBIT U-15-18

April 21st, 1933.

Mr. OSCAR L. COX,  
*Conservator, The Union Trust Company,  
Cleveland, Ohio*

DEAR MR. COX: Today I saw copy of Mr. Nutt's letter to you in reference to the Corrigan McKinney matters, and wish to confirm the report in all details, with this slight exception: The commission paid by Mr. E. S. Burke was held in the form of a cashier's check and credit to earnings in the bank was deferred until later on in the year. At the time the check was received, credit was deferred because we had under consideration the creation of a pension plan for the benefit of the officers and employees, and we thought possibly this money could be used directly towards that purpose. Before the end of the year, however, that idea was dropped and the amount credited direct to earnings.

Very truly yours,

(Signed) W. M. BALDWIN.

WMB:EMS  
2280 Demington Drive, Cleveland Heights, O.  
[From Nutt's personal files.—M/LP]

## EXHIBIT U-15-19

DILLON, READ & Co.,  
NASSAU & CEDAR STREETS,  
New York, February 6, 1928.

J. R. NUTT, Esq.,  
President, Union Trust Company,  
Cleveland, Ohio

MY DEAR MR. NUTT: Some time ago I had a talk with you regarding McKinney Steel and you were good enough to arrange a meeting for me with Mr. Corrigan.

I understand that Mr. Corrigan recently passed away and that the ownership of the McKinney Steel Company is lodged in certain Trusts with the Union Trust Company and that the stockholders, either direct or beneficiaries of these trusts, are four women, widows of former owners.

We are very much interested in the possibilities of purchasing all or control of the McKinney Steel Company and I would appreciate your advice as to whether there is anything that we can do at the present time to develop the situation. We would be glad to work on this business with you and your associates if the opportunity presents.

With best wishes,  
Very truly yours,

CMM:EHK

CLIFTON M. MILLER.

## EXHIBIT U-15-20

FEBRUARY 8th, 1928.

Mr. CLIFTON M. MILLER,  
c/o Dillon, Read & Company,  
Nassau & Cedar Streets, New York, N.Y.

DEAR MR. MILLER: In reply to your letter of the 6th, wish to say that The Union Trust Company and John H. Watson, Jr., were named as executors and Trustees in Mr. Corrigan's will.

Mr. Corrigan owned 53 $\frac{3}{4}$ % of the stock of the Corrigan, McKinney Steel Company. This stock is deposited with The Union Trust Company as security for an issue of \$7,250,000 of the McKinney Steel Holding Company 6% preferred stock, Mr. Corrigan owning all of the common stock in the Holding Company. Mr. McKinney, at the time of his death, owned 30% of the Steel Company's stock. Andrew Squire and Harry Coulby and Mrs. McKinney are holding this stock as Trustees. 8 $\frac{3}{4}$ % is owned by Mrs. Ross. The balance of 7 $\frac{1}{2}$ % is owned by Mrs. Stevenson Burke, so that, as you see, the entire stock of the Company is owned really by four women.

I think there was a general feeling in the minds of a number of steel men, when they heard of Mr. Corrigan's death, that his holdings in the Steel Company would be on the bargain counter, or that for some reason his stock would have to be sold, this, of course, was not true. We elected Mr. John H. Watson, Jr. as President of the Company to succeed Mr. Corrigan, and we have announced that the property was not for sale, nor did we care to consider any scheme for consolidating it with any other companies. Our plan is to go right ahead and operate the Company. It is in splendid physical condition. Our costs are low, and if there is any business, we believe we will get our share of it and can handle it at a profit.

You can see, however, with the above situation, that the time will come when the property should be sold. In my judgment, it should not be operated any longer than is necessary by trustees. If the time comes when responsible people want to buy it and are willing to pay a fair price for it, personally, I think that it should be sold. In the event that there is ever a sale of the property, The Union Trust Company could not have any interest whatever in the purchase end.

I think the above will probably give you a very clear view of the present situation.

Sincerely yours,

## EXHIBIT U-15-21a

Cleveland, Ohio, March 19, 1930.

THE UNION TRUST COMPANY and  
JOHN H. WATSON, Jr.,

Trustee under the Last Will and Testament of James W. Corrigan, Deceased.

GENTLEMEN: I hereby consent to the sale of the common stock of the McKinney Steel Holding Company owned by the Trust Estate created by the Last Will and

Testament of James W. Corrigan, deceased, upon the following terms and conditions:

The Purchaser is to purchase all of the common stock of the McKinney Steel Holding Company and also the eight and three-fourths per cent (8¾%) of the capital stock of The Corrigan, McKinney Steel Company owned by Parthenia Burke Ross, and is to pay Twenty-nine Million Eight Hundred Eighty-seven Thousand Five Hundred Dollars (\$29,887,500.00) cash, upon tender of certificates evidencing said stock, duly endorsed in blank. Said sum is to be paid as follows: Twenty-four Million One Hundred Fifty-two Thousand Five Hundred Dollars (\$24,152,500.00) pro rata to the holders of the common stock of the McKinney Steel Holding Company, 100/101 of which is to be paid to you as Trustees of the Estate of James W. Corrigan, deceased; Five Million Sixty Thousand Dollars (\$5,060,000.00) to Parthenia Burke Ross, and Six Hundred Seventy-five Thousand Dollars (\$675,000.00) to Messrs. Donald B. Gillies, Henry T. Harrison, James S. McKesson, Edward G. Resch and John H. Watson, Jr., the officers of The Corrigan, McKinney Steel Company, who have been managing its business, and who have rendered valuable special services to the said Trust Estate in connection with the sale above mentioned, in the following amounts respectively, to wit:

## EXHIBIT U-15-21b

To Donald B. Gillies.....	\$50,000.00
To Henry T. Harrison.....	50,000.00
To James S. McKesson.....	50,000.00
To Edward G. Resch.....	25,000.00
To John H. Watson, Jr.....	500,000.00

Any charge, compensation or expense which is necessary or proper in connection with said sale and any income tax which may be imposed on any profits which may be realized by said Trust Estate from said sale, are to be paid out of the corpus of said Trust Estate and not from the income derived from said Trust Estate. The Purchaser is to give you assurance of his (its) intention to continue the employment of Messrs. Donald B. Gillies, Henry T. Harrison and James S. McKesson, Vice-Presidents, and Edward G. Resch, Secretary and Treasurer, of The Corrigan, McKinney Steel Company.

The conditions hereinabove set forth with reference to the sale of the stock owned by Parthenia Burke Ross and with reference to Messrs. Donald B. Gillies, Henry T. Harrison, James S. McKesson, Edward G. Resch and John H. Watson, Jr., are imposed by me in recognition and liquidation of commitments made by my deceased husband, James W. Corrigan, which I deem it my duty to see respected, and the payments to Messrs. Gillies, Harrison, McKesson, Resch and Watson, hereinabove provided for, are to cover compensation for their services hereinabove mentioned.

I enclose herewith formal consent to the sale of the common stock of the McKinney Steel Holding Company owned by the said Trust Estate, which you may deliver to the Purchaser if, as and when, but only if, as and when, the terms and conditions hereinabove set forth are fully performed and complied with.

Very truly yours,

LAURA MAE CORRIGAN.

## EXHIBIT U-15-22a

*Cleveland, Ohio, March 21, 1930.*

THE CLEVELAND-CLIFFS IRON COMPANY,  
*Cleveland, Ohio*

GENTLEMEN: The Union Trust Company represents that it is the duly authorized agent for Mrs. Parthenia Burke Ross and, as such agent, it represents that The Corrigan-McKinney Steel Company has issued and has now outstanding 2,500 shares, and no more, of its common stock, and has no preferred stock or bonds; and that of said outstanding common stock said Mrs. Ross is the owner of 218¾ shares, amounting to 8¾% of the entire outstanding stock of The Corrigan-McKinney Steel Company.

The Union Trust Company and John H. Watson Jr., as trustees under the Last Will and Testament of James W. Corrigan, deceased, represent that The Corrigan-McKinney Steel Company has issued and has outstanding 2,500 shares, and no more, of its common stock, and has no preferred stock or bonds; and that of said outstanding common stock 1343¼ shares, amounting to 53¾% of the entire

outstanding stock of The Corrigan-McKinney Steel Company, are owned by The McKinney Steel Holding Company.

Said trustees further represent that the entire outstanding capital stock of The McKinney Steel Holding Company consists of \$7,250,000 par value of 6% preferred stock, and no more, callable at \$105 per share, and 10,100 shares of common stock, and that there are not outstanding any bonds or other obligations owing by said The McKinney Steel Holding Company. Said trustees further represent that they own 10,000 shares of said common stock of The McKinney Steel Holding Company and that they control and are in position to sell and deliver the other shares of said common stock.

The Union Trust Company and John H. Watson Jr., as trustees under and by virtue of authority conferred by said Last Will and Testament and with the approval of Laura Mae Corrigan and of the Probate Court of Lake County, Ohio and The Union Trust Company as agent for Parthenia Burke Ross, hereby offer to sell and deliver to you, upon the terms hereinafter stated, said 10,100 shares of the common stock of The McKinney Steel Holding Company and said 218¾ shares of the common stock of The Corrigan-McKinney Steel Company, you to pay to The Union Trust Company for their account for all of the aforesaid stock in cash the amount of \$29,887,500.

The Union Trust Company and John H. Watson Jr., as such trustees, from funds now in the hands of said McKinney Steel Holding Company, will immediately deliver to The Union Trust Company for distribution to the preferred stockholders of said holding company an amount in cash sufficient to pay the quarterly dividend payable to such preferred stockholders on March 31, 1930.

Said trustees will leave in the treasury of said steel holding company an amount of cash equal to 80/360ths of the amount of the franchise taxes paid to the State of Delaware for the year 1929, and will also leave in the treasury of said holding company an amount equal to 80/360ths of the franchise taxes paid by said company to the State of Ohio for 1929.

EXHIBIT U-15-22b

The undersigned trustees agree that they will pay and satisfy all existing obligations and indebtedness of the holding company and, if, after providing for said dividends payable to said preferred stockholders of March 31, 1930 and leaving said cash in the treasury for franchise taxes, there shall remain any cash in the treasury of the steel holding company, they will distribute such remainder of cash to the present existing stockholders of said company; but no disposition of any of the other assets of the steel holding company will be made.

The undersigned further agree that they will cause six of the directors of The Corrigan, McKinney Steel Company, or such of them as you may desire, to immediately resign, and in the places of those resigning there will be elected directors whom you may select. They will also cause all of the officers and directors of The McKinney Steel Holding Company to immediately resign, you to choose in their places officers and directors of your selection.

If this proposition is acceptable to you, please endorse your acceptance on the bottom hereof.

THE UNION TRUST COMPANY,  
*Agent for Parthenia Burke Ross.*  
By W. M. BALDWIN,  
*President.*

THE UNION TRUST COMPANY,  
By W. M. BALDWIN,  
*President.*

and  
JOHN H. WATSON, JR.,  
*Trustees.*

MARCH 21, 1930.

I hereby approve the above proposition and consent to such sale on the terms stated.

Laura Mae Corrigan.

MARCH 21, 1930.

The foregoing proposition is hereby accepted.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By S. L. MATHER,

*Vice President.*

## EXHIBIT U-15-23

PROBATE COURT,  
Lake County, Ohio, March 21st, 1930.

In the matter of the Trusteeship of the estate of James W. Corrigan, deceased.  
Compensation allowed

This day this cause came on to be heard upon the application of the Union Trust Company, of Cleveland, Ohio, and John H. Watson, Jr., Trustees under the Last Will and Testament of James W. Corrigan, Deceased, for approval and allowance of the payment of compensation to said John H. Watson, Jr., for special services rendered in connection with the sale therein mentioned, and upon the evidence, and the Court, being fully advised in the premises, finds that Three Hundred Fifty-five Thousand Seven Hundred Two Dollars and Twenty-three Cents (\$355,702.23) is just and equitable compensation to said John H. Watson, Jr., for special services to said Trust in connection with said sale.

It is therefore ordered and decreed that the payment to said John H. Watson, Jr., Trustee of said Trust Estate, for special services rendered in connection with said sale, of the said sum of Three Hundred Fifty-five Thousand Seven Hundred Two Dollars and Twenty-three Cents (\$355,702.23), to be paid only out of the proceeds of said sale, be and it is hereby approved, authorized and allowed.

ADDIE NYE NORTON, *Probate Judge*

(Attached is a "Certificate to Copy of Record " of the Lake County, Probate Court, in Painesville, dated March 21, 1930, signed by Addie Nye Norton, Judge of Probate Court.)

(Information from Estates Trust Department Files)

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 EXHIBIT U-15-24a

3-21-1930.

STATE OF OHIO,  
*Lake County, ss.*

In the probate court—Application  
In re Estate of James W. Corrigan, Deceased.

Now come the Union Trust Company, of Cleveland, Ohio, and John H. Watson, Jr., the duly appointed, qualified and acting Trustees of a certain Trust Fund created by the Last Will and Testament of James W. Corrigan, deceased, and respectfully represent to the Court that, as said Trustees, they hold Ten Thousand (10,000) shares of the common capital stock of the McKinney Steel Holding Company, a Delaware corporation; that under the provisions of the said Will of James W. Corrigan, deceased, said Trustees can sell said stock only with the consent of Laura Mae Corrigan; that said Laura Mae Corrigan has delivered to said Trustees a consent, in writing, to the sale of said common stock, upon the terms and conditions set forth therein, a copy of said consent, marked "Exhibit A," being hereunto attached and made a part hereof; that said consent provides for the payment of certain compensation to Messrs. Donald B. Gillies, Henry T. Harrison, James S. McKesson, Edward G. Resch and John H. Watson, Jr., who have rendered valuable special services to the said Trust Estate in connection with the sale therein mentioned, in the amounts in said consent specifically set forth; that said John H. Watson, Jr., is one of the Trustees of said Trust Estate; that of the said special compensation so provided for in said consent, Four Hundred Eighty Thousand One Hundred Ninety-eight Dollars and One Cent (480,198.01) is payable by said Trust Estate; that your applicants believe that a sale of the said common stock of the McKinney Steel Holding Company, owned by said Trust Estate, upon the terms and conditions set forth in said Exhibit A hereunto attached and made a part hereof, is for the best interests of said Trust Estate and the beneficiaries thereof, and that the portion of the compensation to be paid to Messrs. Donald B. Gillies, Henry T. Harrison, James S. McKesson, Edward G. Resch and John H. Watson, Jr., by the said Trust Estate, for the special services

## EXHIBIT U-15-24b

by them rendered to said Trust Estate in connection with said sale, is just and equitable.

Wherefore, your applicants pray that this Honorable Court authorized a sale of the common stock of the McKinney Steel Holding Company, upon the terms and conditions set forth in Exhibit A hereunto attached and made a part hereof,

and that the payment of the said sum of Four Hundred Eighty Thousand One Hundred Ninety-eight Dollars and One Cent (\$480,198.01) toward the said compensation of said Donald B. Gillies, Henry T. Harrison, James S. McKesson, Edward G. Resch and John H. Watson, Jr., as in said Exhibit A provided for, be approved and authorized by this Honorable Court.

THE UNION TRUST COMPANY,

By \_\_\_\_\_  
and \_\_\_\_\_

*Trustees under the Last Will and Testament of James W. Corrigan, Deceased.*

MARCH 21, 1930.

EXHIBIT U-15-25a

(Copy)

EXTRACT FROM MINUTES OF TRUST COMMITTEE MEETING MARCH 26, 1930 IN RE:  
JAMES W. CORRIGAN ESTATE, SALE OF CORRIGAN MCKINNEY STOCK

At the meeting of March 5, 1930, J. R. Nutt was vested with authority on behalf of The Union Trust Company as one of the executors and trustees under the will of James W. Corrigan, deceased, to negotiate for the sale of the common stock of the McKinney Steel Holding Company, and to consummate said sale if he deemed same advisable. but only with the consent and approval of John H. Watson, Jr., co-trustee and co-executor with The Union Trust Company, and also with the consent and approval of Mrs. Laura Mae Corrigan, who by the terms of said will is required to approve said sale.

Mr. Nutt stated to the Committee that a sale of said stock had been made and payment therefor had been received in cash by the trustee under Mr. Corrigan's will. Mr. Nutt stated to the Committee that the McKinney Steel Holding Company owned 53¾% of the capital stock of the Corrigan, McKinney Company and said holding company had outstanding \$7,250,000.00 of 6% preferred stock redeemable at 105, and 10,100 shares of no par common stock, and that of said common stock the Estate of James W. Corrigan held 10,000 shares. He further stated that the holders of said 100 shares of common stock had consented and joined in said sale and had sold their said common stock on exactly the same terms and conditions as the common stock held by the Corrigan Estate was sold.

He further stated that in making said sale the entire net value for sale purposes of the Corrigan, McKinney Company was taken at \$60,000,000.00 which would have given a value to the 53¾% of Corrigan McKinney Company stock held by the McKinney Steel Holding Company of \$32,250,000.00. From this was deducted the redemption price of the preferred stock which redemption price amounted to \$7,612,500.00 thus giving a sale value to the 10,100 shares of common stock of said holding company of \$24,637,500.00, and that all of said common stock was sold for said last mentioned amount; that said amount so received for all of said common stock was proportioned pro-rata to the holders of said common stock, and that the trustees of the Estate of Mr. Corrigan received for said 10,000 shares of common stock the sum of \$24,393,564.35; that for services rendered in connection with the sale of said common stock held by the Corrigan Estate there had been paid by the trustees of the Corrigan Estate to the following named persons, the following amounts:

John H. Watson, Jr., Trustee under will of Mr. Corrigan.....	\$355, 702. 23
Donald B. Gillies.....	35, 570. 22
Henry T. Harrison.....	35, 570. 22
James S. McKesson.....	35, 570. 22
Edward G. Resch.....	17, 785. 12
Cost of Revenue stamps in addition.....	200. 00
Making a total of.....	\$480, 398. 01

EXHIBIT U-15-25b

and leaving net to the trust estate created by Mr. Corrigan's will the sum of \$23,913,166.34 from which amount however it had been estimated that approximately \$1,600,000.00 would have to be paid to the U.S. Treasury as an income or profit tax.

Mr. Nutt further stated that Mrs. Corrigan had made it a condition to her consent to such sale that the above compensation should be paid; that the entire matter had been submitted to the Probate Court of Lake County, Ohio, and that said Court had approved said sale and had fixed and allotted the payments of said compensation in the amounts above set forth on March 21, 1930.

Mr. Nutt further stated that the holders of said 100 shares of McKinney Steel Holding Company common stock had paid compensations to the above named persons in proportion to that paid by the Corrigan Estate.

On motion duly made, seconded and carried, the sale so made by Mr. Nutt and the payment of compensation as above set forth were ratified and confirmed.

(Information taken from Estates Trust Dept. files.)

EXHIBIT U-15-26

(Copy)

PARTHENIA BURKE ROSS

*Statement of account covering period from March 24, to April 10, 1930, both inclusive*

Receipts 1930:

Mar. 24. Proceeds of sale of 218¾ shares The Corrigan-McKinney Steel Company common stock-----	\$5, 250, 000. 00
Apr. 10. Interest at 2% on daily cash realized balances----	3, 230. 68
	<u>\$5, 253, 230. 68</u>

Disbursements 1930:

Mar. 24. Paid expenses as follows in connection with sale of 218¾ shares The Corrigan-McKinney Steel Co. common stock—	
Revenue Stamps-----	\$4. 38
Compensation for services rendered in matter of sale of 218¾ shares The Corrigan-McKinney Steel Company common stock owned by Parthenia Burke Ross to:	
John H. Watson, Jr.-----	140, 740. 75
Donald B. Gillies-----	14, 074. 08
Henry T. Harrison-----	14, 074. 08
James S. McKesson-----	14, 074. 08
Edward G. Resch-----	7, 037. 01
Apr. 3. Paid to Parthenia Burke Ross by wire transfer thru Federal Reserve Bank of New York for her credit at Fidelity Union Trust Company, Newark, N.J.-----	2, 000, 000. 00
4. Paid to Parthenia Burke Ross by wire transfer thru Federal Reserve Bank of New York for her credit at Fidelity Union Trust Company, Newark, N.J.-----	1, 000, 000. 00
8. Paid to Parthenia Burke Ross by wire transfer thru Federal Reserve Bank of New York for her credit at Fidelity Union Trust Company, Newark, N.J.-----	1, 000, 000. 00
10. Paid to Parthenia Burke Ross by wire transfer thru Federal Reserve Bank of New York for her credit at Fidelity Union Trust Company, Newark, N.J. balance in account including interest-----	1, 063, 226. 30
	<u>\$5, 253, 230. 68</u>



## EXHIBIT U-15-27

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

*Summary of compensation paid for sale of various interests entering into the Cleveland Cliffs purchase of controlling interest in Corrigan McKinney Steel Company*

	Corrigan Estate	M. B. & H. H. Johnson	Parthenia Burke Ross	Total received
John H. Watson, Jr. ....	355,702.23	3,557.02	140,740.75	500,000.00
Donald B. Gilhes. ....	35,570.22	355.70	14,074.08	50,000.00
Henry T. Harrison. ....	35,570.22	355.70	14,074.08	50,000.00
James S. McKesson. ....	35,570.22	355.70	14,074.08	50,000.00
Edward G. Resch. ....	17,785.12	177.87	7,037.01	25,000.00
	480,198.01	4,801.99	190,000.00	675,000.00

See Mrs. Corrigan's letter 3-19-30.

Item I. The Corrigan Estate paid for the sale of 10,000 shares of the McKinney Steel Holding Company, Common Stock.

Item II. M. B. & H. H. Johnson paid for the sale of 100 shares of the McKinney Steel Holding Company, Common Stock.

Item III. Parthenia Burke Ross paid for sale of 218 $\frac{1}{4}$  shares of Corrigan McKinney Steel Company, Common Stock.

## EXHIBIT U-15-28a

\$3,387,500.00.

APRIL 23, 1933.

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company, at its office, Three Million Three Hundred Eighty Seven Thousand Five Hundred and no/100 Dollars, for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes the undersigned, aggregating Fourteen Million Six Hundred Seventy-eight Thousand Four Hundred Forty-seven Dollars and Twenty Cents (\$14,678,447 20) in principal amount, all bearing the same date and equally and ratably secured by an Extension Agreement, dated January 23, 1933, between THE CLEVELAND-CLIFFS IRON COMPANY and THE UNION TRUST COMPANY, TRUSTEE, as amended by Agreement dated April 20, 1933, to which Extension Agreement reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee, and upon which such security may be enforced.

This note is additionally secured as one of a number of notes of the undersigned, aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98), all bearing the same date and secured by an Extension Indenture, dated January 23, 1933, between THE CLEVELAND-CLIFFS IRON COMPANY and THE UNION TRUST COMPANY, TRUSTEE, as amended by Agreement dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee, and upon which such security may be enforced, the Indebtedness represented by this note constituting a part of the Indebtedness therein referred to as "Type B Indebtedness."

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be ac-

NAME: The Cleveland Cliffs Iron Co. *Pld. R.F.C.*

ADDRESS: 20816 DUE 6-23-32 No. 9 9515 DUE 1-23-33  
 No. 7 20816 DUE 9-23-31 No. 10 11049 DUE 4-24-33  
 No. 8 6188 DUE 12-23-32 No. 11 11052 DUE 4-24-33

MEMO: U *Participation at 4 Rates 7/27/31 - In Vault Not cancelled -*

DATE	INTEREST OR DISCOUNT		INTEREST TO	DATE PAID	RATE	INT.	PRINCIPAL		BALANCE
	DISCOUNT	INT. REBATE					DEBIT	CREDIT	
8656444			4-24-30	1932	2 1/2	3387500	3387500	3387500	
3425139			12-23-30			3387500	3387500	3387500	
6925556			3-13-31			3387500	3387500	3387500	
7716563			9-23-31			3387500	3387500	3387500	
5594167			3-23-32		4 1/2	3387500	3387500	3387500	
5104167			6-23-32		6	3387500	3387500	3387500	
5137708			12-23-32		6	3387500	3387500	3387500	
1750208			1-23-33		6	3387500	3387500	3387500	
3425139 4% discount			Jan 23 1933		6	3387500	3387500	3387500	
Note 1712560 4% Non-accrued			Apr 23 1933		6	3387500	3387500	3387500	
45973			Apr 23 1933		6	3387500	3387500	3387500	

EXHIBIT U-15-28c

DATE	PAY OR SHARED	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
3-27-30	500,000	Trust Agreement <del>dated March 23, 1932</del> to Cleveland Cliffs Iron Co. <del>dated March 23, 1932</del> Collateral on Loan		500,000
		100,084shs The Corrigan Mc Kinney Steel Co Com 10,100shs The McKinney Steel Holding Co 100,000shs The Otis Steel Co Com Held In Corporate Trust Dept.		239,041.88
		Participants:		
		Guardian Trust Co., Cleveland		\$1,500,000.00
		Central United National Bank, Cleveland		500,000.00
		Cleveland Trust Company		300,000.00
		Union Trust Company		3,387,500.00
		Bankers Trust Company, N. Y.		4,000,000.00
		Cont. Ill. Bank & Trust Co., Chicago		3,500,000.00
		First National Bank, Chicago		1,000,000.00
		Wm. G. Mather		200,000.00
14,678,447.20		Aggregate principal amount, all bearing the same date and secured by an Extension Agreement dated January 23, 1933, between The Cleveland-Cliffs Iron Co. and The Union Trust Co., Trustee		
14,460,236.79		Amended 4/20/33.		

Received from THE UNION TRUST COMPANY CLEVELAND, Collateral Securities and all other papers in connection with above described loan

DATE

EXHIBIT U-15-28d

NAME *R.F.C.*  
 ADDRESS *Cleveland Co's Iron Company Pledged R.F.C.*  
 No. 6 *78* DUE No. 9 DUE  
 No. 7 DUE No. 10 DUE  
 No. 8 DUE No. 11 DUE  
 MEMO. *U D* *MA 4/10*

E LOAN *II*  
 No. 1 *13219* DUE *7/24/33*  
 No. 2 *13220* DUE *7/24/33*  
 No. 3 DUE  
 No. 4 DUE  
 No. 5 DUE *U-124*  
*U-1528e*

INTEREST OR DISCOUNT										PRINCIPAL		BALANCE
DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT			
<i>Oct 5</i>	<i>137708</i>			<i>7-24-33</i>	<i>5</i>		<i>Apr 22-33</i>	<i>338750</i>			<i>338750</i>	
	<i>103895</i>			<i>7-24-33</i>	<i>5</i>		<i>Apr 22-33</i>	<i>685027</i>			<i>338750</i>	
		<i>141814</i>	<i>Rebate</i>									
	<i>Cash</i>	<i>919</i>	<i>du</i>				<i>July 7-33</i>	<i>181749</i>	<i>521693</i>		<i>2605</i>	
							<i>Rebate</i>	<i>0141814</i>			<i>316932605</i>	

*Division of National and Property taken  
 June 15, 1935, I. J. Fulton, Supt. of Banks*

*X*

Form No. 0 89 5M 3-32

EXHIBIT U-15-28e

cepted by the holder of this note and his endorsees, assignees and transferees unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially in the form of this note, and the principal amount of which shall become and be treated as a part of the Type B Indebtedness of the Company, secured by said Extension Agreement and by said Extension Indenture, if such method of payment of interest is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal amount of the Indentures secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture and/or said Extension Agreement as provided therein respectively.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By W. G. MATHER, *President*.  
CHAS. S. HEER, *Treasurer*.

Due 7/24/33, 13219.

EXHIBIT U-15-28b

THE UNION TRUST COMPANY,  
OSCAR L. COX,  
*Conservator*.  
WILLIAM TOULES,  
*Assistant Conservator*.  
R. S. WILLIAMS,  
*Junior Assistant Conservator*.

(Exhibit U-15-28c through U-15-28e face this page)

EXHIBIT U-15-29

JANUARY 6, 1932.

Mr. T. W. LAMONT,  
c/o J. P. MORGAN & Co.,  
*New York, N.Y.*

DEAR MR. LAMONT: Remembering what you said to me one day when I was in your office, I am enclosing herewith balance sheets of The Cleveland Cliffs Iron Company and The McKinney Steel Holding Company together with accompanying data, showing where The Cleveland Cliffs Iron Company's loans are held and how secured.

You will note under the "Participated Secured Loans" that The Union Trust Company has an interest of \$3,387,500.00. I would like to sell this participation to you under our re-purchase agreement or with our endorsement, which ever you prefer. My thought is that if the Reconstruction Finance Corporation is authorized by Congress, and I believe it will be,—as soon as it is in operation I can place this participation with that Corporation and relieve you of it. I think this is only a matter of a very few weeks.

The indebtedness of The Cleveland Cliffs Iron Company was all created through its purchase in March 1930 of a 62½% interest in The Corrigan, McKinney Steel Company, at a cost of \$37,500,000.00. It assumed \$7,250,000 McKinney Steel Holding Company preferred stock, callable at 105,—amounting to \$7,612,500 and paid the balance \$29,887,500 in cash. According to their statement, The Cleveland Cliffs Iron Co. has evidently used \$5,000,000 of its own cash and has outstanding loans of \$24,887,500 representing the balance. The Cleveland Cliffs Iron Company has been one of our most important and successful concerns for a long period of years.

I shall be glad to know whether the suggestion I have made above appeals to you.

With many kind regards I am  
Sincerely yours,

## EXHIBIT U-15-30a

23 WALL STREET, NEW YORK,  
January 13, 1932.

DEAR JOE: In reference to the Cleveland Cliffs matter: I had one of the men on my staff analyze for me privately this data that you sent on, and what he says is as follows:

"The loan suggested rests for its only security on 62½% of the common stock of the Corrigan McKinney Steel Company, and this lien as to most of this stock is in effect subject to preferred stock of an intermediate company outstanding in the amount of \$7,250,000, calling for annual dividends of \$435,000. The Corrigan McKinney Steel Company is operating at a loss and is not paying any dividends on its common stock but the Cleveland Cliffs Iron Company is itself paying the dividends on the \$7,250,000 holding company preferred stock. To meet its obligation in this respect, it shows total current assets on November 30 of \$15,500,000 and current liabilities of \$4,537,000 outside of special bank loans aggregating \$24,887,000, of which the loan in question is a part. In other words, its total annual requirements for interest at 6% must be around \$1,980,000. Of its quick assets of around \$15,000,000 mentioned above \$8,571,000 consists of inventory, iron ore, pig iron, coal and supplies and about \$7,000,000 other current assets including \$2,000,000 cash, to offset \$4,500,000 current liabilities.

I am most regretful that the firm cannot see its way clear to take over this item, even under the repurchase agreement. It falls too much in the category of dead slow stuff. You know how anxious we are to help in any way that is feasible. We took over your British credit unhesitatingly. We made an arrangement in the Higbie matter that was of relief to the Cleveland banks. We have noted without objection the transfer of deposits from New York to Cleveland in an undue proportion, but in a way that would be of aid to the Cleveland banks;

## EXHIBIT U-15-30b

but this particular item, my dear Joe, is beyond us.

With every good will,  
Sincerely yours,

T. W. LAMONT.

J. R. NUTT, Esq.,  
Union Trust Building, Cleveland, Ohio.

## EXHIBIT U-15-31

To Private Wire Operator, the Union Trust Company, Cleveland, Ohio.

Please Despatch the Following Message:

To Mr. L. O. CARR, Jr.,  
New York, N. Y.

JAN. 13, 1932.

Please deliver following message to Mr. T. W. Lamont care of J P Morgan & Company quote Kindly return Cleveland Cliffs data sent you in my letter January sixth

J. R. NUTT.

## EXHIBIT U-15-32

(Postal Telegraph—The International System—Commercial Cables—All America Cables—Mackay Radio)  
NEW YORK, N. Y., Jan. 9, 1932.

J. R. NUTT,  
Union Trust Bldg.

Will telephone you Monday morning reference your letter sixth.

T. W. LAMONT.

## EXHIBIT U-15-33

(Postal Telegraph—The International System—Commercial Cables—All America Cables—Mackay Radio)  
NEW YORK, N. Y., Jan. 13, 1934.

J. R. NUTT,  
Union Trust Bldg.

I am mailing you tonight the data requested.

T. W. LAMONT.

NAME THE CLEVELAND- CLIFFS IRON CO  
 ADDRESS

BOND | DIRECT  
 | INDIRECT

0-15-50a  
 COLLATERAL LOANS

OLD BALANCE	DATE	NO.	MAKER	ENDORSER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
	1922										
1 280 000 00	7-10	43650			6	10-9	330 000 00	10-9	330 000 00	1 280 000 00	7-10
1 280 000 00	8-25									1 030 000 00	8-25
1 030 000 00	10-9	46463			5	1-8	330 000 00			30 000 00	10-9
1 030 000 00	10-3	46238			5	1-2	700 000 00	12-29	700 000 00	1 030 000 00	10-3
1 030 000 00	10-9	46463			5	1-8	330 000 00	1-8	330 000 00	1 030 000 00	10-9
1030 000 00	12-29										
330 000 00	1-3	49346			5	4-3	700 000 00	3-26 4-3	200 000 00 500 000 00	1030 000 00	1-3-23
1030 000 00	1-8	49543			5	4-9	330 000 00	3-26	330 000 00	1030 000 00	1-8
1030 000 00	3-26									500 000 00	3-26
500 000 00	4-3	55502			5	7-2	500 000 00	7-2	500 000 00	500 000 00	4-3
500 000 00	7-2	57439			5	10-1	500 000 00	10-1	500 000 00	500 000 00	7-2

CLEVELAND CLIFFS IRON CO

EXHIBIT U-15-50a



U-15-50b  
0-15-50b

NAME		ADDRESS		BOND		COLLATERAL LOANS					
				DIRECT	INDIRECT						
OLD BALANCE	DATE	NO.	MAKER	ENDORSER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
500 000 00	10-1	60530			5	12-31	500 000 00	12-31-23	500 000 00	500 000 00	*10-1
500 000 00	12-31									- 0-	*12-31
	1924										
	1-3	63695			5	4-2-24	500 000 00	1-4-24		500 000 00	*1-3-24
								3-21-24	500 000 00		
<del>500 000 00</del>	<del>1-4-24</del>									- 0-	*3-21-24
500 000 00	3-21-24										
	12-31-27	26570			4	DEM	1000 000 00	1-4-28	1 000 000 00	1000 000 00	*12-31-27
1000 000 00	1-4-28									-0-	*1-4-28
	3-21-30	68303			5	9-22-30	14387 500 00	3-22-30	14387 500 00	14387 500 00	*3-21-30
14387 500 00	3-22-30	68320			5	9-22-30	3387 500 00	9-22-30	3387 500 00	3387 500 00	*3-22-30
3387 500 00	9-22-30	76503			4	3-23-31	3387 500 00	3-23-31	3387 500 00	3387 500 00	*9-22-30
3387 500 00	3-23-31	84404			4	9-23-31	3387 500 00	9-23-31	3387 500 00	3387 500 00	*3-23-31
3387 500 00	9-23-31	92112			4 1/2	3-23-32	3387 500 00	9-25-31	3387 500 00	3387 500 00	*9-23-31
3387 500 00	9-25-31									-0-	*9-25-31
	10-8-31	92112			4 1/2	3-23-32	3387 500 00	1-5-32	3387 500 00	3387 500 00	*10-8-31
3387 500 00	1-5-32				4 1/2	3-23-32	3387 500 00	3-29-32	3387 500 00	3387 500 00	*1-5-32
3387 500 00	3-29-32	99346			6	6-23-32	3387 500 00	6-23-32	3387 500 00	3387 500 00	
		99363			6	6-23-32	1000 000 00	6-24-32	1000 000 00	1000 000 00	
		99364			6	6-23-32	1000 000 00	6-24-32	1000 000 00	1000 000 00	
		99365			6	6-23-32	1000 000 00	6-24-32	1000 000 00	1000 000 00	
		99366			6	6-23-32	500 000 00	6-24-32	500 000 00	500 000 00	
6887 500 00	6-23-32	2667			6	9-23-32	3387 500 00	9-23-32	3387 500 00	6887 500 00	*3-29-32
6887 500 00	6-24-32	2687			6	9-23-32	1000 000 00	9-23-32	1000 000 00	6887 500 00	*6-23-32
		2688			6	9-23-32	1000 000 00	9-23-32	1000 000 00	1000 000 00	
		2689			6	9-23-32	1000 000 00	9-23-32	1000 000 00	1000 000 00	
		2690			6	9-23-32	500 000 00	9-23-32	500 000 00	6887 500 00	*6-24-32
6887 500 00	6-27-32	2737			6	9-23-32	35 000 00	9-23-32	35 000 00	35 000 00	
		2738			6	9-23-32	33 875 00	9-23-32	33 875 00	33 875 00	
6956 375 00	9-23-32	6188			6	12-23-32	23387 500 00	12-23-32	3387 500 00	6956 375 00	*6-27-32
		6190			6	12-23-32	500 000 00	12-23-32	500 000 00	500 000 00	
		6191			6	12-23-32	21000 000 00	12-23-32	1000 000 00	1000 000 00	
		6192			6	12-23-32	21000 000 00	12-23-32	1000 000 00	1000 000 00	
		6193			6	12-23-32	1000 000 00	12-23-32	1000 000 00	1000 000 00	
		6194			6	12-23-32	1000 000 00	12-23-32	1000 000 00	1000 000 00	
					6	12-23-32	68 875 00	12-23-32	68 875 00	6956 375 00	*9-23-32
					6	12-23-32	68 875 00	12-23-32	68 875 00	68 875 00	
					Total						

Balance Forward

EXHIBIT U-15-50b

Balance Forward  
FORM 932-24-12-31

NAME CLEVELAND CLIFFS IRON CO  
ADDRESS  
BOND DIRECT  
INDIRECT  
COLLATERAL LOANS

OLD BALANCE	DATE	NO.	MAKER	ENDORSEER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
6956 375 00	12-23-32		9515		6	1-23-33	3387 500 00	2-2	3387 500 00		
			9516		6	1-23-33	500 000 00	2-2	500 000 00		
			9517		6	1-23-33	1000 000 00	2-2	1000 000 00		
			9518		6	1-23-33	1000 000 00	2-2	1000 000 00		
			9519		6	1-23-33	1000 000 00	2-2	1000 000 00		
			9519A		6	1-23-33	68 875 00	2-2	68 875 00		
			9520		6	1-23-33	68 875 00	2-2	68 875 00		
							LIABILITY-----	7025 250 00	ON BOOKS--	6956 375 00	12-23-32
6956 375 00	2-2		11045		6	4-24	1000 000 00	4-25-33	1000 000 00		
			11046		6	4-24	1000 000 00	4-25-33	1000 000 00		
			11047		6	4-24	1000 000 00	4-25-33	1000 000 00		
			11048		6	4-24	500 000 00	4-25-33	500 000 00		
			11049		6	4-24	3387 500 00	4-25-33	3387 500 00		
			11050		6	4-24	68 875 00	4-25-33	68 875 00	(BOOK VALUE)	
			11051		6	4-24	783 45	4-25-33	-0-	(BOOK VALUE)	
			11052		6	4-24	17 125 69	4-25-33	-0-	(BOOK VALUE)	
			11053		6	4-24	17 694 45	4-25-33	-0-	(BOOK VALUE)	
							LIABILITY-----	7078 072 34	ON BOOKS--	6956 375 00	2-2-33
6956 375 00	4-25		13217		6	7-24	68 875 00	12-1-33	68 875 00	Book Value	
			13218		6	7-24	1 00	Do	1	Book Value	
			13219		6	7-24	3387 500 00	7-7-33	218 174 95		
			13220		6	7-24	1 00	12-1-33	316 255 05		
			13221		6	7-24	1000 000 00	12-1-33	1000 000 00	Book Value	
			13222		6	7-24	1000 000 00	Do	1000 000 00		
			13223		6	7-24	1000 000 00	Do	1000 000 00		
			13224		6	7-24	500 000 00	7-7-33	225 420 62		
			13225		6	7-24	1 00	7-7-33	1 455 23		
					6	7-24	70 777 78	12-1-33	ON BOOKS	6956 378 00	4-25-33
							LIABILITY-----	7202 363 01			
6956 378 00	7-7						LIABILITY-----	6755 884 01	ON BOOKS	6512 732 43	7-7-33
										Balance Forward	

CLEVELAND CLIFFS IRON CO



## EXHIBIT U-15-34

JANUARY 14, 1932.

Personal

Mr. T. W. LAMONT,  
23 Wall Street, New York, N.Y.

DEAR TOM: Thank you very much for your letter of the 13th. The man on your staff I think has analyzed the Cleveland Cliffs matter correctly. I am, of course, sorry that you could not use the item in the way I suggested, but I understand the matter perfectly. Be assured I deeply appreciate the careful consideration that you have given it.

With all good wishes believe me as ever  
Faithfully yours,

## EXHIBIT U-15-35a

\$1,000,000.00

APRIL 23, 1933.

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company at its office, One Million and no/100 Dollars for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes of the undersigned aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98) in principal amount, all bearing the same date and secured by an Extension Indenture, dated January 23, 1933, between The Cleveland-Cliffs Iron Company and The Union Trust Company, Trustee, as amended by Agreement, dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee and upon which such security may be enforced, the indebtedness represented by this note being a part of the indebtedness therein referred to as Type A Indebtedness, which aggregates Seven Million Five Hundred Twenty-four Thousand One Hundred Thirty-eight Dollars and Eighty-nine Cents (\$7,524,138.89).

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be accepted by the holder of this note and his endorsees, assignees and transferees, unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially in the form of this note, and the principal amount of which shall become and be treated as a part of the Type A Indebtedness of the Company secured by said Extension Indenture, if such method of payment is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal due 7/24/33

## EXHIBIT U-15-35d

amount of the Indebtedness secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture as provided therein.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By WM. G. MATHER, *President.*  
CHAS. G. HEER, *Treasurer.*  
THE UNION TRUST COMPANY,  
OSCAR L. COX, *Conservator.*  
WILLIAM TOWERS, *Assistant Conservator.*  
R. L. WILLIAMS,  
*Junior Assistant Conservator.*

175541-34-PT 20-21

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially in the form of this note, and the principal amount of which shall become and be treated as a part of the Type A Indebtedness of the Company secured by said Extension Indenture, if such method of payment is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal due 7/24/33

## EXHIBIT U-15-35b

amount of the Indebtedness secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture as provided therein.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By WM. G. MATHER, *President*.  
CHAS. G. HEER, *Treasurer*.  
THE UNION TRUST COMPANY,  
OSCAR L. COX, *Conservator*.  
WILLIAM TOWERS, *Assistant Conservator*.  
R. L. WILLIAMS,  
*Junior Assistant Conservator*.

## EXHIBIT U-15-35c

\$1,000,000.00

APRIL 23, 1933

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company, at its office, One Million and no/100 Dollars for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes of the undersigned aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98) in principal amount, all bearing the same date and secured by an Extension Indenture, dated January 23, 1933, between The Cleveland-Cliffs Iron Company and The Union Trust Company, Trustee, as amended by Agreement, dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee and upon which such security may be enforced, the indebtedness represented by this note being a part of the indebtedness therein referred to as Type A Indebtedness, which aggregates Seven Million Five Hundred Twenty-four Thousand One Hundred Thirty-eight Dollars and Eighty-nine Cents (\$7,524,138.89).

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be accepted by the holder of this note and his endorsees, assigned and transferees, unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

## EXHIBIT U-15-35e

\$1,000,000.00

APRIL 23, 1933.

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company, at its office, One Million and no/100 Dollars for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes of the undersigned aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98) in principal amount, all bearing the same date and secured by an Extension Indenture, dated January 23, 1933,

between The Cleveland-Cliffs Iron Company and The Union Trust Company, Trustee, as amended by Agreement, dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee and upon which such security may be enforced, the indebtedness represented by this note being a part of the indebtedness therein referred to as Type A Indebtedness, which aggregates Seven Million Five Hundred Twenty-four Thousand One Hundred Thirty-eight Dollars and Eighty-nine Cents (\$7,524,138.89).

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be accepted by the holder of this note and his endorsees, assignees and transferees, unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially in the form of this note, and the principal amount of which shall become and be treated as a part of the Type A Indebtedness of the Company secured by said Extension Indenture, if such method of payment is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal

## EXHIBIT U-15-35f

amount of the Indebtedness secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture as provided therein.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By WM. G. MATHER, *President*.  
CHAS. G. HEER, *Treasurer*.  
THE UNION TRUST COMPANY,  
OSCAR L. COX, *Conservator*.  
WILLIAM POWERS, *Assistant Conservator*  
R. L. WILLIAMS, *Junior Assistant Conservator*.

## EXHIBIT U-15-35g

\$500,000.00

APRIL 23, 1933.

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company, at its office, Five Hundred Thousand and no/100 Dollars for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes of the undersigned aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98) in principal amount, all bearing the same date and secured by an Extension Indenture, dated January 23, 1933, between The Cleveland-Cliffs Iron Company and The Union Trust Company, Trustee, as amended by Agreement, dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee and upon which such security may be enforced, the indebtedness represented by this note being a part of the indebtedness therein referred to as Type A Indebtedness, which aggregates Seven Million Five Hundred Twenty-four Thousand One Hundred Thirty-eight Dollars and Eighty-nine Cents (\$7,524,138.89).

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be accepted by the holder of this note and his endorsees, assignees and transferees, unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially

in the form of this note, and the principal amount of which shall become and be treated as a part of the Type A Indebtedness of the Company secured by said Extension Indenture, if such method of payment is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal

## EXHIBIT U-15-35h

amount of the Indebtedness secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture as provided therein.

THE CLEVELAND-CLIFFS IRON COMPANY,  
By WM. G. MATHER, *President*.  
CHAS. G. HEER, *Treasurer*.  
THE UNION TRUST COMPANY,  
OSCAR L. COX, *Conservator*.  
WILLIAM POWERS, *Assistant Conservator*.  
R. A. WILLIAMS, *Junior Assistant Conservator*.

(Exhibits U-15-35i through U-15-37a face this page)

## EXHIBIT U-15-38a

## BAKER, HOSTETLER, SIDLO &amp; PATTERSON

NEWTON D. BAKER  
JOSEPH C. HOSTETLER  
THOMAS L. SIDLO  
ARTHUR C. DENISON  
PAUL PATTERSON  
M. DE VAUGHN  
BENJAMIN F. FIERY  
HOWARD F. BURNS  
RAYMOND T. JACKSON  
WILLIAM H. BEMIS  
CLAYTON A. QUINTRELL  
LOCKWOOD THOMPSON  
JOSEPH R. FAWCETT  
PAUL W. FRUM  
DONALD D. WICK  
JOHN C. MORLEY  
THOMAS J. EDWARDS  
JOHN ADAMS  
SPENCER W. REEDER

UNION TRUST BUILDING

CLEVELAND

(Mr. Wogly: Pls advise & turn over for hearing in court to Mr. Loyd also pls advise Briefs, G. C. 8/7/1p.m.)

AUGUST 7, 1933.

Re Cleveland Cliffs Iron Company

OSCAR L. COX,

*Conservator, The Union Trust Company,  
Cleveland, Ohio.*

DEAR SIR: I am enclosing herewith form of application to Common Pleas Court and form of mutual release between I. J. Fulton, Superintendent of Banks in charge of the liquidation of The Union Trust Company, and The Cleveland Cliffs Iron Company.

This application and this release, as you will observe, cover the matter of the alleged excessive interest charged by The Union Trust Company on The Cleveland Cliffs Iron Company loans. The amount of the credit to be given The Cleveland Cliffs Iron Company under this release and application is \$145,838.22. This does not represent the amount by which the interest received (either by cash or in note) exceeded 8%. As a matter of fact, no interest in excess of 8% was received for any period except that for the ten months from March 23, 1932, to January 23, 1933, and the interest for that period was substantially 8.4%. It is the law in Ohio that parties may contract for any rate of interest up to 8% but not in excess of that amount. If a contract is entered into for interest in excess of 8%, such contract is voidable and upon the question being raised, the creditor is remitted to his legal right to receive 6% interest only. Thus, for the ten months period from March 23, 1932, to January 23, 1933, it is necessary for us to remit all interest in excess of 6%. This amounts to \$145,838.22.

In arriving at the amount to be credited to The Cleveland Cliffs Iron Company it was necessary for us to take into account the commission notes given on June 27, 1932, aggregating \$68,875.00, the commission note given on September 23, 1932, for \$68,875.00, and all interest either in cash or in notes which has been paid upon these two amounts.





**THE UNION TRUST COMPANY**  
CLEVELAND, OHIO

DATE June 27, 1932

\$ 68,875.00

**CREDIT** Other Income

FOR commission paid by the Cleveland Cliffs Iron Company on account of the renewal of notes aggregating \$6,887,500. for three months, said commission being evidenced by two notes of the Cleveland Cliffs Iron Co., one in the amount of \$35,000. and the other in the amount of \$33,875., both dated June 23, 1932, payable three months after date.

OFFSET ENTRY MUST BE DESCRIBED

AUTHORIZED BY *[Signature]*

OFFICIAL APPROVAL

Form No. M-23 20mm 5-31 (This Ticket should be prepared and signed with Ink)

EXHIBIT U-15-36

NAME Committee #2 99363 TIME LOAN II

ADDRESS The Cleveland Cliffs Iron Co. Pledged P.F.C.

No.	DATE	AMOUNT	DATE PAID	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
No. 1	1932	9520	12-23-32	68875	12-23-32	68875		68875
No. 2	1932	9540A	12-23-32	68875	12-23-32	68875		68875
No. 3	1932	1150	12-23-32	68875	12-23-32	68875		68875
No. 4	1932	11921	12-23-32	68875	12-23-32	68875		68875
No. 5	1932	1721875	12-23-32	68875	12-23-32	68875		68875

NOTE: 12/23/32 - 33875 - 7/23/33 - 68875 - commission - Commission 7/23/33 - 1721875 - 12/23/32 Com.

DATE	DISCOUNT	INT. REBATE	INT. RECEIVABLE	INTEREST TO	DATE PAID	RATE	DATE	DEBIT	CREDIT	BALANCE
	35585			1-23-33	12-23-32	6	12-23-32	68875		68875
	35585			1-23-33	12-23-32	6	12-23-32	68875		68875
	15669047			Apr 24 1933	FEB 2 - 1933		JAN 23 1933	137750		
	78345			Apr 24 1933	FEB 2 - 1933		JAN 23 1933	5496875		
	1190			Apr 24 1933	FEB 2 - 1933		JAN 23 1933	78345		68875
	7611510			July 23-33		5	Apr 23-33	1721875		68875
	5147			July 23-33		5	Apr 23-33	359496875		68875

Form No. 0 89 5M 5-32

EXHIBIT U-15-37

DATE	PAR OR SHARES	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
		<del>Total Issue of Notes aggregating not exceeding \$515,850.00 in principal amount, all bearing the same date, and secured by a Pledge Agreement, dated June 23, 1932, between the Cleveland-Cliffs Iron Co. and the Union Trust Co., Trustee, to which Pledge Agreement reference is hereby made for a statement of the security and the terms and conditions under which such security is held by the Trustee and upon which the same may be enforced.</del>		
23 1933	656,761 <sup>76</sup> \$688,588.73	Aggregate principal amount, all dated January 23, 1933, secured by an Extension Pledge Agreement, dated January 23, 1933, between The Cleveland-Cliffs Iron Co. and The Union Trust Co., Trustee <i>(Note dated 1/20/33)</i>		
		RECEIVED		
<small>Received from THE UNION TRUST COMPANY-CLEVELAND, OHIO, Collateral Securities and all other papers in connection with above described loan.</small>				
DATE _____				

EXHIBIT U-15-37a



## EXHIBIT U-15-38b

We requested Mr. Herzog to compute this amount and his computation showed \$145,833.22. The same computation was made by the auditors of The Cleveland Cliffs Iron Company, which resulted in a figure two or three cents larger than Mr. Herzog's. The Cleveland Cliffs Iron Company agreed to accept Mr. Herzog's figures.

I have not yet secured the approval of Mr. Belden who represents The Cleveland Cliffs Iron Company to the release and application enclosed, but I hope to secure it during the day and as soon as I have secured it we can proceed to file the application and secure the order.

I understand that you prefer to have this application granted forthwith and that the court dispense with the publication of notice.

Very truly yours,

HOWARD F. BURNS.

T:2A  
2 enclosures

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 EXHIBIT U-15-39a

ABRAHAM KOLLIN

ATTORNEY-AT-LAW

945 SOCIETY FOR SAVINGS BUILDING

CLEVELAND

FEBRUARY 13, 1934.

Mr. WALTER H. SEYMOUR,  
*Room 614 Hotel Statler, Cleveland, Ohio*

DEAR MR. SEYMOUR: I am herewith enclosing transcript of the testimony of W. J. O'Neill, Vice-President of The Union Trust Company, in connection with the application which was filed by the Liquidator of The Union Trust Company asking for authority of the court to settle an alleged controversy with The Cleveland-Cliffs Iron Company.

This is the matter I spoke to you about when I called at your hotel room and at that time I promised to send you a transcript of Mr. O'Neill's testimony. I call your special attention to that part of the testimony in which Mr. O'Neill testifies that he knew that the transaction was usurious and still did nothing to make it legal.

As I explained to you, the contention of the Liquidator was that by accepting two commission notes of 1% each for an extension of ten months together with the 6% interest which the indebtedness bore, it made the interest 8.4%. The law of Ohio provides that if interest is in excess of 8%, that the lender can collect only 6%. In this particular instance, it is strange that although the bank's attorneys knew that it was usurious as testified to by Mr. O'Neill, that they nevertheless permitted the transaction to go through when it would have been an easy matter to make the interest rate exactly 8% per annum.

As the matter now stands, the court has allowed a credit of over \$145,000.00, which however, I am contesting in an independent suit which I filed against The Union Trust Company and the Superintendent of Banks, and The Cleveland-Cliffs Iron Company.

Trusting that the within enclosure together with the copy of the Application which, I believe, I left with you, will be of service to you in your investigation of the affairs of The Union Trust Company, I remain

Very truly yours,

A. KOLLIN.

AK:K  
ENCL.

## EXHIBIT U-15-39b

## IN THE COURT OF COMMON PLEAS

NO. 393938. APPLICATION FOR AUTHORITY TO SETTLE CONTROVERSY WITH THE  
CLEVELAND-CLIFFS IRON COMPANY

STATE OF OHIO,

*Cuyahoga County, ss.*

(In the matter of liquidation of The Union Trust Company)

TESTIMONY OF W. J. O'NEILL IN THE ABOVE MATTER, TAKEN DECEMBER 29, 1933, IN  
ROOM I, COMMON PLEAS, BEFORE JUDGE CORLETT

Appearances: On behalf of I. J. Fulton: H. F. Burns, esq., of the law firm of Baker, Hostettler, Sidlow & Patterson; and George Young, Esq.; on behalf of Abraham Kollin: Abraham Kollin, Esq.

W. J. O'Neill, called as a witness, and having been first duly sworn, was examined and testified as follows:

Direct examination of W. J. O'Neill by Mr. Young:

Q. Will you give us your name?

A. W. J. O'Neill.

Q. And you were a vice-president of the Union Trust Company?

A. I was.

Q. Were you in that position in March of 1932?

A. Yes, sir.

Q. Did you participate in a certain discussion in connection with the making of arrangements for the loans which were made to the Cleveland-Cliffs Iron Company on March 23, 1932?

A. Yes.

Q. Was there some discussion at that time about this rate of interest, whether or not that interest and thus bonus provisions, would amount to a usurious rate?

A. Yes.

Q. What was that discussion?

A. Well, it took place in the office of Andrews & Belden. Mr. Andrews was, as I remember, there. There were present counsel for the Cleveland-Cliffs Iron Company, Mr. Young and Mr. Patton; one of the counsel for the New York bank, and I think a Mr. Kline as counsel for a Chicago bank and Mr. Bingham represented the Guardian, and myself. The question was raised by the lawyers as to whether or not this was a usurious rate of interest. We all agreed that so far as the Ohio banks were concerned it was. The New York bank took the position that it was a usurious interest, but thought that if the others were favorable it was so far as they were concerned. They wanted to stand on the agreement that have been made by the representatives and the company. The Chicago bank took the same position. The Cleveland banks concluded to go along with them because they were all part of it. As I remember Mr. Kline called up, long distance telephone, called one of the large bankers in New York and discussed the matter with him and was convinced that they wanted to go ahead.

Q. The loan was originally \$25,000,000?

A. Approximately. There were credit extensions, I believe. I don't think I participated in the arrangement for the extensions, but the situation was that these banks all held obligations of the company. There were some participation notes, one Fourteen Million Dollar note which the bank purchased. The aggregate was about Twenty-five Million. They made this arrangement for a ten months extension, or which amounted to an extension.

Q. Your bank, the New York and Chicago Banks?

A. Yes, four large banks. The matter came up, I think, at a time when a note given the bank matured in June. Mr. Mather requested that the banks waive their provision for the 1% commission so called. The bankers discussed the matter and took the position that they had been carrying these loans for a long time at a low rate of interest and they thought they were entitled to it.

Mr. Young. That is all.

Cross examination of W. J. O'Neill by Mr. Kollin:

Q. Did you participate in these conferences after the agreements were signed or before?

## EXHIBIT U-15-39d

- A. I don't understand.
- Q. You said you had a conference in Mr. Beldon's office with the attorneys there?
- A. That was while the agreements were being prepared.
- Q. Well, you were representing the Union Trust?
- A. Well, I was representing the Union Trust Company as Trustee. We were to hold these papers. Therefore, we were participating in the preparation of them.
- Q. Why didn't you make the *interest* smaller so far as the Union Trust Company was concerned when there was so much money involved?
- A. For one thing, I wasn't making the bargain. I was representing the Trustee, the bank, who was making the bargain.
- Q. You represented the Union Trust Company to whom the Cleveland Cliffs Company owed over Six Million Seven Hundred Fifty Thousand Dollars?
- A. Yes; about Six Million.
- Q. You thought it wasn't your duty to do it any other way?
- A. Why, the question was raised among them and Mr. Belden discussed it with them and the position taken was that we should go along on the same basis with the other banks.
- Q. But you had your doubts, not only a doubt, but you thought it was a usurious rate?
- A. I did not have any doubt at all. I was certain it was usurious.
- Q. Still it was permitted to be that way and the banks took that position, did they?
- A. Yes, sir.
- The COURT. Did you take the time to figure out at that time the 8.4?
- The WITNESS. It was obvious if you took a maximum for the period of ten months, 6% plus 2% commission, you would have a usurious rate of interest. If you took it on another basis it would figure 10% a year. It was on the question of the validity of the contracts that the usurious interest was discussed.
- Mr. KOLLIN. That is all.
- Mr. YOUNG. That is all.
- The COURT. Have you anything further?
- Mr. YOUNG. I think that is all we have to submit.
- The COURT. Have you anything further, Mr. Kollin.

## EXHIBIT U-15-39e

- Mr. KOLLIN. No, Your Honor.
- The COURT. Let me have the application.
- Mr. YOUNG. Here it is.
- The COURT. I would suggest that you leave that with the Court and the matter will be marked heard and submitted and decide it right away. I want to get rid of this tomorrow morning.

## EXHIBIT U-15-40a

AUGUST 8TH, 1933.

Subject: Rebate of Usurious Interest on Cleveland-Cliffs Iron Works Notes.

Mr. F. S. CALLANDER,  
*Acting Manager Reconstruction Finance Corporation,*  
*Cleveland, O.*

DEAR MR. CALLANDER: During the writer's incumbency as conservator of this institution, he was advised that a local attorney, having a client who had recently purchased a nominal amount of the stock of the Cleveland-Cliffs Iron Works, had obtained access to the company's books and demanded among other things that it obtain refund from its banking creditors of certain interest claimed to be usurious.

Four of these banks are located in Cleveland, three being state banks, the Cleveland, Guardian and Union Trust Companies, and one being a national bank—the Central United; the others are out of state banks.

Conferences of a committee representing all of the banks were called, at which it developed that the respective counsel uniformly advised as follows:

1. The out of state banks were so located that their respective state laws would apply, and that under these laws the transactions so far as applied to these institutions were not usurious.

2. That as to the three state institutions in Cleveland, the transactions were clearly technically usurious; therefore, these institutions, including ourselves, were without defense.

3. That the Central United National Bank in Cleveland was governed by certain other legal factors which need not be enumerated here.

Acting upon advice of our counsel, which in this matter is Baker, Hostetler, Sidlo & Patterson, represented by Mr. Baker and Mr. Burns, the conservator agreed to immediately allow sufficient credit to reduce the interest rate for the period to 6%, involving a total credit of \$145,838.22. At the request of the company, the effecting of this credit was delayed, and we are only now in position to put it through.

## EXHIBIT U-15-40b

A copy of counsel's letter of August 7th is attached; also, copy of application for Court approval which they have prepared, in filing which we are awaiting your approval or non-approval of the allowance of the credit.

Inasmuch as the obligation to the extent of the amount claimed is believed to be invalid, the writer has from the beginning concurred in the proposed rebate, and makes such recommendation to you.

Very truly yours,

OLC.S  
ENCLS.

OSCAR L. COX,  
*Special Deputy Superintendent of Banks.*

CC to Mr. Frank R. Hanrahan.  
Mr. Ladimer Lustig.

## EXHIBIT U-15-41a

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

THE UNION TRUST COMPANY,  
*Cleveland, Ohio, October 3, 1933.*

OSCAR L. COX,  
*Deputy Superintendent of Banks,  
The Union Trust Company, Cleveland, Ohio.*

DEAR MR. COX: Complying with your request to give you whatever information I have regarding the sale of 10,000 shares of McKinney Steel Holding Company common stock which was owned by the estate of James W. Corrigan, of which estate The Union Trust Company and John H. Watson, Jr. are trustees, desire to say that all negotiations for such sale, up to the time when the sale price was agreed upon, were conducted by Mr. Nutt and Mr. Watson—Mrs. Corrigan, the life beneficiary under said trust, consenting and approving thereto.

You will recall that at the time the said 10,000 shares were sold there was also sold to the same purchaser 100 shares of said common stock owned by the firm of M. B. & H. H. Johnson, and also 218¾ shares of the stock of Corrigan McKinney Steel Company owned by Parthenia Burke Ross.

Immediately after the sale price had been agreed upon Mr. Nutt called me to office, gave me the terms of the sale and asked that I cooperate with Mr. Watson in completing the sale, which I did. The total purchase price for the sale was received by our Estates Trust Department, and all amounts paid out on account of said sale were contained in our Estates Trust Department records, and are, I believe, identical with those contained in your file relating to such sale.

You will note from the copy of letter dated March 19, 1930, written by Mrs. Corrigan to The Union Trust Company and John H. Watson, Jr. trustees, she stipulates as a condition of her consenting to such sale, that there shall be paid to the five persons mentioned in her letter, the total sum of \$675,000.00. This compensation was paid by apportioning same among those interested in the sale as follows:

Corrigan Estate.....	\$480, 198. 01
M. B. & H. H. Johnson.....	4, 801. 99
Parthenia Burke Ross.....	190, 000. 00

## EXHIBIT U-15-41b

My understanding is that Mrs. Corrigan stipulated that said compensation should be paid to said persons for the reason that they had all rendered extraordinary services in greatly improving the financial condition of the Corrigan McKinney Steel Company, thus enabling the estate to realize in such sale a far greater price than could have been obtained had these services not been rendered. I am not certain whether Mrs. Corrigan told me that promises of additional compensation had been made to these persons by Mr. Corrigan during his lifetime and by herself after his death, but it is my recollection that she did make such statement.

While the matter of closing the sale was being agreed on I talked to both Mr. Nutt and Mr. Watson with reference to extra compensation being allowed to The Union Trust Company by reason of such sale, and they both advised me that it had been understood between them and Mrs. Corrigan that no such extra compensation would be claimed. I also know from conversations had with Mrs. Corrigan, that she too understood that no such claim would be made.

At first glance it might appear that if compensation was paid to Mr. Watson then compensation should also have been paid to The Union Trust Company, but as I understand it, Mr. Watson's compensation was based on special services rendered and not that he participated in the actual making of the sale. The time involved in making the sale was comparatively brief, and I believe it was the feeling among those at The Union Trust Company that sale of the stock and the reinvestment of the funds would greatly increase the income of the trust, which increased income would result in increased earnings to the trust company, since it receives for its services as trustee a percentage of the income of the trust.

With reference to the sale of the E. S. Burke, Jr., stock in Corrigan McKinney Steel Company made in the year 1925, wish to say that this sale was made by Mr. Nutt and was handled through our Banking Department, so I have no information regarding it except statements which Mr. Nutt made to me, which are practically identical with those which he made to you.

Yours very truly,

H. D. MESSICK, *Agent.*

This stationery is for inter-department and inter-office use only

## EXHIBIT U-15-42

*September 30th, 1933.*

Mr. Laylin has, at the writer's request, reviewed the correspondence of September 18th and prior with Mr. Snyder and the liquidator's confidential file as to the sale of Corrigan-McKinney Steel Company prepared under date of September 12th, 1933, by Mr. Morton. He has also read memorandum of the writer's interview of September 29th with Mr. Nutt.

Mr. Laylin gives the verbal opinion that it appears we would be estopped from claiming fees in connection with this sale on the ground that the payments made to Mr. Watson and others were specified by our trustor and later approved by the Court. It is noted these fees were represented as covering not only whatever service had been rendered in connection with the sale of the trustor's stock, but more particularly a long period of services to herself and her husband for which she desired to show appreciation and provide some generous recompense.

He is also influenced by the representations of Mr. Messick and Mr. Nutt that the bank felt at the time it could not properly charge for its services, and that it was generally understood between all parties that no such charge would be made. A factor bearing on this is that from the standpoint of handling the trust, the bank anticipated a substantial profit and as of the near future realized it. In other words, it appears that the whole transaction was carried through and completed in accordance with the commitments and understanding with The Union Trust Company at that time.

This appears to us to be an effort to earn an attorney's fee, rather than an effort to serve The Union Trust Company, either by Mr. Snyder or his reputed clients and associates. It is felt that it may be constructive to hold Mr. Snyder to our request that he evidence good faith by facilitating our investigation of his original claim through supplying the names of the directors and officers who

he stated had requested Mr. Nutt to turn over a certain million dollar fee. See Mr. Snyder's letter of April 19th, 1933.

OLC.S

OSCAR L. COX,  
*Special Deputy Superintendent of Banks.*

EXHIBIT U-15-43a

SNYDER, THOMSEN, FORD, SEAGRAVE & ROUDEBUSH,  
ATTORNEYS AT LAW,  
NINTH FLOOR THE WILLIAMSON BUILDING,  
Cleveland, Ohio, April 19, 1933.

To OSCAR L. COX,  
*Conservator of and for The Union Trust Company, an Ohio Banking Corporation, of Cleveland, Ohio;*

IRA J. FULTON,  
*Superintendent of Banks in and for the State of Ohio, and said The Union Trust Company.*

We represent Zella G. Olmsted who owns one hundred (100) shares of the capital stock of The Union Trust Company, of Cleveland, Ohio, and also represent other owners of a large number of shares of said stock. On behalf of each and all of such stockholders, we present the facts and request the action thereon hereinafter indicated:

On or about March 21, 1930, while Joseph R. Nutt was the ranking active officer of The Union Trust Company, under salary, he negotiated for the owners, one of which was The Union Trust Company, Trustee, the sale to the Cleveland Cliffs Iron Company for Thirty Million Dollars (\$30,000,000.00) of certain stocks of The Corrigan-McKinney Steel Company and The McKinney Steel Holding Company, and as a part of the transaction, said Nutt negotiated for The Cleveland Cliffs Iron Company a loan of Twenty-five Million Dollars (\$25,000,000.00), approximately Seven Million Dollars (\$7,000,000.00) of which was made by The Union Trust Company, the greater part of which is still outstanding; and in connection with said transaction, we understand said Joseph R. Nutt received a sum or sums of money approximating One Million Dollars (\$1,000,000.00), which money we believe properly and legally belonged to The Union Trust Company, but which said money said Nutt claimed and retained and still retains notwithstanding he was requested by certain officers and directors of The Union Trust Company to turn or pay over same to The Union Trust Company.

On behalf of said Zella G. Olmsted and other stockholders, we request that you forthwith bring an action in the Court of Common Pleas of Cuyahoga County, or other proper court, in the name of The Union Trust Company, or other name, if you so decide, against Joseph R. Nutt, for a full accounting of said transaction, and particularly the sums of money received and retained by him, which properly and legally belonged to The Union Trust Company, and seeking a restitution and return of such money to The Union Trust Company by said Nutt, all for the benefit of the creditors and stockholders of said The Union Trust Company.

EXHIBIT U-15-43b

If such action is not brought or caused to be brought by you, we will institute such action in the name of Zella G. Olmsted on behalf of and for the benefit of The Union Trust Company, its creditors and stockholders.

Very Respectfully,

SNYDER THOMSEN FORD SEAGRAVE & ROUDEBUSH  
and STEEL & CLASS,

By ALONZO M. SNYDER

*Attorneys for Zella G. Olmsted and other stockholders.*

AMS:BVW

RECEIVED this ----- day of April, 1933, three (3) copies of the foregoing, and the request therein made is declined.

## EXHIBIT U-15-44

OCTOBER 21st, 1933

At my request, Mr. John H. Watson called. He has received Mr. Snyder's letter of September 19th, which he has ignored. He has also advised Mrs. Ross' brother that Mrs. Ross could appropriately ignore Mr. Snyder's communications.

The following information was given by Mr. Watson, and will he says, agreeable to my request, be confirmed by letter:

1. Prior to Mr. Corrigan's death, Mr. Watson was his attorney and personal friend and went to the Corrigan-McKinney Co. as its secretary, but practically as the first assistant in charge.

2. When Mr. Corrigan died, he took charge of and operated the company at the request of Mrs. Corrigan and Miss Burke (now Mrs. Ross).

3. The company was very heavily in debt, but in two years had reversed its position. The purpose of Mrs. Corrigan and Miss Burke was to get the property in shape to sell as soon as a two-year period had elapsed, and a general understanding has been that in proportion as this sale was favorable, the key executives would be specifically rewarded.

4. Sale to the Cleveland-Cliffs was consummated; a cash offer for practically the same sum had been received from another source which indicated that the management of the business would be taken away from Cleveland. To avoid this loss of business in Cleveland, negotiations were instituted with the Cleveland-Cliffs.

5. Mrs. Corrigan was in position to block any sale, and stipulated that certain rewards should be paid to the key employees, which was done, as outlined in a court decree.

6. It was definitely understood that no fees were to be paid to The Union Trust Company in connection with this sale, and it is Mr. Watson's judgment that The Union Trust Company actually did little more than afford a contact, from the standpoint of civic interest, between the company and Cleveland-Cliffs; at any rate, he feels it was definitely understood by all parties and, he thinks, by the Court, that The Union Trust Company was not seeking a commission on the sale, nor that if it had, that Mrs. Corrigan would have assented.

O.L.C.S

O. L. C.

## EXHIBIT U-15-45

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

SEPTEMBER 12, 1933.

Mr. OSCAR L. COX,  
*Special Deputy Superintendent of Banks,  
Cleveland, Ohio*

DEAR MR. COX: As requested I am attaching hereto pertinent information pertaining to the McKinney Steel deal, in particular, to the payment or non-payment of a commission to Mr. J. R. Nutt or The Union Trust Company as set forth in a letter of September 7, 1933 from the law firm of Snyder, Thomsen, Ford, Seagrave & Roudebush.

This deal had two definite steps, first being the acquisition from E. S. Burke, Jr. of 13 $\frac{3}{4}$ % of the outstanding capital stock of the McKinney Steel Company for James W. Corrigan. This was accomplished by formation of the McKinney Steel Holding Company in 1925 in which there was a total of \$7,250,000.00 of Preferred Stock issued and 10,100 shares of Common Stock. The Preferred Stock was underwritten by The Union Trust Co. Bond Department and from the proceeds there was paid to Mr. E. S. Burke, Jr., the sum of money as set forth in his contract. This left the Estate of James W. Corrigan 10,000 shares of McKinney Steel Holding Company, Common Stock and the firm of M. B. & H. H. Johnson, Attorneys who handled the deal for James W. Corrigan 100 shares.

The next (second) step was a sale of the Common Stock above mentioned and the acquisition of 208 $\frac{3}{4}$  shares of the Common Stock of the Corrigan McKinney Steel Company from Parthena Burke Ross in 1930.

I am attaching hereto a copy of each of the contracts which are in our files together with other representative correspondence and photostatic copies of the ledger sheets from our Trust Department showing the disbursement of funds

received in payment of the sale of the controlling interests in the Corrigan, McKinney Steel Company to the Cleveland Cliffs Iron Company.

I am also attaching a summary of the commissions received by The Union Trust Company for its part in these transactions, also summary of the compensation paid by each of the three interests entering into the second part of this deal; that is the sale to the Cleveland Cliffs Iron Company.

From the contracts in our file covering these various transactions, I find that The Union Trust Company has received and has had credited to its Earning Account, all the compensation called for in the agreements.

I am also attaching a schedule showing the fees collected by The Union Trust Company as Co-Trustee under the will of James W. Corrigan.

Respectfully submitted.

O. C. MORTON.

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EXHIBIT U-15-46a

Copy

TERMS AND PROVISIONS OF PREFERRED STOCK

1. The holders of the preferred stock shall be entitled to receive, when and as declared by the Board of Directors, out of the surplus of net profits of this Company, cumulative dividends at the rate of Six Per Cent (6%) per annum, and no more, payable quarter-yearly, on the last day of March, of June, of September and of December in each year, before any dividend shall be set aside or paid on the common stock. The dividends on said preferred stock shall accumulate from the day of issue.

2. In the event of any involuntary liquidation, dissolution or winding up of this Company, the holders of the preferred stock shall be entitled to be paid in full the par value thereof and all accumulated and unpaid dividends thereon, before any payment or distribution is made to the holders of the common stock; and the remaining assets and property shall belong to and be divided among the holders of the common stock. In the event of any voluntary liquidation, dissolution or winding up of this Company, the holders of the preferred stock shall be entitled to be paid all accumulated and unpaid dividends thereon plus One Hundred and Five Per Cent (105%) of the par value of said preferred stock, before any payment or distribution is made to the holders of the common stock; and the remaining assets and property shall belong to and be divided among the holders of the common stock.

3. The holders of the preferred stock shall have no voting powers whatsoever, nor shall they be entitled to notice of any meetings of the stockholders of this Company; provided, however, that if this Company shall fail to pay any dividend on the preferred stock when payable as above provided, and if such default shall have continued for the period of six (6) months or more, then the holders of said preferred stock shall have the entire voting power as stockholders of the Company to the exclusion of the common stockholders, and be entitled to notice of any and all stockholders' meetings until (and only until) all such defaults shall have been cured.

4. This Company may, at one time or from time to time, purchase and retire any part or all of said preferred stock, at any time, upon such terms and conditions as the Board of Directors may determine and as may be satisfactory to the owners of the stock to be purchased; provided, however, that the purchase price of said preferred stock shall not exceed the sum of the accumulated and unpaid dividends thereon plus One Hundred and Five Per Cent (105%) of the par value of said stock. This Company shall have the right, at one time or from time to time, at any dividend paying date, to redeem and retire any part or all of said preferred stock, paying therefor the sum of all accumulated and unpaid dividends thereon plus One Hundred and Five Per Cent (105%) of the par value thereof. In case less than all of said outstanding preferred stock shall be redeemed and retired as provided in the preceding sentence, the preferred stock so to be redeemed and retired, shall be chosen by lot in such manner as the Board of Directors shall

EXHIBIT U-15-46b

McKinney Steel Holding Co.

determine. The holder of any of the preferred stock, by his acceptance of the certificate therefor, shall be deemed to have agreed that all or any part of the preferred stock of this Company may be redeemed or purchased and retired as above provided, and, further, that he will, at any time, upon thirty (30) days'



notice mailed to his last known post-office address, surrender the certificates and all of the shares represented thereby, so redeemed, to this Company, at the office designated by this Company in such notice, upon payment, at said office, of the redemption price as above provided, and that after the date named in such notice, the holder of the shares so redeemed shall not be entitled to receive any dividends thereon.

5. Until all of said preferred stock shall have been retired, this Company will on or before March 31, 1927, and on or before the 31st day of March of each year thereafter, apply to the purchase and retirement or redemption and retirement of said preferred stock not less than Seventy-five Per Cent (75%) of its net earnings for the calendar year ending on the 31st day of the preceding December, remaining after reduction of all taxes, including income and profits taxes, accrued to said 31st day of December, and after deduction and payment of all dividends accrued to said 31st day of December on the preferred stock of this Company, and after deduction of the sum of Five Hundred Thousand Dollars (\$500,000.00) for dividends on the common stock of this Company. No stock retired under the provisions of this paragraph, or redeemed under the provisions of paragraph 4 hereof, shall thereafter be reissued.

6. Except with the affirmative note or written consent of the holders of two-thirds (2/3) of the then outstanding preferred stock of this issue, this Company shall not (1) create or assume any obligation or lien which would take precedence as to assets or earnings over this preferred stock, provided, however, that this provision shall not restrict or prevent the incurring of ordinary obligations or indebtedness or current borrowings by this Company; or (2) place any lien upon or hypothecate or sell all or any part of the shares of stock owned by this Company in another corporation, where such owned shares represent a majority or controlling interest in such other corporation, provided however that this provision shall not restrict the right of this Company to deposit any such owned shares in trust for safe-keeping and/or to secure performance of the terms of this preferred stock; or (3) vote any such owned shares in favor of a consolidation (in whatever form, whether of merger, purchase, sale or otherwise) of any such corporation with any other; or (4) authorize or issue any shares of stock on a parity with this issue or having priority over it.

J. W. C.  
E. S. B. Jr.

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EXHIBIT U-15-47

COPY

EXTRACT FROM MINUTES OF TRUST COMMITTEE MEETING MARCH 5, 1930

In re: Corrigan Estate

The officers reported to the Committee that certain negotiations had been had looking toward the sale of the common capital stock of the McKinney Steel Holding Company held in the James W. Corrigan Estate, of which estate The Union Trust Company and John H. Watson, Jr., are executors and trustees, and sale of which stock can only be made by said executors and trustees subject to the approval of Mrs. Corrigan. The Officers further stated that a situation might develop which would make it very advisable to immediately close a sale of said stock.

On motion duly made, seconded and carried, the matter of the sale of said stock was referred to J. R. Nutt, with authority on behalf of The Union Trust Company, as executor and trustee as aforesaid to continue negotiations for the sale of said stock and to close such sale subject however to the approval of Mr. Watson and Mrs. Corrigan.

(From Estates Trust Files.)

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EXHIBIT U-15-48

COPY

EXCERPT FROM A LETTER WRITTEN BY JOHN H. WATSON, JR., TO MRS. JAMES W. CORRIGAN, DATED OCTOBER 14, 1930

The sale of the Corrigan interest in The Corrigan, McKinney Steel Company was made on the basis of a net valuation of \$60,000,000.00 for the Steel Company. The McKinney Steel Holding Company held 53¼% of the capital stock of The

Corrigan McKinney Steel Company. Fifty-three and three quarters per cent of \$60,000,000.00 is \$32,250,000.00. There was \$7,250,000.00 par value of preferred stock of the McKinney Steel Holding Company outstanding, which is retirable at 105. The cost of retiring the preferred stock is consequently \$7,612,500.00, leaving \$24,637,500.00 valuation to the McKinney Steel Holding Company common stock. There were 10,100 shares of McKinney Steel Holding Company common stock outstanding, of which 100 shares were owned by M. B. and H. H. Johnson and 10,000 shares by the Corrigan Estate. Ten Thousand-Ten Thousand One Hundredths of \$24,637,500.00 or \$24,393,564.35 was consequently the gross proceeds of the sale of the common stock of the McKinney Steel Holding Company owned by the Trustees of the Corrigan Estate, as set forth in my letter of August 15, to you.

(From Estates Trust Files.)

(This is an excerpt taken from a 7 page letter in which only the paragraph quoted is pertinent to the situation. The other items contained in the letter were purely personal.)

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EXHIBIT U-15-49

*Cleveland Cliffs Iron et al., Patterson Busby Ross Acct.*

PARLAND HOUSE,  
Madison, New Jersey, 4-3-30.

MY DEAR MR. NUTT: My mother has told me of the details in connection with the sale of the Corrigan Estate stock and my stock in the Corrigan-McKinney Steel Company. I wish to congratulate you on the brilliant way in which you handled this negotiation and the successful outcome. I thank you sincerely and am very grateful to you for the benefits that have come to me through your splendid efforts.

I am very happy that this sale has been consummated, especially as it does and should bring benefits to every one interested in any way.

Again with sincere thanks, grateful appreciation of your interest, and congratulations on the brilliant result. I am

Sincerely yours,

PARTHENIA BURKE ROSS.

April the third, 1930.

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(Exhibits U-15-50a through U-15-51 face this this page)

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EXHIBIT U-15-52

MAY 6, 1925.

Mr. J. R. NUTT,  
*Cleveland, Ohio.*

DEAR SIR: I understand it is proposed to organize an Investment Company to own fifty-three and three-quarters percent. (53 $\frac{3}{4}$ %) of the authorized and issued capital stock of The McKinney Steel Company.

This Investment Company to be capitalized as follows: \$8,500,000 PV 6% cumulative preferred stock. The balance of the capitalization to be represented by non par shares of common stock.

I own thirteen and three-quarters percent. (13 $\frac{3}{4}$ %) of The McKinney Steel Company stock, which percentage is included in that mentioned above, and I authorize you, in my behalf, to turn over to the Investment Company my entire holdings in exchange for \$8,500,000, being the entire amount of preferred stock to be authorized and issued. I understand that such preferred stock is to be issued under the terms and provisions, substantially, in accordance with the memorandum attached.

This letter will serve as your authority exclusively to represent me in this transaction and is given to you personally. This authority is good until noon Saturday, May 16th, 1925.

Very truly yours,

(Signed) E. S. BURKE, Jr.

Mr. E. S. BURKE, Jr.,  
*Cleveland, Ohio.*

THE UNION TRUST COMPANY  
CLEVELAND  
REGISTER OF OFFICIAL CHECKS

DEPARTMENT *Series a*

DATE ISSUED	PAYABLE TO	PURCHASED BY	NO.	AMOUNT	DATE PAID
	THE UNION TRUST CO.	<i>John A. McManis</i>	1	100	JUL 1 1895
	<i>Harry Hammond</i>	<i>Bairson</i>	2	250	MAY 1 1895
		<i>(Cash) (Deposits)</i>	3	200	MAY 1 1895
	<i>Laborer of Allen Street Fund</i>	<i>W. B. Burt</i>	4	220	JUN 3 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	5	4120	MAY 1 1895
	<i>W. B. Burt</i>	<i>W. B. Burt</i>	6	130	MAY 1 1895
		<i>W. B. Burt</i>	7	400	MAY 1 1895
	<i>Robert Langston Child</i>	<i>Tat Poond</i>	8	178	MAY 1 1895
	<i>Hotel &amp; Sal. Free</i>	<i>W. B. Burt</i>	9	83.51	JUN 1 1895
	<i>W. B. Burt</i>	<i>W. B. Burt</i>	10	185.2	MAY 1 1895
	<i>W. B. Burt</i>	<i>W. B. Burt</i>	11	11.7	MAY 1 1895
	<i>Kayden Miller Co.</i>	<i>W. B. Burt</i>	12	10	MAY 1 1895
	<i>Edwards &amp; Wyatt Co.</i>	<i>Tony Kane</i>	13	25	MAY 1 1895
	<i>Sister of Charity</i>	<i>Mark M. M. M.</i>	14	120	JUN 5 1895
	H. A. TAYLOR, POST-MASTER	<i>W. B. Burt</i>	15	150	MAY 1 1895
	THE CLEVELAND TRUST CO.	<i>W. B. Burt</i>	16	50	MAY 1 1895
	<i>Guardian Tr. Co.</i>		17	2020.27	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	18	1125.04	MAY 1 1895
	<i>W. B. Burt</i>	<i>W. B. Burt</i>	19	2500	MAY 1 1895
	<i>W. B. Burt</i>	<i>W. B. Burt</i>	20	2913	MAY 2 1895
		<i>W. B. Burt</i>	21	750	MAY 2 1895
	H. A. TAYLOR, POST-MASTER	<i>W. B. Burt</i>	22	1270	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	23	4226.44	MAY 1 1895
	<i>W. B. Burt</i>		24	387	MAY 1 1895
	<i>W. B. Burt</i>		25	666.99	MAY 1 1895
	<i>W. B. Burt</i>		26	3416	MAY 1 1895
	<i>W. B. Burt</i>		27	100	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	28	100	MAY 1 1895
	<i>W. B. Burt</i>		29	9700	MAY 1 1895
	<i>W. B. Burt</i>		30	2140.05	MAY 1 1895
	<i>W. B. Burt</i>		31	100	MAY 1 1895
	<i>W. B. Burt</i>		32	100	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	33	67	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	34	1800	MAY 1 1895
	<i>W. B. Burt</i>		35	3009.2	MAY 1 1895
	<i>W. B. Burt</i>		36	890	MAY 1 1895
	<i>W. B. Burt</i>		37	6902	MAY 1 1895
	<i>W. B. Burt</i>		38	507	MAY 1 1895
	<i>W. B. Burt</i>		39	15247.25	MAY 1 1895
	<i>W. B. Burt</i>		40	6689.83	MAY 1 1895
	<i>W. B. Burt</i>		41	350.14	MAY 1 1895
	THE UNION TRUST CO.	<i>W. B. Burt</i>	42	4608.15	MAY 1 1895
	<i>W. B. Burt</i>		43	20	MAY 2 1895
	<i>W. B. Burt</i>		44	7	MAY 2 1895
	<i>W. B. Burt</i>		45	100	MAY 1 1895
	<i>W. B. Burt</i>		46	100	MAY 1 1895
	<i>W. B. Burt</i>		47	100	MAY 1 1895
	<i>W. B. Burt</i>		48	300	MAY 1 1895
	<i>W. B. Burt</i>		49	230	MAY 1 1895
	<i>W. B. Burt</i>		50	1000	MAY 1 1895

EXHIBIT U-15-51

for such preferred stock of the Investment Company as you receive at the price of \$7,000,000 cash, less 2% (\$140,000) commission.

Yours very truly,

(Signed) J. R. NUTT.

From Nutt's personal files.

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EXHIBIT U-15-53

CLEVELAND, OHIO, *May 1, 1925.*

J. R. NUTT,  
*Cleveland, Ohio.*

DEAR SIR: I own 13¾% of the authorized and issued capital stock of The McKinney Steel Company which I give you exclusive authority to sell for Seven Million Dollars (\$7,000,000.00).

If sold I will pay you a commission from the proceeds of sale of 2% of sale price.

This authority is to you personally and good until June 15th, 1925, 12:00 o'clock noon.

It is understood that you may yourself purchase or be interested in the purchase of the stock, and shall, in that event, be entitled to the commission stated.

Very truly yours,

(initialed) E S B Jr.

From Nutt's personal files.

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EXHIBIT U-15-54

THE UNION TRUST COMPANY,  
*Cleveland, Ohio, May 13, 1925.*

Mr. E. S. BURKE, Jr.,  
*Cleveland, Ohio.*

DEAR SIR: Referring to your trade of McKinney Steel Common stock for \$7,250,000 par amount of Preferred stock of a corporation to be formed, as evidenced by your agreement with Mr. James W. Corrigan dated May 13, 1925.

Upon delivery at this office, pursuant to that agreement, of a certificate or certificates for such \$7,250,000 par amount of preferred stock as provided by that agreement, you will endorse and deliver such certificate or certificates to us, and we will purchase the same from you at the price of \$6,500,000, paying you therefor forthwith in cash.

You will at the time of such payment deliver to us an assignment of your rights under your agreement with Mr. Corrigan, above referred to; such assignment to be in form attached hereto.

Yours very truly,

(Signed) J. R. NUTT, *President.*

From Nutt's personal files.

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EXHIBIT U-15-55

CLEVELAND, OHIO, *May 13, 1925.*

Mr. J. R. Nutt,  
*The Union Trust Company,  
Cleveland, Ohio.*

DEAR SIR: Referring to the thirteen and three-quarters percent (13¾%) interest of the authorized and issued capital stock of The McKinney Steel Company which I have placed in escrow, to be exchanged for \$7,250,000 preferred stock of The McKinney Steel Holding Company, and which The Union Trust Company has agreed to simultaneously with the delivery of said preferred stock to me to purchase same from me, paying me therefor \$6,500,000 cash; this is to advise you that upon receipt of said \$6,500,000 cash I will pay you a commission equal to two percent (2%) of the sale price or \$130,000.00.

Very truly yours,

(Signed) E. S. BURKE, Jr.

From Nutt's personal files.

## EXHIBIT U-15-56

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

*Geo. T. Bishop, Syndicate Manager*—\$573,038.09

The syndicate is composed of several companies which were formerly under the control of Cyrus S. Eaton. It was formed to purchase stock interest in the Cleveland Cliffs Iron Company. This loan is a participation in a loan of \$1,895,-363.14 which was held by the Cleveland Trust Company and is secured by preferred stock of the Cleveland Cliffs Iron Company and common stock of the Cliffs Corporation. The present market value of these stocks is less  $\frac{1}{2}$  of the amount advanced. It is believed however, that the intrinsic value of the stocks held is sufficient to eventually take care of the obligation. \$400,000.00 of the loan has been classed as undetermined at this time.

## EXHIBIT U-15-57

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

*Cleveland Cliffs Iron Company*—\$6,956,375.00

These loans are participations in loans totaling approximately \$25,000,000.00 which money was originally used to acquire the business and properties of the Corrigan McKinney Steel Company. They are secured by a pledge of stock of practically all of the subsidiaries of the Cleveland Cliffs Iron Company. Due to lack of sufficient credit information, it is impossible to make accurate dollar appraisals of the values of the securities held. The Cleveland Cliffs Iron Company is one of the largest producers of iron ore in the country. They have vast holdings of ore properties in Michigan and the Lake Superior Region. The company has always been very successful in the past, but under present conditions the loans are badly frozen and payment of them is out of the question at this time. An audited statement of the company dated July 31, 1932 shows a net worth in excess of \$60,000,000.00 and a total debt amounting to approximately \$28,000,000.00. It is believed that a short period of improved business conditions would change the appearance of these loans materially. Interest requirements are being maintained.

## EXHIBIT U-15-58

EXCERPTS TAKEN FROM EXAMINERS REPORT, DEPARTMENT OF BANKS, STATE OF OHIO, JANUARY 20, 1933

*Wm. G. Mather*—\$857,523.99

Loans are based principally upon preferred stock of the Cleveland Cliffs Iron Co. and common stock of the Cliffs Corp. Bank also holds \$204,000 notes receivable of the Cleveland Cliffs Iron Co. It is impossible to make an accurate appraisal of any of the securities held as collateral. Quotations on the Cleveland Cliffs Iron preferred stock vary all the way from \$5 per share to \$25 per share. Mather's total indebtedness to all banks is known to be in excess of \$2,000,000. Under the terms of a creditors' agreement between Mather and his various creditor banks his indebtedness was extended to January 1, 1936. Mather in turn has trusteeed all of his tangible assets for the prorata benefit of the various creditor banks. The outcome of this credit depends largely upon the future of the Cleveland Cliffs Iron Co. Officers believe that the line can eventually be worked out.

## EXHIBIT U-15-59

THE CORRIGAN, MCKINNEY STEEL COMPANY  
(and Subsidiary Companies)

ASSETS	
Current:	Nov. 30, 1931
Cash and U. S. Securities .....	\$729, 221. 91
Notes & Acceptances Receivable .....	29, 489. 27
Accounts Receivable .....	1, 349, 539. 13
Inventory Ore at Mine .....	1, 606, 492. 71
Inventory Ore at Lower Ports .....	1, 729, 617. 57
Inventory Pig Iron .....	2, 229, 779. 71
Inventory Products .....	1, 584, 127. 36
Inventory Raw Materials .....	417, 986. 08
Inventory Supplies .....	568, 553. 71
	<u>\$10, 244, 807. 45</u>
Investments:	
Securities .....	<u>\$66, 009. 85</u>
Properties:	
Plant & Equipment, Ore Reserves etc., less allowance for Depreciation & Depletion .....	<u>\$43, 360, 148. 60</u>
Deferred:	
Minimum Royalty .....	\$891, 268. 42
Deferred Charges .....	316, 725. 22
	<u>\$1, 207, 993. 64</u>
Total assets .....	<u>\$54, 878, 959. 54</u>
LIABILITIES	
Current:	
Bank Loans .....	\$2, 400, 000. 00
Accounts Payable .....	224, 872. 65
Pay Rolls .....	117, 608. 47
Compensation Claims .....	68, 780. 24
Accrued Taxes .....	886, 941. 60
	<u>\$3, 698, 202. 96</u>
Other Liabilities:	
Contingent Purchase Money Obligation .....	\$150, 000. 00
Great Western Aid Fund .....	131, 410. 93
	<u>\$281, 410. 93</u>
Reserves:	
Relining & Rebuilding .....	\$651, 509. 13
Insurance .....	460, 312. 23
Contingencies .....	224, 901. 07
	<u>\$1, 336, 722. 43</u>
Minority Interest in The N & G Taylor Co .....	<u>\$203, 289. 48</u>
Surplus .....	<u>\$49, 359, 333. 74</u>
Total liabilities .....	<u>\$54, 878, 959. 54</u>

## EXHIBIT U-15-59a

	Seven months ending Nov. 30, 1931
Gross sales:	
Iron Ore.....	\$849,725.81
Coke.....	82,709.71
By Products.....	414,668.75
Pig Iron.....	1,026,898.21
Semi Finished Steel.....	3,467,276.74
Finished Steel.....	1,249,118.53
N. & G. Taylor.....	991,770.41
<b>Total.....</b>	<b>\$8,082,168.16</b>
Less Inter Company.....	337,774.35
<b>Gross sales.....</b>	<b>\$7,744,393.81</b>
Cash Discounts.....	35,293.77
<b>Net Sales.....</b>	<b>\$7,709,100.04</b>
Less: Cost of Sales.....	7,155,180.44
<b>Gross Operating Profit.....</b>	<b>\$553,919.60</b>
General Administrative Expense.....	212,093.94
General Selling Expense.....	91,683.24
<b>Net Operating Profit.....</b>	<b>\$250,142.42</b>
Non Operating Deductions:	
Missabe Idle Mines.....	\$110,841.19
Gogebic Idle Mines.....	23,232.16
Menominee Idle Mines.....	66,063.62
Foxdale Idle Mine.....	560.00
Kentucky.....	18,625.22
Josephine.....	212.44
Concheno.....	33,937.50
Rio Tinto.....	8,492.98
Clayton.....	770.76
<b>Total Non Operating Deductions.....</b>	<b>262,310.99</b>
Other Income:	
Dividends Received.....	350.00
Other Deductions:	
Interest on Bank Loans.....	55,339.95
Other Interest.....	12,751.71
<b>Total Other Deductions.....</b>	<b>\$68,091.66</b>
<b>Profit before Depreciation and Depletion.....</b>	<b>\$79,910.23</b>
Depreciation:	
Ore Mines.....	\$63,202.96
Other.....	732,168.35
Depletion.....	100,580.50
<b>Net Loss &amp; Decrease in Surplus.....</b>	<b>\$975,862.04</b>
Detail of Gross Operating Profit:	
Coke.....	\$10,969.85
Pig Iron.....	127,252.62
Ingots.....	109.61
40" Mill.....	10,551.73
18" Mill.....	321,064.22
12" Mill.....	35,616.65
10" Mill.....	84,892.38
Dock.....	236.83
Railroad.....	45,637.23
N. & G. Taylor.....	8,862.94
	<b>\$553,919.60</b>

## EXHIBIT U-15-60

## MCKINNEY STEEL HOLDING COMPANY 6% PREFERRED STOCK

The McKinney Steel Holding Company, a Delaware Corporation, has as its only asset 53¾% (1343¾ shs.) of the common stock of the Corrigan-McKinney Steel Company. Its preferred stock is outstanding in the amount of \$7,250,000. The cost to The Cleveland Cliffs Iron Company of the common stock of the Corrigan-McKinney Steel Company was \$32,250,000 and all of this common stock is deposited in our Corporate Trust Department as collateral to the McKinney Steel Holding Company preferred stock. Dividends paid on the Corrigan-McKinney Steel Company stock is the only source of income of the McKinney Steel Holding Company. Balance sheets and income statements of the Corrigan-McKinney Steel Company are not published but confidential quarterly reports are submitted to this bank. All of the common stock of the McKinney Steel Holding Company is owned by the Cleveland Cliffs Iron Company and while no dividends are being paid on the common stock of the Corrigan-McKinney Company, still the Cleveland Cliffs Iron Company considers the McKinney Steel Holding Company preferred in the nature of a collateral loan of the Cleveland Cliffs Iron Company and therefore is itself paying the dividends on the Holding Company preferred stock.

## CAPITAL McKinney Steel Holding Company:

72,500 shs \$100 par 6% Pfd..... \$7,250,000  
(Can be called at 105)

10,100 shs No par common

## CAPITAL Corrigan-McKinney Steel Company:

2,500 shs Common stock

## EXHIBIT U-15-61

## THE UNION TRUST COMPANY

CLEVELAND, OHIO, *September 9, 1931.*

Mr. J. R. NUTT,  
*Chairman of the Board, Bank.*

DEAR Mr. NUTT: I quote below extracts from the by-laws of The McKinney Steel Holding Company as relate to dividends on the Preferred stock:

"The holders of the Preferred stock shall be entitled to receive, when and as declared by the Board of Directors, out of the surplus or net profits of this Company, cumulative dividends at the rate of 6% per annum, and no more, payable quarterly on the last day of March, of June, of September and of December in each year before any dividends shall be set aside or paid on the Common stock."

"The holders of the Preferred stock shall have no voting powers whatsoever, nor shall they be entitled to notice of any meetings of the stockholders of this Company; provided, however, that if this Company shall fail to pay any dividend on the Preferred stock when payable, as above provided, and if such default shall have continued for a period of six months or more, then the holders of such Preferred stock shall have the entire voting power as stockholders of the Company, to the exclusion of the common stockholders, and be entitled to notice of any and all stockholders' meetings until (and only until) all such defaults shall have been cured."

Very truly yours,

GEO. N. SHERWIN,  
*Vice President.*

GNS MG

## EXHIBIT U-15-62

JANUARY 8, 1930.

(THE CORRIGAN-MCKINNEY STEEL COMPANY)

## Memorandum.

In May 1925 Mr. James W. Corrigan purchased an interest equal to 13¾% in The McKinney Steel Company from E. S. Burke, Jr. In order to make payment, Mr. Corrigan formed The McKinney Steel Holding Company with a capital



of \$7,250,000 6% Cumulative Preferred Stock and 1,000 shares of common. He turned into this holding company the 13¼% purchased from Mr. Burke and in addition his own holding of 40%, so that the McKinney Steel Holding Company owns 53¼%. He turned over to Mr. Burke the \$7,250,000 of preferred stock, which is callable at 105.

Based upon the purchase price of \$7,250,000 for 13¼%, the entire 100% of the property would have a value of \$52,727,272.

Taking the cost of the interest purchased from Mr. Burke—of \$7,250,000—and adding to it the call price of 5% or \$362,500, the cost of this interest would be \$7,612,500, and on this basis the entire property would equal \$55,363,636.00.

The balance sheet of the Company on December 31, 1924,  
 showed a Surplus of..... \$65, 566, 882. 55  
 (Which represents the Net Worth)  
 Surplus December 31, 1929 is..... 54, 525, 908. 51

Showing a decrease of..... \$11, 040, 974. 04

The credits and charges to Surplus since December 31st, 1924 are shown in attached statement.

EXHIBIT U-15-63

#3356 CLEVELAND CLIFFS IRON CO. ET AL.

Inv. J.	3-21-30.
Corrigan Estate.....	\$23, 913, 366. 34
Parthenia Burke Ross.....	5, 060, 000. 00
H. H. Johnson.....	66, 957. 42
David L. Johnson.....	66, 957. 42
John T. Scott.....	38, 261. 40
Donald B. Gillies.....	50, 000. 00
Henry T. Harrison.....	50, 000. 00
James S. McKesson.....	50, 000. 00
E. G. Resch.....	25, 000. 00
John H. Watson, Jr.....	\$66, 957. 42
	500, 000. 00
	566, 957. 42
	\$29, 887, 500. 00

Original in James W. Corrigan #3359.

EXHIBIT U-15-64

FEBRUARY 1931.

*Valuations of operating mines, iron ore reserves and mineral properties of the company as estimated by its officers*

	Tons	Amount
Marquette Range		
Underground Mines—High Grade Ore.....	70, 179, 934	\$53, 282, 090
Fee Properties:		
Bunker Hill—68 07% Ownership.....		
Cliffs-Shaft.....		
Jackson-Cambria.....		
Morris-Lloyd.....		
Princeton.....		
Section 3 Extension.....		
Section 6 Extension.....		
Leased Properties		
Athens Mine—52 4% Ownership.....		
Gardner-Mackinaw.....		
Maas.....		
Negaunee, 50% Ownership.....		
Open Pit Mines.		
Tilden—Silicious Ore—Fee property.....	50, 000, 000	3, 403, 843
Menominee Range		
Underground Mines.		
Virgil—High Grade Ore—Leased.....	2, 465, 570	1, 880, 851

## EXHIBIT U-15-64—Continued

Valuations of operating mines, iron ore reserves and mineral properties of the company as estimated by its officers—Continued

	Tons	Amount
Mesaba Range		
Underground Mines:		
Wade—Standard Mesaba—Leased.....	2,000,000	\$687,117
Open Pit Mines:		
Leased Properties, Standard Mesaba.....		
Direct and Washed Shipping Ore.....	10,250,000	5,155,691
Bingham & North Star 25% Owners.		
Canisteo 20% "		
Dean 100% "		
Drew 50% "		
Hill-Trumbull 25% "		
Holman-Brown 25% "		
Iron Ore Reserves:		
Marquette Range:		
Negaunee Basin—High Grade Ores—fee.....	105,400,000	46,450,000
Silicious Ores—Owned in fee.....	100,000,000	2,000,000
Menominee Range—High Phos. Ores—Lease.....	1,958,000	168,912
Cuyuna Range—Mang. Ores—Lease.....	1,200,000	750,052
Total Mines and Ore Reserves.....	352,453,504	113,778,356

## EXHIBIT U-15-64a

Other Mining Properties:		
Inventories of Ores at Mines.....	2,297,537	7,043,585
Mineral Lands on Marquette Mineral Formation, approximately 10,000 acres.....		10,000,000
Advance Royalties.....		291,855
Stock in Michigan Mineral Land Company (50% Ownership, representing 53,000 acres of land in fee & mineral rights, principally on the Menominee Range).....		300,000
Stock in Lucky Star Mining Company (25% Ownership, representing mineral lands, on Marquette Range).....		99,900
Dwellings, Clubhouses and Town Lots located in Ishpeming, Negaunee & other mining locations, including Gwinn Townsite.....		2,753,150
Hospitals at Ishpeming & Negaunee, and Gwinn.....		250,000
Grand Total.....		134,466,846

## EXHIBIT U-15-64b

SEPTEMBER 11, 1931.

*The Cleveland-Cliffs Iron Company*

		Book value
Lake Superior & Ishpeming Railway Co.....	75% owned	\$430,000 00
Interstate Commerce Commission has placed a value on this railroad of.....	\$12,000,000 00	
Cliffs Power & Light Company.....		1,149,000 00
Ready sale value.....	7,000,000 00	
Athens Iron & Mining Company.....		434,000 00
Real Value not Less than.....	2,000,000 00	
Negaunee Mines.....		290,000 00
Real Value not Less Than.....	1,500,000 00	

## EXHIBIT U-15-65

The Cleveland Cliffs Iron Company and constituent companies consolidated comparative balance sheet November 30th, 1931, and December 31st, 1930

	November 30, 1931	December 31, 1930	Increase	Decrease
<b>Assets</b>				
<b>Fixed Assets</b>				
Land, Construction and Equipment	\$39,953,957.40	\$39,740,482.61	\$213,474.49	-----
Increment Value of Tbr. & Ore Deposits	15,392,554.38	15,392,554.38	-----	-----
Securities and Investments <sup>1</sup>	54,931,277.73	54,680,201.53	251,076.20	-----
Vessels	6,509,606.23	6,390,044.49	119,561.74	-----
<b>Total Fixed Assets</b>	<b>116,787,395.74</b>	<b>116,203,283.01</b>	<b>584,112.73</b>	-----
<b>Quick Assets</b>				
<b>Inventories of Profits &amp; Supplies</b>				
Iron Ore	5,823,474.32	4,122,838.93	1,700,635.39	-----
Pig Iron & Chem Products	1,317,261.67	1,425,809.82	-----	\$108,548.15
Lumber & Forest Products	85,328.86	76,971.29	8,357.57	-----
Coal	799,017.28	706,798.48	92,218.80	-----
Stock	94,607.93	82,418.66	12,189.27	-----
Supply	451,901.76	470,084.06	-----	18,182.30
<b>Total Inventory Products &amp; Supplies</b>	<b>8,571,591.82</b>	<b>6,884,921.24</b>	<b>1,686,670.58</b>	-----
Cash on Hand	1,983,486.72	321,476.18	1,662,010.54	-----
Marketable Securities—				
U S Lib Bonds		19,380.00	-----	19,380.00
Accounts Receivable:				
Ore Accounts	2,503,772.10	4,188,131.27	-----	1,684,359.17
Chemical Accounts	118,920.27	150,481.20	-----	31,560.93
Pig Iron & Coke Accts—Otis Stl Co & T.C.F. Co., Corrigan-McK Steel Co.	150,249.04	123,358.25	26,890.79	-----
Pig Iron Accts.—Superior Char I Co.	31,487.07	60,555.29	-----	29,068.22
Coal Accounts	706,415.05	676,097.26	30,317.79	-----
Transportation Accounts	139,977.08	351,638.72	-----	211,661.64
Other Accounts	514,837.47	340,100.04	174,737.43	-----
<b>Total Accts Receivable</b>	<b>4,165,658.08</b>	<b>5,890,362.03</b>	-----	<b>1,724,703.95</b>
Notes Receivable and Trade Acceptances Receivable	781,484.93	1,717,113.88	-----	935,628.95
<b>Total Quick Assets</b>	<b>15,502,221.55</b>	<b>14,833,253.33</b>	<b>668,968.22</b>	-----
Preferred Stock in Treasury— Purchased for Redemption 1930— 2,000 shares		186,800.00	-----	186,800.00
Deferred Charges:				
Advance Royalties	380,950.30	291,855.07	89,095.23	-----
Charge to Future Oper	909,946.67	535,238.09	374,708.58	-----
<b>Total Deferred Charges</b>	<b>1,290,896.97</b>	<b>827,093.16</b>	<b>463,803.81</b>	-----
<b>Total Assets</b>	<b>133,580,514.26</b>	<b>132,050,429.50</b>	<b>1,530,084.76</b>	-----

## EXHIBIT U-15-65a

<b>Liabilities:</b>				
<b>Capital Stock Outstanding</b>				
<b>Common—No Par:</b>				
Authorized—410,000 Shares				
Outstanding—408,296 Shares	408,296.00	408,296.00	-----	-----
<b>Preferred—No Par:</b>				
Authorized—500,000 Shares				
Outstanding—487,243 Shares	19,489,720.00	19,704,280.00	-----	214,560.00

<sup>1</sup> Special Bank Loans cover amount received from various banks for purchase of 218¾ shares of Common stock in Corrigan-McKinney Steel Company, and 10,100 Shares of Common Stock in McKinney Steel Holding Company. Securities consisting of Stock of the McKinney Steel Holding Company, Corrigan, McKinney Steel Company and Otis Steel Company having a book value of \$38,918,464.75 have been placed as collateral on loan of \$14,387,500.00. There was also placed as collateral on loan of \$4,000,000.00 32,235 shares of Stock of the L.S. & I.R.R. Co. having a book value of \$430,272.97. These loans are part of Special Bank Loans referred to above. The balance of these special loans are unsecured

## EXHIBIT U-15-65a—Continued

The Cleveland Cliffs Iron Company and constituent companies consolidated comparative balance sheet November 30th, 1931, and December 31st, 1930—Con.

	November 30, 1931	December 31, 1930	Increase	Decrease
Liabilities—Continued.				
Preferred Stock				
McKinney Stl Hldg Co 72,500 shs @ \$100.00 Per Share.....	\$7,250,000 00	\$7,250,000 00		
Constituent Companies.....	810 00	820 00		\$10 00
Total Capital Stock Outstanding.....	27,148,826 00	27,363,396 00		214,570 00
Quick Liabilities				
Notes Payable.....	474,250.00	504,250 00		30,000 00
Accounts & Vouchers Payable.....	3,011,071.31	3,112,007 31		110,936 00
Accrued Taxes Payable.....	867,734.25	70,820 50	\$796,913 75	
Income Taxes Payable.....	113,533 11	363,674 15		250,141.04
Advance Receipts on Ore.....	71,379 64	329,103 74		257,724 10
Total Quick Liabilities.....	4,537,968 31	4,389,855.70	148,112 61	
Special Bank Loans <sup>1</sup> .....	24,887,500 00	23,047,500 00	1,840,000 00	
Deferred Credits.....	175,506 63	156,022 72	19,483 91	
Reserves:				
For Depl'n. of Minerals & Trbr— Orig Cost.....	11,816,217.66	11,637,054 93	179,162 73	
For Depl'n of Minerals & Increment.....	6,386,667.64	6,271,163 54	115,504 10	
For Depr'n of Plant & Equip.....	8,945,025 12	8,451,597.49	493,427.63	
For Depr'n of Vessels.....	3,665,195.96	3,486,811 99	178,383 97	
Reserve for Losses in connection with Abandoned Mines.....	149,738.52	176,976 60		27,238.08
Reserve for Ins., Retinings, etc.....	57,814.00	25,108 96	32,705 04	
Reserve for Personal Injury Exp.....	5,794 99	12,373 82		18,168.81
Total Reserves.....	31,014,863 91	30,061,087 33	953,776 58	
Surplus Accounts:				
Capital Surplus Accrued—3-1-13.....	9,005,886.74	9,121,390 84		115,504.10
Surplus Arising from Fed. Tax Re- quirement.....	9,973,115 74	10,113,073 58		139,957.84
Paid in Surplus.....	990,000.00	990,000 00		
Profit and Loss Surplus.....	25,846,846.93	26,808,103.33		961,256 40
Total Surplus Account.....	45,815,849.41	47,032,567.75		1,216,718.34
Total Liabilities.....	\$133,580,514 26	\$132,050,429 50	\$1,530,084 76	

## EXHIBIT U-15-65b

Quick Assets.....	15,502,221.55	14,833,253 33	668,968.22	
Quick Liabilities.....	4,537,968.31	4,389,855 70	148,112 61	
Net Quick Assets.....	10,964,253 24	10,443,397 63	520,855.61	

## EXHIBIT U-15-66

Cleveland Cliffs Iron Company

1/4/32  
(#6031)

Note—Dated September 23, 1931 (Payable Six Months after date) Due March 23, 1932. Rate 6%.

Amount.....	\$14,387,500
Participants:	
Guardian Trust Co.....	Cert. #1 \$1,500,000
Central United Nat'l. Bank.....	#2 500,000
Continental Illinois Bank & Trust Co.....	#3 3,500,000
Union Trust Co.....	#4 3,387,500
First Nat. Bank of Chicago.....	#5 1,000,000
Bankers Trust Co. N.Y.....	#6 4,000,000

## EXHIBIT U-15-66—Continued

## Participants—Continued.

W. G. Mather	-----#8--	\$200, 000
Cleveland Trust Co.	-----#7--	300, 000
		<u>\$14, 387, 500</u>

## Collateral

218¾ shs	Corrigan McKinney Steel Co. Comm	-----=	8¾%
100,084	" Otis Steel Co. Comm	-----=	
10,100	" McKinney Steel Holding Co. Comm	-----=	53¾%
			<u>62½%</u>

## EXHIBIT U-15-67

1-6-32

## CLEVELAND CLIFFS IRON COMPANY

\$14, 387, 500	Participated Secured Loan
4, 000, 000	Bank of Manhattan Co. N.Y.
	Secured by 32,235 shs Lake Superior & Ishpeming R.R.
3, 500, 000	Union Trust Co. Cleveland Unsecured
2, 000, 000	Cleveland Trust Co. Cleveland Unsecured
500, 000	Guardian Trust Co. Cleveland Unsecured
500, 000	Society for Savings Cleveland Unsecured
<u>\$24, 887, 500</u>	Total Loans

## EXHIBIT U-15-68

CLEVELAND, OHIO, *March 21, 1930.*

The CLEVELAND-CLIFFS IRON COMPANY,  
*Cleveland, Ohio.*

GENTLEMEN: The Union Trust Company represents that it is the duly authorized agent for Mrs. Parthenia Burke Ross and, as such agent, it represents that The Corrigan-McKinney Steel Company has issued and has now outstanding 2,500 shares, and no more, of its common stock, and has no preferred stock or bonds; and that of said outstanding common stock said Mrs. Ross is the owner of 218¾ shares, amounting to 8¾% of the entire outstanding stock of The Corrigan-McKinney Steel Company.

The Union Trust Company and John H. Watson Jr., as trustees under the Last Will and Testament of James W. Corrigan, deceased, represent that The Corrigan-McKinney Steel Company has issued and has outstanding 2,500 shares, and no more, of its common stock, and has no preferred stock or bonds; and that of said outstanding common stock 1345¾ shares, amounting to 53¾% of the entire outstanding stock of The Corrigan-McKinney Steel Company, are owned by The McKinney Steel Holding Company.

Said trustees further represent that the entire outstanding capital stock of The McKinney Steel Holding Company consists of \$7,250,000 par value of 6% preferred stock, and no more, callable at \$105 per share, and 10,100 shares of common stock, and that there are not outstanding any bonds or other obligations owing by said The McKinney Steel Holding Company. Said trustees further represent that they own 10,000 shares of said common stock of The McKinney Steel Holding Company and that they control and are in position to sell and deliver the other shares of said common stock.

The Union Trust Company and John H. Watson Jr., as trustees under and by virtue of authority conferred by said Last Will and Testament and with the approval of Laura Mae Corrigan and of the Probate Court of Lake County, Ohio and The Union Trust Company as agent for Parthenia Burke Ross, hereby offer to sell and deliver to you, upon the terms hereinafter stated, said 10,100 shares of the common stock of The McKinney Steel Holding Company and said 218¾ shares of the common stock of The Corrigan-McKinney Steel Company, you to pay to The Union Trust Company for their account for all of the aforesaid stock in cash the amount of \$29,887,500.

The Union Trust Company and John H. Watson Jr., as such trustees, from unds now in the hands of said McKinney Steel Holding Company, will immediately deliver to The Union Trust Company for distribution to the preferred stockholders of said holding company an amount in cash sufficient to pay the quarterly dividend payable to such preferred stockholders on March 31, 1930.

Said trustees will leave in the treasury of said steel holding company an amount of cash equal to 80/360ths of the amount of the franchise taxes paid to the State of Delaware for the year 1929, and will also leave in the treasury of said holding company an amount equal to 80/360ths of the franchise taxes paid by said company to the State of Ohio for 1929.

## EXHIBIT U-15-68a

The undersigned trustees agree that they will pay and satisfy all existing obligations and indebtedness of the holding company and, if, after providing for said dividends payable to said preferred stockholders of March 31, 1930 and leaving said cash in the treasury for franchise taxes, there shall remain any cash in the treasury of the steel holding company, they will distribute such remainder of cash to the present existing stockholders of said company; but no disposition of any of the other assets of the steel holding company will be made.

The undersigned further agree that they will cause six of the directors of The Corrigan, McKinney Steel Company, or such of them as you may desire, to immediately resign, and in the places of those resigning there will be elected directors whom you may select. They will also cause all of the officers and directors of The McKinney Steel Holding Company to immediately resign, you to choose in their places officers and directors of your selection.

If this proposition is acceptable to you, please endorse your acceptance on the bottom hereof.

THE UNION TRUST COMPANY,  
*Agent for Parthenia Burke Ross.*  
 By B. M. BALDWIN, *President.*  
 THE UNION TRUST COMPANY,  
 By B. M. BALDWIN, *President.*  
 and  
 JOHN H. WATSON, Jr.  
*Trustees.*

MARCH 21, 1930.

I hereby approve the above proposition and consent to such sale on the terms stated.

Laura Mae Corrigan.

MARCH 21, 1930.

The foregoing proposition is hereby accepted.

THE CLEVELAND-CLIFFS IRON COMPANY,  
 By S. E. MATHER, *Vice President.*

## EXHIBIT U-15-69

## INTEREST NOTE

\$68,502.77

APRIL 23, 1933

On or before three months after date, the undersigned, The Cleveland-Cliffs Iron Company, an Ohio corporation, promises to pay to the order of The Union Trust Company at its office, Sixty Eight Thousand Five Hundred Two and 77/100 Dollars, for value received, with interest at the rate of six (6) per cent. per annum, after maturity until paid, payable quarterly in advance, unpaid installments of interest to draw interest at the same rate as the principal.

This note is one of a number of notes of the undersigned, aggregating Fourteen Million Six Hundred Seventy-eight Thousand Four Hundred Forty-seven Dollars and Twenty Cents (\$14,678,447.20) in principal amount, all bearing the same date and equally and ratably secured by an Extension Agreement, dated January 23, 1933, between THE CLEVELAND-CLIFFS IRON COMPANY and THE UNION TRUST COMPANY, TRUSTEE, as amended by Agreement dated April 20, 1933, to which Extension Agreement reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee, and upon which such security may be enforced.

This note is additionally secured as one of a number of notes of the undersigned, aggregating Twenty-six Million Two Hundred Eighty-three Thousand Four Hundred Seventy-four Dollars and Ninety-eight Cents (\$26,283,474.98), all bearing the same date and secured by an Extension Indenture, dated January 23, 1933, between THE CLEVELAND-CLIFFS IRON COMPANY and THE UNION TRUST COMPANY, TRUSTEE, as amended by Agreement dated April 20, 1933, to which Extension Indenture reference is hereby made for a statement of the security and the terms and conditions upon which such security is held by the Trustee, and upon which such security may be enforced, the Indebtedness represented by this note constituting a part of the Indebtedness therein referred to as "Type B Indebtedness."

This note is subject to the undersigned proposing successive renewals of this note, for three months each, such successive renewals together in any event not to permit a renewal maturity date of this debt beyond January 23, 1934. Such successive renewals of this note, if proposed by the undersigned, must be accepted by the holder of this note and his endorsees, assignees and transferees, unless the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture shall reject any such renewal as to the entire amount of said Indebtedness.

Interest in advance upon the note representing any such successive renewal of this note shall be payable one-third thereof by delivery of a note substantially in the form of this note, and the principal amount of which shall become and be treated as a part of the Type B Indebtedness of the Company, secured by said Extension Agreement and by said Extension Indenture, if such method of payment of interest is proposed by the Company and is not rejected by the holders of seventy-five (75) per cent. in principal amount of the Indebtedness secured by said Extension Indenture. Interest in advance upon notes representing interest shall be paid entirely in cash.

The principal of this note may become due in advance of its maturity in case of default or sale under said Extension Indenture and/or said Extension Agreement as provided therein respectively

THE CLEVELAND-CLIFFS IRON COMPANY  
By WM. G. MATHER,  
*President.*  
CHAS. S. HEER,  
*Treasurer.*

Due 7/24/33

EXHIBIT U-15-69a

THE UNION TRUST COMPANY  
OSCAR L. COX, *Conservator*  
WILLIAM TONLIO  
*Assistant Conservator.*  
R. S. WILLIAMS  
*Junior Assistant Conservator.*

EXHIBIT U-15-70

Excerpt from R. G. Dun & Co. Analytical Report of Corrigan McKinney Steel Company, relative to condition as of December 20, 1932. Contained in this report is a history of the company as follows:

#### *History*

The business was founded upward of forty years ago by James Corrigan, who subsequently admitted Price McKinney to an interest. In 1901 charter was taken out under Ohio laws under the style of Quinnesec Iron Mining Co., with an authorized capital stock of \$250,000. Another corporation known as the Corrigan McKinney Co. was in existence, and in December 1917 all activities were merged, the Quinnesec Iron Mining Co. transferring its assets to The McKinney Steel Co., with the authorized capital stock remaining at \$250,000. In 1926 the company amended its charter, changing the name to the Corrigan McKinney Steel Co.

Formerly the official headquarters of the company, as designated by the charter, was Wickliffe, Ohio, a small suburb of Cleveland, with low corporation tax. Under date of August 29, 1932, the company amended its charter, increasing the authorized capital stock from \$250,000 to 1,500,000 Common shares, stated par value \$1 each, and changing the official location to Cleveland. The charter designates 1,146,450 voting shares and 353,550 non-voting shares.

The change in the capital structure was for the purpose of acquiring, by exchange of shares, the business of The Newton Steel Co. A total of 1,433,700 shares were issued as follows: Stockholders of the Corrigan McKinney Steel Co. received 1,015,000 voting shares and 235,000 non-voting shares in exchange for \$250,000 in Common Stock, a total of 1,250,000 shares to the stockholders of the Corrigan McKinney Steel Co. Holders of 25,850 shares of Preferred Stock of The Newton Steel Co. received an equal amount of stock in The Corrigan McKinney Steel Co. plus 105,600 shares of voting stock in exchange for 264,000 shares of Common Capital Stock of The Newton Steel Co. In addition, holders of the Common Stock received 52,250 shares of non-voting stock in The Corrigan McKinney Steel Co. The authorized but unissued shares total 66,300.

Following the death of James Corrigan, his son, James W. Corrigan, Jr., acquired his stockholdings as sole heir. For many years the company was practically owned by James W. Corrigan, Jr., Price McKinney and Stevenson Burke. Price McKinney, President, resigned in May 1925 and was succeeded by James W. Corrigan, who died January 23, 1928. In connection with the shift in the substantial ownership of the company, following the resignation of Price McKinney in 1925, it was necessary to arrange for additional financing. This financing was accomplished by the organization of The McKinney Steel Holding Co., which in turn is controlled by The Cleveland Cliffs Iron Co.

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EXHIBIT U-15-71

Excerpt from National Credit Office, New York City, Report of Corrigan McKinney Steel Company, relative to condition as of August 25, 1933. Contained in this report is a history of the company as follows:

*History*

The company was incorporated in accordance with Ohio laws in 1901. Authorized capital is 1,500,000 shares of \$1 par value common stock. Of these 1,146,450 are voting shares, and the balance non-voting shares.

The present Ohio Corporation succeeded a partnership which had been established about ten years previously.

The name originally was Quinnesec Iron Mining Company, but in 1917 it was merged with Corrigan McKinney Company, the name The McKinney Steel Co. being adopted. In 1926 the present style was made legal.

James W. Corrigan, Jr., son of the founder of the business, until his death in 1928 was dominant in the management. Following his death stock of the corporation became more widely held.

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EXHIBIT U-13-1

THE UNION TRUST COMPANY: THE UNITED MILK PRODUCTS CORPORATION—  
WALTER H. SEYMOUR

LIQUIDATOR'S CONFIDENTIAL FILE

UNITED MILK PRODUCTS CORPORATION

EXHIBIT U-13-1a

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

*September 27, 1933.*

*In Re: United Milk Products Corporation*

OSCAR L. COX,

*Special Deputy Superintendent of Banks, Cleveland, Ohio.*

DEAR MR. COX: Pursuant to your request, the following report is submitted on the status of the above company in its relation to the affairs of the Union Trust Company.



*History of Company*

United Milk Products Corporation was organized in December, 1925, as a consolidation of the following companies, engaged in production, canning, and condensation of milk:

Western Reserve Condensed Milk Company, Cleveland  
 Gifford Milk Company, Chicago  
 National Dairy Company, Morenci, Michigan  
 Wisconsin Butter & Cheese Company, Elkhorn, Wis.  
 Northern New York Milk Corporation, New York  
 Fred C. Mansfield Company, Johnson Creek, Wis.  
 Lewis County Condensed Milk Company, Lowville, N. Y.  
 Troy Milk Products Co. East Troy, Wis.  
 Merton Dairy Products Company, North Lake, Wis.  
 Cardinal Milk Products Company, Osseo, Wis.  
 Belle Isle Creamery Company, Standish, Mich.  
 Plant at Adams Center, N. Y.  
 Plant at Loleta, California

No definite information appears in the credit files as to its original capitalization, but from information later obtained from the company records, it appears as follows:

7% Cumulative Preferred Stock—authorized \$25,000,000.00—outstanding—\$13,404,400.00

No—Par Common Stock—authorized 250,000 shares—outstanding—250,000 shares.

At its inception, the organizing and flotation of the Company's securities was apparently a closely guarded secret. The first indication in the bank's files of the existence of such a company consists of a telegram dated November 2, 1925 in answer to an inquiry from Mr. J. H. Skinner, Vice President, Bank of Italy, San Francisco, the wire reading as follows:

"Unable to get trace of company mentioned your night letter. Can you furnish address or names of principals?"

This was followed by a confirmatory letter to Mr. Skinner signed by W. F. Copeland, Assistant Vice President, stating that the United Milk Product Corporation was unknown to anybody in this territory.

## EXHIBIT U-13-1b

Just one month after the above letter and wire went out, a letter appears in the files dated December 4, 1925, written by Mr. J. R. Kraus and addressed to Mr. C. S. Castle, President, Standard Trust & Savings Bank, Chicago. The letter had apparently inquired as to the possibility of securing some stock in the company, but was advised in Mr. Kraus's letter that the stock issue had been oversubscribed eight and one-half times, and that the company already had too much cash, further advising Mr. Castle that "if you are allotted any of this stock, it will be on account of personal friendship of some one of the crowd."

Certain other information relative to the affairs of the company is given in this letter, a photostatic copy of which is attached hereto.

After organization, several letters appear in the files, signed by J. P. Harris, advising various people to purchase the company's stock. There is also a memorandum placed in the files by J. R. Nutt as of May 6, 1926, in which he states he feels that the preferred stock will show a very handsome profit and that the common should earn a very substantial surplus during the first year. A photostatic copy of this memorandum is submitted herewith.

Until 1929 no details were made public as to the company's earnings and no financial statements furnished. Prior to this time, intimations were given out that earnings were excellent, enabling the corporation to repurchase its Preferred Stock on the open market. The company and its affairs were commended in the highest terms in letters appearing in the Credit Files, in answer to inquiries by various banks and individuals, although at this time no financial statements appear in the files.

As of December 31, 1932, pursuant to a re-organization agreement, the United Milk Products Corporation was dissolved and the United Milk Products Company organized as a successor. This resulted in an exchange of stock as follows:

United Milk Products Corporation	Exchanged for	United Milk Products Company (New Stock)
1 share-Preferred	for	1/10 share—Preferred and \$3.00 cash.
1 share-Common	for	1/8 share-Common.

The Preferred Stock held as Collateral to Union Trust loans has all been exchanged for stock in the new corporation with the exception of 100 shares held as security to a loan to W. J. O'Neill.

Preferred Stock Placed in Bank in Trust Estates and as Collateral to Loans  
 It appears that a large part of the opening capital of the United Milk Products Corporation was furnished by the Union Trust Company through the Estates Trust and Collateral Loan Departments.

An analysis has been made of transactions through both of these departments, which is herewith submitted as follows:

Schedule I—Collateral Loans made January 2, 1926 to June 30, 1926.

Schedule II—Acquisition and disposition of United Milk Preferred Stock through Estates Trusts from January 2, 1926 to May 5, 1933.

EXHIBIT U-13-1c

SCHEDULE III.—Loans secured by United Milk Preferred Stock as collateral still in Bank July 15, 1933

Loans based in whole or in part on United Milk Preferred Stock as collateral are set forth in Schedule I. A summary of such loans follows, showing the total amount loaned day by day from January 2 to June 30, 1926, the period of greatest activity in this line:

January 2, 1926	\$302,055.00	March 23,	\$700.00
4,	238,617.60	25,	1,100.00
5,	28,000.00	April 2,	40,850.55
8,	8,500.00	5,	7,500.00
20,	2,000.00	6,	6,160.00
22,	2,000.00	7	600.00
27,	31,000.00		
29,	90,000.00		
February 1,	101,500.00	EXHIBIT U-13-1d	
2,	95,000.00	April 8,	800.00
8,	370,000.00	14,	500.00
9,	100,000.00	17,	100.00
19,	8,809.80	20,	3,875.00
20,	2,750.00	May 5,	5,367.50
25,	390,000.00	6,	4,275.00
March 1,	112,500.00	13,	450.00
5,	15,500.00	June 11,	900.00
6,	1,500.00	14,	3,600.00
8,	125,000.00	25,	32,815.04
11,	28,881.25	Total for period.	\$2,163,206.74

Of the above loans, and others since made, there remained as collateral in the Loan Department at July 15, 1933 the following shares of United Milk Company Preferred Stock (New):

Number of shares	7436.8
Market value at July 15 (at 22, based upon last previous sale)	\$163,609.60

The loans representing the above are in many cases now secured by other collateral.

Schedule III details the names of borrowers still owing the bank. This schedule was originally prepared as of May 5, 1933, but has been brought down to July 15, the holdings of the bank at the respective dates being shown in parallel columns.

In the period from January 2 to June 30, 1926, covered by Schedule I, numerous loans appear in which an apparent excessive amount was loaned. Certain borrowers deposited a small amount of other collateral, but the following tabulation is submitted covering loans on which 80 to 100% of par value was allowed solely upon United Milk Preferred Stock as collateral (in each case "par value")

refers to the Preferred Stock, with an equivalent number of Common Shares which were given as a bonus):

Borrower	Approved By	Amount of Loan	Percentage of Par Value
Matilda B. Dowling.....	R S C.....	\$855.00	85½
C. N. Osborne.....	C L B.....	20,000 00	100
Ralph H. Sharpe.....	C. W. C.....	4,500 00	90
John M. Killits.....	J R N.....	9,000 00	90

## EXHIBIT U-13-1e

E. N. Wagley.....	C W C.....	4,500 00	90
Leslie O. Carr, Jr.....	J R N.....	4,000 00	80
Robert A. Woppner and J. E. Weil.....	J R N.....	9,000 00	90
E. R. Fancher.....	J R N.....	9,000 00	90
L. H. Stofer.....	C W C.....	4,400 00	88
C. B. Anderson.....	C. W. C.....	4,500 00	90
Sam W. Emerson.....	C. W. C.....	200,000 00	80
Maude H. Bruce.....	C W C.....	8,500 00	85
Leon S. Miller.....	J. R. N.....	90,000 00	85
C. L. Bartshe.....	C W C.....	25,000 00	100
C. L. Ayers.....	J. R. N.....	125,000 00	192
Grace D. & Chas. K. Arter.....	C. W. C.....	25,000 00	100
Matilda B. Dowling.....	W. M. B.....	850 55	85
M. H. Hurst.....	C W C.....	5,000 00	100
A. M. Kelly.....	C W C.....	5,000 00	100
R. T. Taylor.....	C W C.....	5,000 00	100
C. T. Nixon.....	C W C.....	5,000 00	100
W. L. Fox.....	C W C.....	5,000 00	100
H. M. Jones.....	C. W. C.....	5,000 00	100

<sup>1</sup> Plus.

Attention is invited to the loan to C. L. Ayers, above noted, in the sum of \$125,000.00, made March 8, 1926, approved by J. R. Nutt, secured by 1350 shares Preferred and 1000 shares Common Stock of United Milk. On this loan the bank suffered a large loss, having charged off \$102,000.00 to Reserve for Losses, as follows:

November 5, 1930.....	\$25,000.00
December 30, 1930.....	10,000.00
December 30, 1931.....	67,000.00
	\$102,000.00

The credit files contain practically no information relative to loans, but the following memorandum, dated July 20, 1927, was found in the Statistical Department file, which may be of interest as denoting the attitude of the various bank officers mentioned, toward loans on United Milk Stock:

"Re: Loan to Maurice Briggs, 320 Leader Building.

We have a loan of \$10,000.00, due August 4, 1927, secured by 200 shares of United Milk Products Common. The present bid price on this stock is 45,

## EXHIBIT U-13-1f

making a total of \$9,000.00, or \$1,000.00 less than the loan.

I called this to the attention of Mr. Crawford, who talked with Ralph Williams, who said that this loan had been taken up with Mr. J. R. Kraus and C. A. Carlson, who had talked to Mr. Nutt.

There apparently is nothing that can be done at this time. The borrower is unable to reduce the loan.

E. R. VAN HORN."

In addition to the loans above noted at over 80% of Par Value, the following, endorsed by C. L. Bartshe, President of the company, were made during the period mentioned, on the basis of 100% of the par value of United Milk stock deposited as collateral.

Borrower	Approved by	Amount of Loan	Percentage of Par Value
E J. Koppenhafer.....	C W C.....	\$10,000 00	100
Herman G. Gustaves.....	C W C.....	5,000 00	100
Cass H. Hatch.....	C. W. C.....	5,000. 00	100
Newton M. Miller.....	C W C.....	25,000 00	100
Burton M. Smith.....	C. W. C.....	25,000. 00	100
J. H. Schindler.....	C. W. C.....	10,000 00	100
Edgar E. O'Connell.....	C. W. C.....	25,000. 00	100
Otto E. Mystedt.....	C W C.....	25,000 00	100
F D. Metcalf.....	C W C.....	5,000 00	100
Fred Mason.....	C. W. C.....	50,000 00	100
T P. Mapes.....	C W C.....	5,000 00	100
Victor F. Hellwig.....	C W C.....	25,000 00	100
W L. Fox.....	C W C.....	25,000. 00	100
Harry V. Danser.....	C. W. C.....	5,000 00	100
Robert L. Corby.....	C W C.....	100,000. 00	100
Fred B. Childs.....	C. W. C.....	25,000 00	100
Fred H. Caley.....	C. W. C.....	10,000 00	100
James F. Brownlee.....	C W C.....	50,000 00	100
Frank E. Barger.....	C W C.....	5,000 00	100
Benj F. Amos.....	C W. C.....	25,000. 00	100

## EXHIBIT U-13-1g

Harry D. Tipton.....	J R N.....	100,000 00	100
Lewis M. Holcomb.....	J R N.....	10,000 00	100
Helen E. Hunt.....	C W. C.....	10,000 00	100
A. A. Clarke.....	C W C.....	10,000 00	100

It is true that during part of the period covered above, there was a market for both the Preferred and Common Stocks at above par, but this price was manipulated by one of the stockholders, as detailed later, and even the company officials state that the figure for the Common at that time, was not justified in any way.

The analysis of transactions through the Estates Trusts during the period from the organization of the company to May 5, 1933 (Schedule II) shows 18,902 shares of Preferred Stock placed in the various trusts during the periods mentioned below:

January 1926.....	3,990 shares
February ".....	2,640 "
March ".....	140 "
April ".....	654 "
May ".....	431 "
June ".....	422 "
July ".....	446 "
August ".....	175 "
September ".....	
October ".....	
November ".....	430 "
December ".....	50 "
Year 1927.....	2,948 "
" 1928.....	2,340 "
" 1929.....	3,062 "
" 1930.....	250 "
" 1931.....	619 "
" 1932.....	305 "

18,902 shares

The majority of this stock was purchased at market prices, the balance representing principally stock deposited by estates at appraisal figures.

At May 5, 1933 the following Preferred Stock, representing shares in the reorganized company, was still in the Estates Trust Department:

Shares.....	10,094
Carrying Value.....	\$782,487.11
Market Value May 5, 1933.....	\$181,692.00

Of this total, 1,760 shares belonged to the Nutt family trusts, leaving a balance of 8,334 shares in the names of holders outside that family.

## EXHIBIT U-13-1h

This schedule was originally set up as of May 5, and has not been changed to cover transactions subsequent to that date. However, if so desired, it may be revised to indicate the current situation.

Notations on the records of the Estates Trust Department indicate that purchases for the following trusts were effected upon authority or orders of Mr. J. R. Nutt:

Trust		Date	Shares	Cost
Number	Name			
2563	Jane N. Akins.....	1- 6-26	250 Pfd.	\$25,000.00
383	Agnes H. Baker.....	1- 2-26	205 Com.	
385	Gertrude Baker Bradley.....	1- 2-26	100 Pfd.	10,000.00
			100 Com.	
2605	Daniel M. Ely.....	1- 2-26	500 Pfd.	50,000.00
			500 Com.	
945	Louise N. Iseman.....	1- 2-26	100 Pfd.	10,000.00
			100 Com.	
510	E. W. Moore.....	1- 2-26	250 Pfd.	25,000.00
			250 Com.	
3630	Elizabeth H. Nutt.....	1- 2-26	200 Pfd.	20,000.00
			200 Com.	
737	J. R. Nutt, for David Clark Nutt.....	1- 2-26	500 Pfd.	50,000.00
			500 Com.	
642	J. R. Nutt, for Frances Nutt.....	1- 2-26	500 Pfd.	50,000.00
			500 Com.	
643	J. R. Nutt, for J. R. Nutt, Jr.....	1- 2-26	500 Pfd.	50,000.00
			500 Com.	
3706	J. R. Nutt, for Walter R. Nutt & Elizabeth N. Krepps.....	1- 2-26	250 Pfd.	25,000.00
			250 Com.	
	Ditto.....	11- 9-26	400 Pfd.	35,000.00
			400 Com.	
3716	Mildred H. Sackett.....	1- 2-26	100 Pfd.	10,000.00
			100 Com.	
293	Eleanor N. Swallow.....	5-13-26	30 Pfd.	2,572.50
	Ditto.....	7-21-26	30 Pfd.	
3194	F. A. Walters.....	1- 2-26	50 Pfd.	948.75
			50 Com.	

## EXHIBIT U-13-1i

1206	Harriette Von Pflugl.....	1- 2-26	90 Pfd.	9,000.00
			90 Com.	

It is noted that the Estates Trust Department paid by official check to United Milk Products Corporation on January 2, 1926, the sum of \$390,000.00 representing the subscription of holders of the various trusts to the original issue of stock.

## STOCK WITHDRAWN FROM ESTATES TRUSTS MAY 6, 1929

In connection with the United Milk Products stock carried in the Estates Trusts, a series of transactions is noted, with no reasonable explanation apparent.

On May 6, 1929 a total of 2750 shares of United Milk Products Common Stock was withdrawn from the following trust accounts:

Agnes H. Baker.....	100 shares
Mable Grandin Carruthers.....	100 "
Daniel M. Ely.....	100 "
Alice E. Grandin.....	200 "
Florence Grandin.....	200 "
Henry B. Grandin.....	200 "
Elizabeth H. Nutt.....	900 "
J. R. Nutt for David C. Nutt.....	200 "
" " " Francis Nutt.....	150 "
" " " J. R. Nutt, Jr.....	200 "
Mildred H. Sackett.....	100 "
Winifred E. Treat.....	200 "
Harriette Von Pflugl.....	100 "

Total..... 2750 shares.

A receipt for 2750 shares of Common Stock signed by C. W. Carlson and dated May 6, 1929, is contained in the files of the Estates Trust Department.

These files also contain a copy of a letter of the same date, May 6, 1929, addressed by C. W. Carlson to the Corporation Trust Company, requesting the transfer of 2750 shares of Common Stock to the name of the Union Trust Company from the following names:

Kay & Company.....	100 shares
Hornblower & Weeks.....	2250 "
James Dunn, Jr.....	100 "
John F. Keena.....	100 "
Farrar Tilney.....	100 "
Harry J. Kirby.....	100 "
Total.....	<u>2750 shares.</u>

EXHIBIT U-13-1j

Certificates accompanying this letter of transmittal were of an entirely different series of numbers from those removed from the trust accounts previously noted. The new certificates dated May 8, 1929 received in exchange for those forwarded by Carlson were returned to the respective trust accounts, thus restoring them to their former position prior to the withdrawal on May 6.

The certificates taken from the above mentioned trust accounts were turned over to Hornblower and Weeks and by them transferred to their own name. The transfer sheets at the office of the United Milk Products Corporation indicate that a total of 3600 shares, including the above 2750, were placed in Hornblower and Weeks' name on May 11, 1929. The records of the latter firm, which were consulted, indicate that the new certificates when received, were delivered on May 15, 1929 as follows:

To Otto Miller.....	3100 shares
To W. S. Hayden.....	500 shares

The Auditor for Hornblower and Weeks advises that there was no money involved in any part of this transaction, the whole matter constituting what is termed a "Complimentary transfer" to the booker's name. No further information is obtainable from the latter's records and no reason can be assigned for the transfer.

It is difficult, if not impossible, to determine a logical reason for the handling of this entire transaction. The "In" and "Out" tickets of the Estates Trusts Department were examined, indicating that the shares held prior to May 6 were in the form of Temporary Certificates and were forwarded for exchange to permanent form. However, the incoming shares were also in the form of Temporary Certificates, and the Secretary of the United Milk Products Corporation advises that there was no change in form then, or at any other time, during the old corporation's existence, and that all Common shares were represented by Temporary Certificates at all times. This exchange would therefore, appear to have accomplished nothing as far as the trust accounts were concerned.

Furthermore, it would also appear that Mr. Carlson could have used the stock which was apparently in his possession May 6 for transfer to the name of Hornblower and Weeks and final delivery through that firm to Otto Miller and W. S. Hayden. This would, of course, have been the customary method of transfer and would have precluded the necessity of withdrawing and replacing numerous certificates in the trust accounts. It is noted in this connection that 2250 of the 2750 shares held by Carlson were already in the name of Hornblower and Weeks.

There appears to be no answer available to account for the complicated procedure which was followed out. There is a slight possibility that some Income-tax question may have been involved, though this does not seem to apply to the trust accounts, as no entries were made on the ledgers except memoranda as to the exchange of certificate numbers. The entire transaction may have no significance whatsoever, but on account of the very unusual method employed, it is suggested that Mr. Carlson be requested, at the proper time, to explain the matter.

## EXHIBIT U-13-1k

## FINANCIAL POSITION OF COMPANY

As previously stated, the company furnished no statements and did not make public any record of its earnings prior to those for the year 1928. During this year the files of the Credit Department seem to indicate that stockholders were becoming uneasy as to the affairs of the company, probably due in large part to the low market price of the stock, resulting in numerous letters of inquiry to the bank. Replies thereto, usually by Mr. J. P. Harris, stated that the bank was using pressure to secure the issuance of public statements. Whatever the cause, a statement, certified by Messrs. Arthur Young & Company was issued for the year ending December 31, 1928.

The credit files contain an analysis of the company's operations for the years 1926, 1927 and 1928. The source of the figures for the first two years is not indicated and they may not be reliable, but are set forth below, together with the certified figures for the following years:

Year	Net operating income or loss	Dividends paid	Net operating credit or charge to surplus
1926	\$1,285,543.55	\$925,204.00	\$360,339.55
1927	653,626.04	718,744.25	65,118.21
1928	604,492.84	571,655.00	32,837.84
1929	526,554.98	521,095.75	5,459.25
1930	134,733.15	510,170.50	644,903.65
1931	107,336.68		107,336.68
1932	57,328.45		57,328.45
Total	2,885,476.03	3,246,869.50	361,393.47

In addition to the above operating income, the company created a "profit" through the repurchase of its preferred stock at a discount, and obtained certain other non-operating income set forth below:

## Profit on Repurchase of Preferred Stock—

1927	\$439,336.00
1928	148,444.12
1929	63,278.00
1930	173,128.58
1931	24,835.00
1932	

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\$849,021.70

## EXHIBIT U-13-1l

Profit on sale of plants, sale of Liberty Bonds, setting up Cash Surrender Value of Life Insurance Policies and other non-operating income:

1927	\$84,743.96
1928	8,029.18
1929	
1930	53,122.07
1931	
1932	

---

Total \$145,895.21

---

\$994,916.91

An analysis of Surplus for the above period indicates the following:

"Profit" on repurchase of company's Preferred Stock.....	\$849, 021. 70
Other non-operating income.....	145, 895. 21
	<u>\$994, 916. 91</u>
Less—Excess of dividends paid over operating income.....	361, 393. 47
Surplus, December 31, 1932.....	<u>\$633, 523. 44</u>

It thus appears that a large part of the dividends paid were derived from the discount on stock repurchased—in reality a return of capital.

With reference to the company's Balance Sheet, a certain item deserves consideration in relation to the transactions with the bank. To illustrate this point, the Balance Sheet at December 31, 1932 is set forth in brief form below:

ASSETS	
Current.....	\$1, 996, 993. 20
Deferred.....	79, 275. 70
Permanent, less Reserves.....	1, 929, 996. 88
"Milk Supply".....	4, 364, 662. 08
Brands & Trade Marks.....	10. 00
Total Assets.....	<u>\$8, 370, 937. 86</u>

## EXHIBIT U-13-1m

LIABILITIES	
Current.....	\$259, 446. 05
Capital Stock—Preferred—Outstanding.....	6, 940, 500. 00
Capital Surplus, represented by 209,394 shares No- Par Common stock outstanding.....	537, 468. 37
Earned Surplus.....	633, 523. 44
Total Liabilities.....	<u>\$8, 370, 937. 86</u>

The particular item to which reference is made is that of "Milk Supply" above stated in the amount of \$4,364,662.08, the same figure as set up during the first year of the company's operations. Inasmuch as this appears to be a goodwill item, it is thought advisable to secure an analysis of the account to determine if any cash or securities were issued to anyone connected with the bank and charged to this account.

## OUTSIDE INFORMATION—GENERAL

In an attempt to secure additional information not revealed in the bank's records, a discreet interview was had with Mr. Brown, Resident Partner of Hornblower & Weeks, who was known to have had some knowledge of the affairs of the company, this information having come to light at the time the J. P. Harris account was analyzed.

Mr. Brown stated that shortly after the organization of the United Milk Products Corporation, he noted that the stock was drifting in as collateral to Hornblower & Weeks' accounts. He was highly opposed to this as collateral and ordered it cleared from all accounts as rapidly as possible.

His objection to this security was based upon the following.

1. In his opinion the company was grossly over-capitalized and the set-up would not have been accepted or approved by his firm.

2. No figures as to earnings were obtainable from the company's officers.

3. Future earnings were very speculative.

4. There was practically no market for the stock.

It is interesting to note Mr. Brown's attitude in refusing to accept United Milk Products stock as collateral at any figure, as compared with that of the officers of the bank in loaning 90 or 100% of par value or issue price.

Mr. Brown further stated that he felt Mr. Nutt's action in using his prestige in the organization and flotation of securities of this type is an action deserving of severe criticism. He also ventured the opinion that if some of the bank's trust funds might be found to be invested in United Milk Products stock, that Mr. Nutt should be sued therefor. (Of course, no mention was made of the large volume of this stock in the Estates Trusts.)



## EXHIBIT U-13-1n

## OUTSIDE INFORMATION—COMPANY RECORDS

Since writing the foregoing, an interview was had with Mr. G. F. Bartshe, President, and Mr. P. L. Haymes of the United Milk Products Company, who upon August 8 called upon Mr. Cox relative to other matters. At that time Mr. Cox requested access to the company's records, which was granted. The purpose of this request was to determine the connection of the bank's officers with the company, with a view to establishing the reason for the large volume of this stock in the collateral Loan and Estates Trusts Departments, special attention to be directed to the following:

1. An analysis of the "Milk Supply" Account to determine disposition of securities or cash.
2. Details of acquisition of predecessor companies, with particular reference to previous ownership by bank officers. (Records in Estates Trust Department appeared to indicate that Mr. Nutt or his family had a considerable interest in the Western Reserve Condensed Milk Company.)
3. Names of bank officers, if any, drawing salaries from subject company.
4. Complete list of ownership of Common Stock by bank officers, cost and selling price thereof, and profit made.

## RECORDS OF UNITED MILK PRODUCTS CORPORATION

Through the cooperation of the officials of the corporation, an examination was made of the records of the company, with particular reference to the points previously outlined.

For the purpose of determining the stock interests of various bank officials, and of the bank, the individual transfer sheets of the Corporation Trust Company, transfer agent, were examined for the period from January 2, 1926 to December 31, 1932. With the exception of the following, no changes of any apparent interest were noted in the ownership of stock by bank officers, and therefore no specific comment is now offered relative thereto. The transactions worthy of note are submitted herewith in the following schedules:

- Schedule IV. Stock Transfers—J. R. Nutt  
 Schedule V. Stock Transfers—C. W. Carlson  
 Schedule VI. Stock Transfers—Union Trust Company.

## Estates Trusts Department.

Schedule VII. Stock issued to subscribers through J. R. Nutt.  
 The original Preferred Stock was issued to the following:

J. R. Nutt—Original subscription.....	10 shs.
Western Reserve Stockholders.....	50,000 "
Nominees of J. R. Nutt.....	25,000 "

## EXHIBIT U-13-1o

Other Subscribers.....	31,650 shs.
H. E. Collin, et al—National Dairy Company.....	10,000 "
In payment for various companies acquired (Exclusive of Western Reserve Condensed Milk Co.).....	15,784 "
Nominees of H. N. Gifford.....	1,600 "
<b>Total original issue.....</b>	<b>134,044 shs.</b>

A list of subscribers through J. R. Nutt is submitted herewith as Schedule VII, totalling 25,000 shares, issued principally to officers and employees of the bank, as well as certain outside "friends" such as the Van Sweringen's, C. L. Bradley, etc.

With reference to the stock interest of J. R. Nutt, the pertinent points are summarized below:

Mr. Nutt and his wife were stockholders in the Western Reserve Condensed Milk Company, one of the companies acquired at the organization of the United Milk Products Corporation. At this time the stockholders of Western Reserve were given 2½ shares of the new company's Preferred Stock, with an equivalent number of Common Shares, for each Western Reserve share held by them. This resulted in the issuance of:

1,250 shares Preferred-----} to Mrs. Elizabeth H. Nutt (Carried in  
 1,250 " Common-----} Estates Trusts Department)  
 1,750 shares Preferred-----} to J. R. Nutt.  
 1,750 " Common-----}

In addition to the above Mr. Nutt subscribed for 10 shares each of Preferred and Common, issued to him January 14, 1926, for which he paid \$1,000.00 in cash, making a total of 1760 shares of each class of stock held in his name. Approximately three months after acquisition, he disposed of all of his stock with the exception of the original 10 share subscription, transferring to C. W. Carlson on April 1, 1926, 750 shares of Common and 1250 Preferred, and on April 15th an additional lot of 370 shares Preferred, the balance of the latter class of stock being disposed of to five other persons.

The remaining Common Stock of 1000 shares in Mr. Nutt's name was transferred on April 1, 1926 to Hord, Curtiss & Company, Stockbrokers. The transfer sheets do not, of course, supply any details relative to this transaction other than to indicate the mere transfer from one name to another, and accordingly the circumstances cannot be stated. In this case it is recommended that steps be taken to consult the records of Hord, Curtiss & Company to determine the nature of the transaction. Should it be assumed to represent a sale through these brokers, it would indicate that Mr. Nutt had received at least \$54,000.00 for his Common Stock, as this was the lowest price quoted for the month of April, 1926, the high for that month being 85, according to the records of the Statistical Department.

Of the stock transferred by Mr. Nutt to C. W. Carlson, no details can be obtained from the transfer sheets at the company's office, as the certificates lose their identity as to actual ownership upon transfer to Mr. Carlson's name. The dividend lists prepared by the Corporation Trust Company covering quarterly Preferred dividends, as well as lists of Common Stockholders prepared at various dates (generally at the time of annual meetings) indicate the following number of shares in the name of C. W. Carlson

EXHIBIT U-13-1p

Date	Pre-ferred	Com-mon	Date	Pre-ferred	Com-mon
March 15, 1926-----	12, 825	-----	March 15, 1929-----	5, 207	-----
June 15, "-----	12, 972	-----	June 15, "-----	4, 811	-----
September 15, "-----	12, 822	-----	September 14, "-----	6, 157	-----
December 15, "-----	12, 802	-----	December 14, "-----	6, 017	-----
January 27, "-----	-----	10, 190	January 22, 1930-----	-----	3, 157
March 15, "-----	10, 582	-----	March 20, "-----	5, 992	-----
June 15, "-----	10, 392	-----	June 14, "-----	5, 817	-----
September 15, "-----	7, 082	9, 470	September 15, "-----	5, 817	-----
December 15, "-----	6, 550	-----	December 15, "-----	5, 262	-----
January 27, 1928-----	-----	7, 485	January 23, 1931-----	-----	2, 807
March 15, "-----	6, 157	-----	March 31, "-----	5, 262	-----
June 15, "-----	6, 272	-----	September 30, "-----	4, 812	-----
September 15, "-----	6, 357	4, 617	January 23, 1932-----	4, 812	2, 707
December 15, "-----	5, 507	-----	December 31, 1932—date of re-or-	-----	-----
January 31, 1929-----	-----	3, 797	ganization-----	4, 812	2, 207

An attempt was made to determine from the bank's records the actual ownership of the above stock standing in Mr. Carlson's name, from the distribution of the Preferred quarterly dividends received by Carlson. It was his practice to purchase Official Checks payable (apparently) to the actual owners of the stock; however, the determination of such ownership is complicated by Mr. Carlson's practice during a portion of this time of using part of the proceeds of each original dividend check in the purchase of an Official Check payable to himself, which appears to cover interest and dividends upon unpaid stock subscriptions—in some instances he held such official checks for months and eventually returned a part of the proceeds to the Milk company.

From the analysis of these dividend distributions it appears for a time that J. R. Nutt and C. L. Bradley had the largest individual interests in this "syndicate", with smaller participation by other officers or directors of the bank. It is also noted among other matters, that Mr. R. E. Vinson appears to have had an interest to the extent of 100 shares.

As determined from the distributions of dividends, Mr. Nutt appears to have been the owner of the following number of shares of Preferred Stock in the name of C. W. Carlson at the dates specified:

1926	
April 1.....	1, 705
July 1.....	3, 020
October 1.....	3, 020

## EXHIBIT U-13-1q

1927	
January 1.....	2, 500
April 1.....	2, 360
July 1.....	2, 390
October 1.....	2, 155

1928	
January 1.....	270
April 1.....	205
July 1.....	205
October 1.....	205

1929	
January 1.....	205
April 1.....	205
July 1.....	205
October 1.....	205

1930	
January 1.....	205
April 1.....	205
July 1.....	205
October 1.....	147

1931	
January 1.....	

(No further dividends paid)

Details as to the disposition of the stock represented by the decreases noted above, are not available from the bank's or the corporation's records. Presumably such information may be obtained from the detailed records which it is understood are still retained by Mr. C. W. Carlson.

The transfer sheets showing stock in and out of C. W. Carlson's name, as set forth in Schedule V, indicate numerous certificates transferred to:

Union Trust Company-Estates Trusts

United Milk Products Corporation—Preferred stock retired

Louis J. Reeder—Stock purchased for customers and employees.

It also appears from the transfer sheets that an active campaign to dispose of the common stock in Carlson's name was carried on during the early part of the year 1928, as such records indicate a total of 4,865 Common shares transferred out from January 1 to June 30, 1928, going principally into the names of various brokers. The records of the Statistical Department indicate that during this period the average price for the Common was \$42.00 per share, and for the Preferred, \$90.00. Inasmuch as the majority of this "syndicate's" stock was acquired at the issue price of \$100.00 per unit of 1 share Preferred and 1 share Common, a large profit must have accrued, during this period alone, to those interested in the pool. Such profits would presumably be merely a part of the total earned from 1926 to 1932, wherein 13,705 Common and 13,838 Preferred shares were transferred out of the Carlson name.

## EXHIBIT U-13-1r

With reference to market prices for United Milk stock, another set of circumstances is noted, which may possibly be of interest in connection with the holdings of the bank's officers. One H. E. Collin, connected with the brokerage firm of Collin, Norton & Co. of Toledo, Ohio, was a trustee for the stockholders of the National Dairy Company, with a plant at Morenoi, Michigan, one of the properties acquired by United Milk at organization. The consideration therefor was 10,000 shares each of Preferred and Common Stock of the United Milk Company, which was duly issued to Collin and his co-trustees, of which 7,000 shares of each

class of stock were at once transferred to Campbell, Starring & Company, a New York brokerage firm, and 3,000 each to R. L. Corby.

In addition to the stock above issued, Collin was given an option to purchase an additional 20,000 shares of Common Stock at prices ranging from \$45.00 to \$90.00 per share. This he exercised to the extent of 9,000 shares, paying therefor \$485,000.00 in cash.

An immediate market was created for United Milk Common Stock, resulting in a price range from 110 to 115 during the month of January 1926, at the same time the Preferred was being offered at 91. The officers of the company disclaim any responsibility for the high price for the common, stating that they were not interested in the market and did not profit thereby. They do state, however, that they believe Collin was responsible for creating this market in order to dispose of his common holdings at a profit. This is based partly upon the fact that letters have come to their attention dated about the time of organization, circulating various rumors calculated to enhance the value of the common stock, and also the fact that Collin at that time was attempting to sell units of 1 share Preferred and 1 common at \$150.00, in the face of the company's subscription price of \$100.00 for the same unit.

With further reference to this angle, it appears that the majority of purchases made by the Estates Trust Department during the first six months of 1926 were made through Campbell, Starring & Company, the brokers previously mentioned as transferees of Collin's stock. This, added to the fact that J. R. Nutt disposed of his stock during this comparatively high-priced period, might possibly indicate a connection between Collin and the bank officers, designed to promote the interests and profits of the latter. This is entirely an assumption, not susceptible of proof from any source now available; however, it is suggested that the matter might deserve further consideration in case additional avenues of information present themselves later.

Of the balance of the purchases by the Estates Trust Department, considerable stock was acquired from that appearing in the name of C. W. Carlson, as detailed in Schedule VI.

Another item disclosed by the books of the United Milk Products Corporation is the fact that a large loan was made to J. R. Nutt by the company shortly after organization, as evidenced by the following disbursements:

April 15, 1926 Check .....	\$25, 000. 00
June 2, 1926 " .....	500, 000. 00
Total .....	<u>\$525, 000. 00</u>

A memorandum in the company's files indicates that this loan was secured by:  
 5000 shares Southern Baking Co. Preferred Stock.  
 1250 " " " " Common Stock.

The officers of the company produced the cancelled check for \$500,000.00, which showed an endorsement by J. R. Nutt in payment for a New York draft. The draft was located in the bank's files, dated June 2, 1926, for \$500,000.00,

EXHIBIT U-13-1s

payable to the Southern Baking Company. Photostatic copies of both the check and the draft are attached hereto. The loan was repaid by Mr. Nutt during the year 1927.

Under present circumstances it is not possible to secure further details relative to this transaction. The company officials have no positive information in connection therewith but believe the check to Mr. Nutt probably paid for the purchase of the stock used as collateral to the loan. Mr. Lindahl, Secretary, also thinks that Mr. Nutt made large profits from the purchase and sale of Southern Baking Company stock, not only from that acquired through this loan, but likewise from other transactions in this stock entered into in syndicates with the Bartshe family.

It therefore appears that Mr. Nutt made such profits as accrued on stock purchased through this loan, on capital furnished by the United Milk Products Company. It is true that the latter company had an excess of cash on hand which it desired to employ profitably; nevertheless, the conclusion may be drawn that such excess was largely supplied by the Union Trust Company through its Collateral Loan and Estates Trusts Departments, and that any profits thus created were at least indirectly attributable to the contributions by

the bank which as is now apparent, will result in large losses to the Union Trust Company.

#### OTHER OUTSIDE INFORMATION

It is recommended that interviews also be had with holders of Estates Trusts containing United Milk Stock, to determine circumstances under which they were induced to purchase stock. Also with borrowers from the Collateral Loan Department, for the same purpose.

In connection with the latter point, an interview was had with Mr. Charles L. Bethel, formerly Assistant Treasurer, in charge of the Detroit-Cook Office, and now employed in the Main Office. Mr. Bethel, together with his wife, Ida M., appears as a borrower in the Collateral Loan Department, his loan still being open as of July 15, 1933, with 56 shares of United Milk Products Preferred and 3-2/6 shares Common (formerly 70 and 20 shares, respectively, of the old company) as part collateral. Asked as to the circumstances under which he was induced to purchase this stock, Mr. Bethel stated that he was on the list of those invited to subscribe for the original issue of stock, receiving 20 shares of the Preferred with a bonus of 20 Common. This was financed by Mr. Bethel's payment of \$500.00, and a bank loan of \$1,500.00, dated February 1, 1926.

About a year later, Mr. Bethel states he had sold his residence and having some cash available from the proceeds, Mr. Nutt advised his wife, Ida M. Bethel to purchase an additional 50 shares United Milk Preferred, stating at the time that he would personally guaranty that she would never suffer a loss through this purchase. Acting upon this advice, Mr. Bethel purchased the stock recommended.

The stock transfer records at the office of the company indicate that 50 shares of Preferred were transferred to the name of Ida M. Bethel on January 17, 1927. A loan of \$950.00 appears in the Collateral Loan Department dated April 6, 1927 in the name of Ida M. Bethel, secured by this stock.

At present Mr. Bethel's obligation to the bank amounts to \$4,177.48, resulting from a consolidation of the previously mentioned loans, together with others. It is secured by collateral of a value (as of September 20, 1933) of \$2,448.00. This value is of course, contingent upon the possibility of securing the quoted market price for that part of the collateral represented by United Milk stock, which seems improbable due to the large amount of stock which it will be necessary to liquidate in a very thin market.

#### EXHIBIT U-13-1t

Needless to say, Mr. Nutt's guaranty was never made good.

It might be well to make further inquiry of Mr. Bethel as to the possibility of his holding Mr. Nutt to his guaranty against loss, in order to enable Mr. Bethel to repay his loan to the bank. Furthermore it is quite possible that the same "guaranty" was extended to other prospective stock purchasers, which it is suggested be investigated through further interviews. The names of other subscribers may be obtained from Schedule VII, setting forth a list of persons to whom a total of 25,000 shares of Preferred and Common Stock was issued, through the subscription of J. R. Nutt.

As to participation by Estates Trusts in stock of United Milk Products Corporation, an instance has come to light indicating that this stock, in one case at least, was recommended for purchase to the holders of such trusts. The trust in question is that of R. W. Sheffer, 19 W. Main Street, Wolcott, N.Y., from whom numerous letters are in the files, of which the following quotation contained in a letter dated December 30, 1931, is a typical example:

"I asked Mr. Gates to tell Union Trust Co. to pick out some securities that would be suitable for my trust and that on my next trip to the bank, we could make a switch, the result was, you passed on to my Trust \$5,000.00 of your United Milk Preferred Stock 7%. I was told to put \$10,000.00 in my Trust but I only left you put in \$5,000.00 of your United Milk \* \* \*."

A photostatic copy of another letter from Mr. Sheffer, dated March 22, 1933, containing similar statements, is attached hereto.

Due to Mr. Sheffer's numerous protests, an investigation was made by the Trust Officers of the alleged improper handling of his trust, in connection with which a memo was placed in the files by Mr. Lahut dated April 4, 1931, who stated that at the time of purchase he had given Mr. Sheffer lists of stocks such as U.S. Steel, American Telephone & Telegraph, etc., but that Mr. Sheffer insisted upon a higher yield. Whereupon, United Milk was mentioned to him

as a business man's investment resulting in a signed order dated August 22, 1927 to buy 50 shares United Milk Preferred at market.

This one instance indicates that the Estates Trusts Department may have in some cases recommended the purchase of United Milk stock, and it is therefore, suggested that interviews with the holders of other trusts might be desirable.

“MILK SUPPLY” ACCOUNTS ON BOOKS OF UNITED MILK PRODUCTS CORPORATION

An analysis of this account was made for the purpose previously outlined, of determining if cash or securities were issued to anyone connected with the bank, and charged to this account.

It was found that such was not the case, as the account represents only the difference between the consideration paid for the various companies acquired at

EXHIBIT U-13-1u

organization and the appraised value of their respective physical assets. The greater portion of the account is concerned with the Western Reserve properties due primarily to the exchange of shares on a 2-1/2 for 1 basis. A brief summary of the account follows:

Set up in connection with valuation of assets of:

Western Reserve Condensed Milk Company—January 1, 1926.....	\$2, 098, 436. 01
National Dairy Co.—February 26, 1926.....	300, 000. 00
All Plants—December 31, 1926.....	1, 716, 401. 07
	<hr/>
	\$4, 114, 837. 08
Less—Value of Milk Supply applicable to Standish plant sold during 1927.....	175. 00
	<hr/>
	\$4, 114, 662. 08
Milk Supply Account set up on books of subsidiary, United Milk Products Corporation of California, representing difference between value of physical properties and cash paid Libby, McNeil & Libby for Loleta Plant.....	250, 000. 00
	<hr/>
Milk Supply Account per Consolidated Balance Sheet, December 31, 1932.....	\$4, 364, 662. 08
	<hr/> <hr/>

In connection with the above valuations, Mr. P. L. Haynes, of the company, advises that as a general rule, appraisals of physical assets were placed at as low a figure as possible in order to reduce the burdens of local taxes upon their numerous plants. This would naturally result in a correspondingly higher figure for intangibles.

It thus appears that no cash or securities were issued directly to any individual connected with the bank, and charged to this account. The only benefit accruing to such persons would be indirectly as stockholders in the predecessor companies taken over, though this would of course be shared in common with all other stockholders of such companies. In this connection, Mr. J. R. Nutt and his wife appear, as previously stated, as stockholders in the Western Reserve Condensed Milk Company.

OFFICERS AND DIRECTORS

Mr. J. R. Nutt was never at any time an officer or director of the subject company, and drew no compensation therefrom.

The only persons in any way connected with the bank and also with the company were Sam W. Emerson and Otto Miller, who were elected directors of the company April 7, 1931. Mr. Miller tendered his resignation from the directorate March 17, 1933.

Considerable additional information is contained in the working papers of this case which it is not thought necessary to submit with this report, but which may be consulted if deemed advisable.

It is suggested that at an opportune time, Mr. C. W. Carlson be called upon to produce his records, which it is understood he has retained, in order to secure further information not obtainable from the bank's records.

## EXHIBIT U-13-1v

It is further recommended that this case be called to the attention of the United States Attorney for further investigation as to a possible violation of the National Bank and Federal Reserve Acts.

Respectfully submitted,

WALTER G. MITCHELL.

WGM:ES

## EXHIBIT U-13-2

LIQUIDATOR'S CONFIDENTIAL FILE UNITED MILK PRODUCTS CORPORATION  
(SUPPLEMENTARY REPORT)

## EXHIBIT U-13-2a

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

NOVEMBER 17, 1933.

OSCAR L. COX,

*Special Deputy Superintendent of Banks,  
Cleveland, Ohio.*

In Re: United Milk Products Corporation

DEAR MR. COX: In reply to your memorandum relative to report previously submitted on the above company, a brief summary of the facts contained therein has been prepared, with references to the pages in the report where details may be found. This is followed by a similar summary of recommendations made.

Placing the worst construction on all circumstances which have been indicated by this investigation, it may be assumed that the entire deal was a scheme to organize and float the United Milk Products Corporation for the personal benefit and profit of J. R. Nutt and/or other persons connected with the bank. This assumption is supported by the following:

(a) J. R. Nutt and his wife acquired a large amount of the corporation stock through prior ownership of stock of the Western Reserve Condensed Milk Company. (Page 13 of report.)

(b) Mr. Nutt acquired an additional amount of stock through subscription by C. W. Carlson, the exact amount of which cannot be determined. (Page 14.)

(c) Pursuant to the scheme, loans aggregating over \$2,000,000.00 were made by the Collateral Loan Department in the first six months of 1926 with United Milk Stock as all or part collateral (Page 3). In many cases the loans represented 80 to 100% of the par value of the collateral (Pages 4, 5, 6, 7). These loans were, in nearly every case, approved by J. R. Nutt or C. W. Carlson. (Schedule I.)

(d) A large volume of this stock was placed in various accounts in the Estates Trusts Department, in some cases upon the direct authorization of Mr. Nutt. (Pages 7, 8.)

(e) To aid in disposing of the bank officers' stocks, various steps were taken, including:

1. Letters written by bank officers to outside persons advising purchase of the stock (Page 2) based in part upon a memo placed in the files by Mr. Nutt (Page 2).

2. Representations to bank employees and outside associates that they might be permitted to subscribe to a wonderful investment opportunity, which resulted in a total subscription of 25,000 shares from such persons. (Schedule VII:) This represented approximately 43% of the total 58,250 shares of stock sold for cash, exclusive of that issued in acquisition of predecessor companies. (Page 12.)

3. A personal guaranty by Mr. Nutt, in one instance at least, that the purchaser of the stock would not incur a loss through such purchase. (Page 17.) It is quite possible that this guaranty was extended to other purchasers.

(e) Information to be obtained from C. W. Carlson, at the proper time, relative to the following:

1. Members of the "syndicate" who subscribed for United Milk stock in the name of Carlson, together with their respective interests and all details as to purchases and sales of the stock. This to determine profits realized by each on

## EXHIBIT U-13-2c

such transactions. (Pages 15, 19.)

2. Details relative to the abstraction for two days of 2,750 shares of stock from various Trust accounts. (Pages 9, 9A.) While the purpose of this move is not clear, from all information now available, it may be that the mere taking of this stock for the two-day period might constitute a proper basis for criminal action.

(f) Interviews with borrowers, as well as subscribers. To determine if they were guaranteed against losses in the purchase of United Milk stock. (Page 18.) It would appear that with proper corroboration by more than one borrower, civil action might be started to enforce such guarantees, enabling borrowers to repay their loans to the bank.

(g) Reference of entire case to United States Attorney. (Page 20.) To secure further information only obtainable through official channels, including reference to Mr. Nutt's (and other officers') income tax returns. Also for an official opinion as to possible criminality of this entire deal.

If it is possible to prove conclusively that this entire deal constituted mismanagement on the part of the bank's officers, it would appear that a good cause for civil action would lie against the directors for recovery of losses sustained. This principle has been clearly set forth by the United States Supreme Court in its decision in the case of *Bowerman vs. Hammer* (250 U.S. 504). In defining the liability of directors in that case, the Court cited the earlier case of *Martin vs. Webb*, reading in part as follows:

"Directors cannot, in justice to those who deal with the bank, shut their eyes to what is going on around them. It is their duty to use ordinary diligence in ascertaining the condition of its business and to exercise reasonable control and supervision of its officers. \* \* \* That which they ought, by proper diligence, to have known as to the general course of business in the bank, they may be presumed to have known in any contest between the corporation and those who are justified by the circumstances in dealing with its officers upon the basis of that course of business."

#### EXHIBIT U-13-2b

(f) In order to establish a market a possible arrangement existed between the bank officers and H. E. Collin, the latter to create a market for the corporation's stock. (Page 16)

(g) Immediately after this market was built up, Mr Nutt disposed of all the stock which he had received in exchange for his prior holdings in Western Reserve Condensed Milk Company, presumably at a large profit (Page 13.)

(h) Stock in the name of C. W. Carlson, held for various persons, including J. R. Nutt, was disposed of from time to time, the largest sales consisting of Common Stock sold during the first half of the year 1928, at a large profit (Page 15.)

(i) As an additional source of profit to J. R. Nutt, he secured the loan of \$525,000.00 from the corporation, derived from the excess capital contributed through the Union Trust Company. Through this loan he was enabled to make further profits in the purchase and sale of Southern Baking Company stock. (Page 16)

(j) Further benefits were received through dividends of 7% on United Milk Preferred Stock during the years from 1926 to 1931.

The suggestions and recommendations contained in the report were submitted primarily for the purpose of proving the above conclusions. Such suggestions may be summarized as follows, with reference to the page numbers on which incorporated in the report:

(a) Interviews with subscribers to stock. To determine inducements offered. (Page 18.)

(b) Interviews with holders of Estates Trusts. To determine inducements offered. (Page 18)

(c) Securing of any possible information relative to connection with H. E. Collin. To determine if the latter's market activities were inspired by an agreement to establish a high price in order to enable J. R. Nutt and/or others to unload their stock. (Page 16)

(d) Examination of records of Hord, Curtiss & Company, stock-brokers, with particular reference to any accounts carried by J. R. Nutt, and to the disposition by him of his United Milk Common Stock. For the purpose of attempting to ascertain the profit obtained at the time of sale. (Page 13.)



The Court continues, with reference to the above citation:

"This latter statement of the rule is made in a case dealing only with borrowers from the bank, but there is no good reason why it should not be applied for the protection of depositors and stockholders."

In accordance with your memorandum, there have been prepared tabulations of the loans made during the first six months of 1926, with United Milk Preferred Stock as all or part collateral, indicating the present status of such loans (Schedule B); also a summary of such stock placed in various accounts in the Trust Department, indicating that now held in these accounts together with losses sustained on sales. (Schedule C) For further convenience, these tabulations are preceded by a summary (Schedule A) of the original loans still in the Collateral Loan Department indicating losses sustained through charge-offs and those which would be incurred in the event of liquidation at present values.

The ascertainable losses, both to the bank as the lender, and to holders of the trusts, appear as follows:

EXHIBIT U-13-2d

Loans: Losses charged off and to be taken in event of liquidation.	\$172, 759. 91
Trust Accounts:	
Sustained by holders on sales already made.....	30, 496. 50
In case of sale by holders—difference between carrying value and present market (22) on stock still in accounts.....	424, 251. 01
Total.....	\$627, 507. 42

Attention is invited to the fact that the above figures do not measure the total losses on transactions in United Milk stock, for the following reasons:

Loans made after the first six months of the year 1926 are not included in the tabulations, and probable losses on such loans still held by the bank are therefore not a part of the total indicated.

Losses on loans on Common Stock, are excluded, as only the transactions involving Preferred Stock were analyzed.

Losses on stock withdrawn from trust accounts cannot, of course, be determined from the bank's records. Such withdrawals have been particularly heavy during the period since commencement of liquidation, comprising a large part of 3,008 shares withdrawn during the year 1933. Assuming for purposes of computation an average purchase price of 85 and a present market of 22, the loss to holders who have withdrawn their stock since January 1, 1933, should they sell at today's figures, would amount to approximately \$189,500.00, in addition to the known losses set forth above. This latter figure does not include possible losses on stock withdrawn prior to 1933, as it cannot be stated if holders still retain the stock taken out; however, the estimate for 1933 is fairly accurate as the market during the current year did not vary to a great extent.

It will be noted from the schedule of trust account transactions, that the Nutt family trusts sustained comparatively large losses in the sale of a portion of their Preferred Stock. It is also noted however, that the account of Elizabeth H. Nutt shows profits on the sale of Common Stock in the amount of \$24,945 00.

As to the disposition of copies of the report previously submitted, you are advised that one copy was handed to Mr. Burmeister, and two placed in the files of the Inspection Department. The original is returned herewith.

I trust the foregoing will supply the information required.

Respectfully submitted.

WALTER G. MITCHELL.

EXHIBIT U-13-2e

(For Walter H. Seymour, Representative of U. S. Senate Committee on Banking & Currency: This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo.—Oscar L. Cox, Deputy Superintendent of Banks, State of Ohio)

SCHEDULE A

UNITED MILK PRODUCTS CORPORATION

Summary of Original Loans Made on Preferred Stock Still carried by Bank as of November 3, 1933

Borrower	Original Note		Charged Off	Present Loan Nov. 3, 1933	Present Collateral Value		Loss in event of Liquidation at Present Values	Accrued Interest Unpaid	Total Loss
	Date	Amount			United Milk	All Col-lateral			
Grover N. (Elizabeth) Hull	1-2-26	5,000 00	-----	17,000 00	1,848 00	13,343 00	3,657 00	-----	3,657 00
William V. Mullin	1-2-26	5,000 00	-----	8,887 41	3,520 00	7,572 00	1,315 41	115 80	1,431 21
F. C. Noon	1-2-26	6,000 00	-----	6,238 57	1,856 00	1,856 00	4,382 57	555 93	4,938 50
Samuel J. Krepps	1-2-26	10,000 00	}-----	2,250 00	1,856 00	3,221.00	-----	-----	-----
	5-5-26	5,367 50							
Nelle C. White	1-2-26	10,000 00	-----	7,380 69	1,760 00	3,526 00	3,854.69	244 49	4,099 18
Harriette B. Borton	1-2-26	10,000 00	-----	3,950 00	1,760 00	2,375 00	1,575 00	597 31	2,172 31
Morris S. Halliday	1-2-26	10,000 00	-----	8,579 66	1,760 00	6,424 00	2,155 66	-----	2,155.66
Mrs. Ida M. Bethel	2-1-26	1,500 00	-----	4,177 48	1,250 00	2,160 00	2,017 48	76 83	2,094.31
C. L. Ayers	3-8-26	125,000 00	102,000 00	15,985 50	24,756 00	25,956 00	192,029 50	42,877.06	134,906 56
D. J. Haley	3-23-26	700 00	-----	5,201 46	176 00	3,186 00	2,015 46	160 73	2,176 19
Cyrus Locher	4-5-26	7,500 00	-----	5,657 06	1,856 00	1,856 00	3,801 06	267 38	4,068 44
Alice F. (W. D.) Benes	5-13-26	450 00	-----	6,039 84	1,760 00	5,928 00	111 84	15,971 00	271 55
Henry F. Lobmeyer	6-14-26	1,800.00	-----	29,500 00	5,576 00	18,711 00	10,789 00	-----	10,789 00
Total—Loans still in Bank		198,317 50	102,000 00	120,847.67	49,734 00	96,114 00	127,704.67	45,055.24	172,759 91

<sup>1</sup> Includes loss charged off.

STOCK EXCHANGE PRACTICES

9099

SEND FOLLOWING TELEGRAM

To Mr. J. H. SKINNER, Date 11/2/25.  
*Vice-President, Bank of Italy, Montgomery Street Branch,*  
*San Francisco, Calif.*

Unable to get trace of company mentioned your night letter can you furnish address or names of principals

THE UNION TRUST COMPANY, Credit Department.

Send Collect.

Authorized by -----

PLEASE DESIGNATE—"MAKE ENTRIES" "DO NOT MAKE ENTRIES"

EXHIBIT U-13-4

UNITED MILK PRODUCTS CORP.

THE CORPORATION TRUST COMPANY,  
*Jersey City, N.J., January —, 1926.*

Pursuant to resolutions of the Board of Directors, you are authorized to issue 44835 original PREFERRED shares and 44835 original COMMON shares of this company, in the names and amounts listed below.

The cash or property for which the above mentioned shares are issued has been actually conveyed or transferred and delivered to the Company. COMMON STOCK FROM CTF TC1 FOR 115,000 IN NAME OF P. L. HAYMES.

----- President. ----- Secretary.  
 Sheet No. 3.  
 Date 1/14/26.

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
TC20	-----	10	TP1	-----	10	J. R. Nutt.....		c/o Union Tr Co Cleve Ohio
TC21	-----	2,750	TP2	-----	2,750	James B Arthur.....		464 Riverside Drive NYC
TC22	-----	2,755	TP3	-----	2,755	Mary C Arthur.....		Do.
TC23	-----	2,500	TP4	-----	2,500	Addie L Bartshe.....		1252 Bway Cleve Ohio
TC24	-----	2,497	TP5	-----	2,497	Clarence L. Bartshe.....		Do.
TC25	-----	3	TP6	-----	3	.....do.....		Do.
TC26	-----	2,500	TP7	-----	2,500	Dorothy M Bartshe.....		Do.
TC27	-----	2,500	TP8	-----	2,500	Glen E Bartshe.....		Do.
TC28	-----	210	TP9	-----	210	.....do.....		Do.
TC29	-----	2,500	TP10	-----	2,500	Ruth H Bartshe.....		Do.
TC30	-----	587	TP11	-----	587	William A Bartshe.....		330 W Main St Kent, Ohio
TC31	-----	3	TP12	-----	3	.....do.....		Do.
TC32	-----	835	TP13	-----	835	Frank B Carr.....		1418 Keith Bldg Cleve O
TC33	-----	572	TP14	-----	572	.....do.....		Do.
TC34/41	500	4,000	TP15/22	500	4,000	.....do.....		Do.
TC42	-----	3	TP23	-----	3	.....do.....		Do.
TC43/44	300	600	TP24/25	300	600	Mary E Carr.....		1615 Chilton Blvd. Lakewood-Cleve. Ohio
TC45/46	45	90	TP26/27	45	90	.....do.....		Do.
TC47	-----	4,000	TP28	-----	4,000	Charles I Corby.....		R F D #3 Rock- ville, Md
TC48	-----	700	TP29	-----	700	Robert L Corby.....		c/o Fleischmann Laboratories, 158th St & Mott Ave NYC
TC49	-----	700	TP30	-----	700	William S Corby.....		26 Jackson Pl. NW Wash D C
TC50	-----	5	TP31	-----	5	William L Fox.....		1248 Bway Cleve Ohio
TC51	-----	837	TP32	-----	837	Philip L Haymes.....		1252 Bway Cleve. O
TC52	-----	3	TP33	-----	3	.....do.....		Do.

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
TC53		3,000	TP34		3,000	Estate of W Duane Hunt		920 Guardian Bldg Cleve Ohio
TC54		3,000	TP35		3,000	Florence W Hunt		Do
TC55		250	TP36		250	Edward M Johnson		3146 Washington Blvd Cleve Hghts Ohio
TC56/60	250	1,250	TP37/41	250	1,250	The Union Trust Co.		The Union Tr Co Cleve Ohio
TC61/67	250	1,750	TP42/48	250	1,750	J. R. Nutt		110 Mentor Av Painesville, Ohio
TC68		847	TP49		847	Fred A Searl		110 Mentor Av Painesville, Ohio
TC69		3	TP50		3	do		
TC70		50	TP51		50	George T Searl		Washington St Painesville, Ohio
TC71		300	TP52		300	Lizzie T Searl		110 Mentor Av Painesville, Ohio
TC527		50	TP53		50	George T Searl		
TC528		2,500	TP54		2,500	Farrar Tinley		450 Park Av Le- ona, NJ
TC74		50	TP55		50	William H Turner		1405 E 110th St Cleve Ohio
TC75		625	TP56		625	Donna L Ward		c/o Ralph D Ward c/o Drake Bak- eries Inc. 77 Clin- ton Ave Bklyn. NY
		44,835			44,835			

EXHIBIT U-13-5

November 2nd, 1925.

Mr. J. H. SKINNER,  
Vice-President, Bank of Italy, Montgomery Street Branch,  
San Francisco, California.

DEAR SIR: In reply to your wire of October 31st regarding the United Milk Products Company, we telegraphed you this afternoon as follows:

"Unable to get trace of company mentioned your night letter. Can you furnish address or names of principals?"

This concern is unknown to all of those with whom we talked including the leading milk companies, dairy supply houses and brokers in the evaporated milk business. The various services we use have nothing on the name. Under the circumstances we were unable to be of assistance but if you can give us anything definite to work from it will be a pleasure to make further inquiry.

Very truly yours,

W. F. COPELAND,  
Assistant Vice-President.

EXHIBIT U-13-6

THE UNION TRUST COMPANY  
Cleveland, Ohio, December 4th, 1925.

J. R. KRAUS,  
Vice President, The Union Trust Company.

DEAR JOE: I have just read your letter of November 30th from Mr. C. S. Castle. The situation is about as follows:

The United Milk Products Corp'n. has been organized under the laws of Delaware with an authorized capital of \$25,000,000 7% cumulative preferred stock, callable at 110, and 250,000 shares non par common stock.

There are some 10 or 12 different companies, with between 40 and 50 plants, coming into the United Corporation. They had the option of taking either cash or securities of the new company, and I understand they all elected to take securities. When these properties are all put together, and after paying each company in cash for its inventory, they find they will have about \$1,800,000 in cash, and this, they claim, is all the working capital they will need to operate their business without borrowing any money. It is therefore unnecessary to

put out any underwriting. However, the men active in handling the deal feel that in the interest of the new company a certain amount of this stock should be placed with friends who can be instrumental in bringing business to the company.

I have never seen a deal quite like it in my life. Most new corporations of this kind want a lot of new money, but this company does not need nor want any, and they have had applications for eight and a half times the amount of new stock that they can prudently let out. In fact any stock sold is that amount additional of new cash in the treasury which is not needed.

I think with the above explanation you will understand it is very doubtful if Mr. Castle could get any of the stock. In fact I do not know how it could be done. I asked a long time ago for a substantial block to be distributed among my friends, but I know I will not be able to get anything like the amount requested.

Sincerely yours,

J. R. NUTT.

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EXHIBIT U-13-7

December 4, 1925.

Mr. C. S. CASTLE,  
President, Standard Trust & Savings Bank,  
Chicago, Illinois.

DEAR MR. CASTLE: I am in receipt of yours of the 30th ult., regarding the United Milk Products Corporation.

This Company has been organized under the laws of the state of Delaware with an authorized capital of \$25,000,000 7% cumulative preferred stock, callable at 110, and 250,000 shares non par common stock.

There are some 10 or 12 different companies, with between 40 and 50 plants, coming into the United Corporation. They had the option of taking either cash or securities of the new company, and I understand they all elected to take securities. When these properties are all put together, and after paying each company in cash for its inventory, they find they will have about \$1,800,000 in cash, and this, they claim, is all the working capital they will need to operate their business without borrowing any money. It is therefore unnecessary to put out any underwriting. However, the men active in handling the deal feel that in the interest of the new company a certain amount of this stock should be placed with friends who can be instrumental in bringing business to the Company.

I have never seen a deal quite like it in my life. Most new corporations of this kind want a lot of new money, but this Company does not need nor want any, and they have had applications for eight and a half times the amount of new stock that they can prudently let out. In fact, any stock sold is that amount additional of new cash in the treasury which is not needed.

If you are allotted any of this stock, it will be on account of personal friendship of some one of the crowd. I understand the common stock is being bought at the present time at \$30.00 per share.

Trusting that this information may be of service to you, and with kind personal regards, I remain,

Very sincerely yours,

VICE-PRESIDENT.

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EXHIBIT U-13-8

SUBSCRIPTION TO PREFERRED STOCK

UNITED MILK PRODUCTS CORPORATION

Preferred stock—\$25,000,000, par value \$100 per share.

Common stock—250,000 shares without par value.

Preferred Stock is entitled to a cumulative dividend at the rate of Seven Dollars (\$7.00) per share per annum, and no more. Preferred Stock is non-voting and in the event of any distribution of assets is entitled to receive One Hundred Dollars (\$100.) per share before any sums are paid to the holders of Common Stock, all the remaining assets being distributable among the holders of the Common Stock. The Preferred Stock is subject to redemption at One Hundred Ten (\$110.) Dollars per share at the option of the Board of Directors at any time upon thirty (30) days' notice.

CLEVELAND, OHIO, Dec. 31, 1925.

To United Milk Products Corporation:

I hereby subscribe for twenty five thousand shares of the Preferred Stock of United Milk Products Corporation, as described above, at One Hundred Dollars (\$100.) per share, subject to terms as stated below:

- (1) I understand that the authorized Common Stock has been issued, in connection with the organization and promotion of the company, for certain options, and that I shall receive One (1) share of said Common Stock with each share of Preferred Stock allotted under this subscription.
- (2) This subscription is payable in full at time of subscribing.
- (3) Certificates will be issued as of January 2, 1926.
- (4) I understand that you may allot a smaller number of shares, or reject this subscription.
- (5) Dividends will accrue from January 1, 1926, upon all Preferred Stock allotted under this subscription.

Name J. R. NUTT,  
Address c/o Union Trust Co.,

Issue certificates in name of—will advise by letter.  
(State Mr., Mrs. or Miss.)

Make checks payable to order of United Milk Products Corporation, and mail to the company at 1252 Broadway, Cleveland, Ohio, or Room 510, 100 Hudson Street, New York, N.Y.

EXHIBIT U-13-9a

Checked by -----

UNITED MILK PRODUCTS CORPORATION,  
January 2, 1926.

THE CORPORATION TRUST COMPANY, JERSEY CITY, N.J.

Pursuant to resolutions of the Board of Directors, you are authorized to issue 25,000 original PREFERRED shares and 25,000 original COMMON shares of this company, in the names and amounts listed below.

The cash or property for which the above mentioned shares are issued has been actually conveyed or transferred and delivered to the Company.

----- President. ----- Secretary.

Leave these columns blank.

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
SHEET NO 8								
T.C 203/10	250	2,000	T P 570 T P 180,182/7	250	2,000	C W Carlson.....		c/o The Union Company, Euclid & E 9th St., Cleveland, Ohio.
T.C 211/55	100	4,500	" 188/231 233	100	4,500	C W. Carlson.....		do do
T.C 256	90	90	" 232	90	90	C W Carlson.....		do do
T.C 257/280	50	1,200	T P 234/57	50	1,200	C. W Carlson.....		do do
T.C 281/289	20	180	T. P 258/66	20	180	C W Carlson.....		do do
T.C 290	10	10	T P 267	10	10	C W Carlson.....		do do
T.C 538/542	500	2,500	T P 268/72	500	2,500	The Union Trust Company.		Estates Trust Department, Cleveland, Ohio.
T C. 543/5	250	750	T P 273/5	250	750	The Union Trust Company.		do do
T.C 546/9	100	400	" 276/9	100	400	The Union Trust Company.		do do
T.C 550	90	90	" 280	90	90	The Union Trust Company		do do
T C 551	50	50	" 511	50	50	The Union Trust Company		do do
T C 305/9	100	500	" 283/6 512	100	500	Mr R H. Nutt.....		1901 Union Trust Building, Cleveland, Ohio
T C 310/1	100	200	" 287/8	100	200	Mr. W. M. Baldwin.....		c/o The Union Trust Company, Cleveland, Ohio.
T.C 312	50	50	" 289	50	50	Mr. W M Baldwin.....		do do

## EXHIBIT U-13-9a—Continued

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
SHEET NO. 8—con.								
T.C.552/6	100	500	T.P.513/7	100	500	Messrs O. P. & N. J. Van Sweringen.	-----	Marshall Building, Cleveland, Ohio.
T.C 318/21	100	400	" 295/98	100	400	Mr. J. J. Bernet	-----	616 Columbia Building, Cleveland, Ohio.
T.C.322/6	100	500	" 299/303	100	500	Mr C L Bradley	-----	c/o The Union Trust Company, Cleveland, Ohio.
T C.327/8	100	200	" 304/5	100	200	Mr. J. P. Harris	-----	c/o The Union Trust Company, Cleveland, Ohio.
T.C 329	100	100	" 306	100	100	Mrs Elsa W Miller	-----	2700 Eaton Rd., Village of Shaker Heights, Ohio
T C 330	50	50	" 307	50	50	Mrs Elsa W Miller	-----	do do
T C 331	100	100	" 308	100	100	Mr. Otto Miller	-----	c/o Hayden, Miller & Co, Union Trust Building, Cleveland, Ohio.
T C 332	50	50	" 309	50	50	Mr Otto Miller	-----	do do
T.C 333/4	100	200	" 310/1	100	200	Mr W. S. Hayden	-----	do do
T.C 335	50	50	" 312	50	50	Mr W. S. Hayden	-----	do do
T C 336	50	50	" 313	50	50	Mrs Elizabeth S Hayden	-----	1856 East 89th St., Cleveland, Ohio.
T C 337	100	100	" 314	100	100	Mr D. W. Myers	-----	c/o Hayden, Miller & Company Union Trust Bldg., Cleveland Ohio
T C 338	100	100	" 315	100	100	Mr L B Williams	-----	do do
T C 339	10	10	" 316	10	10	Mr. L. B. Williams	-----	do do
T C 340/1	100	200	" 317/8	100	200	Mr Geo A Coulton.	-----	c/o The Union Trust Company, Cleveland, Ohio.
T C 342	50	50	" 518	50	50	Mr. Geo. A Coulton	-----	do do
T.C.343/4	100	200	" 320/1	100	200	Mr. H. G. Kraus	-----	do do
T C 345	50	50	" 322	50	50	Mr. H. G. Kraus	-----	do do
T.C.346/7	100	200	" 323/4	100	200	Mr J. E. Washer	-----	do do
T C 348	50	50	" 325	50	50	Mr J. E. Washer	-----	do do
T.C 349/50	100	200	" 326/7	100	200	Miss Winifred E. Treat	-----	do do
T C 351	50	50	" 328	50	50	Miss Winifred E. Treat	-----	do do
T C 352/3	10	20	" 329/519	10	20	Miss Winifred E. Treat.	-----	do do

## EXHIBIT U-13-9b

SHEET NO. 10								
T.C 396	100	100	T C 373	100	100	Mrs Harriette B Borton	-----	c/o Borton & Borton, Hanna Bldg., Cleveland, Ohio.
" 397	100	100	T C 374	100	100	Mr F C. Noon	-----	Provo, Utah.
" 398	100	100	T C 375	100	100	Mr S J. Kropps	-----	c/o Ward Baking Corporation Windsor Ave., Cleveland, O
" 399	100	100	T P 376	100	100	Mr Sherwood B. Crawford.	-----	1500 Keith Building, Cleveland, Ohio
" 400	100	100	" 377	100	100	Mr F F Wilkison	-----	Hippodrome Building, Cleveland, Ohio.
" 401	100	100	" 378	100	100	Dr J A Stephens	-----	1856 Euclid Ave., Cleveland, Ohio
" 402	100	100	" 379	100	100	Mr Frank C Newcomer	-----	Union Trust Building, Cleveland, Ohio
" 403	100	100	" 380	100	100	Mrs Ethel B McGraw	-----	2559 Wellington Rd., Cleveland Heights, O.

## EXHIBIT U-13-9b—Continued

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
						SHEET NO 10—CON		
T.C. 404	100	100	T.C.381	100	100	Mr. Geo S. Ross		822 Columbia Building, Cleveland, Ohio
" 405	100	100	" 382	100	100	Mr. D S Barrett, Jr.		Marshall Bldg., Cleveland, Ohio.
" 406	100	100	" 383	100	100	Mr E R Fancher		c/o Federal Reserve Bank, Cleveland, Ohio.
" 531	100	100	" 384	100	100	Mr. E S Jordan		c/o Jordan Motor Car Co., E. 152nd St., Cleveland, O.
" 408	100	100	" 385	100	100	Mr Paul Zone		do do
" 409	100	100	" 386	100	100	Mr W B. Riley		do do
" 410	100	100	" 387	100	100	Mr C E. Denney		616 Columbia Building, Cleveland, Ohio
" 411	100	100	" 388	100	100	Trustees of Deep Springs		Provo, Utah
" 412	100	100	" 506	100	100	Mr A W Dean		1603 Union Trust Building, Cleveland, Ohio.
" 413	100	100	" 390	100	100	Mr J J Carny		9701 Lamont Ave., Cleveland, Ohio.
" 414	100	100	" 391	100	100	Mr T. P. Robbins		c/o Cleveland Hardware Co., Cleveland, Ohio
" 415	100	100	" 392	100	100	Mr. G W. Grandin		1756 Union Trust Building, Cleveland, Ohio.
" 416	100	100	" 393	100	100	Mr. Jos H Thompson.		c/o The Union Trust Company, Cleveland, Ohio.
" 417	100	100	" 394	100	100	Mr John M. Killite		c/o United States Federal Court, Toledo, Ohio
" 418	75	75	" 395	75	75	Mr Atlee Pomerene		1857 Union Trust Building, Cleveland, Ohio.
" 419	25	25	" 396	25	25	Mr Harry H Weise		Kerth Building, Cleveland, Ohio.
" 420	100	100	" 397	100	100	Mrs. Marion S Gordon		c/o Forge Co., Cleveland, Ohio.
" 421	100	100	" 398	100	100	Mr Newton D Baker		1924 Union Trust Building, Cleveland, Ohio
" 422/3	100	200	" 399/400	100	200	Dr W V Mullin		c/o J R Nutt, The Union Trust Co., Cleveland, O
" 424	100	100	" 507	100	100	Mrs. Grace V Coates		1879 East 84th St., Cleveland, Ohio.
" 425	50	50	" 402	50	50	Mr H B Merrill		c/o Chase-Morrill Co., Suttar At Van Ness, San Francisco, Calif
" 532	50	50	" 403	50	50	Mr C W Maxwell		1712 East 9th St., Cleveland, Ohio.
" 427	50	50	" 404	50	50	Mr H D Messick		c/o The Union Trust Company, Cleveland, Ohio
" 428	50	50	" 405	50	50	Mrs Mary L Messick.		2945 Fontensy Rd., Village of Shaker Heights, Ohio
" 429	50	50	" 406	50	50	Mrs. Margaret Godfrey.		1860 Stanwood Rd., E Cleveland, O.
" 533	50	50	" 508	50	50	Mrs. Adah M Graves		1860 Stanwood Rd., E Cleveland, O
" 431	50	50	" 408	50	50	Mr Van R Purdy.		c/o The Union Trust Company, Cleveland, Ohio
" 534	50	50	" 409	50	50	Mr Jerome H Bones		do do
" 433	50	50	" 410	50	50	Mr J C Anderson		do do



## EXHIBIT U-13-9c

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
SHEET NO. 9								
T.C.354/5	100	200	T.P.331/2 334	100	200	Mr. Allard Smith		c/o The Union Trust Company, Cleveland, Ohio.
" 356/7	100	200	" 503	100	200	Mrs. Helen C. Williams.		12546 Cedar Rd., Cleveland Heights, Ohio.
" 358/9	100	200	" 335, 504	100	200	Mr. C. N. Osborne		c/o M. A. Hanna & Co. Leader-News Bldg., Cleveland
" 360/1	100	200	" 337/8	100	200	Mr. Adrian D. Joyce.		c/o The Glidden Company, Cleveland, Ohio.
" 362/3	100	200	" 339/40	100	200	Mr. E. W. Moore		1210 Union Trust Bldg., Cleveland Ohio.
" 364	100	100	" 341	100	100	Mr. James Dunn, Jr.		c/o The Union Trust Company, Cleveland, Ohio.
" 365	50	50	" 342	50	50	Mr. James Dunn, Jr.		do do
" 366	100	100	" 343	100	100	Mr. William Tonks		do do
" 367	50	50	" 344	50	50	Mr. William Tonks		do do
" 368	100	100	" 345	100	100	Mr. R. J. Bowman		616 Columbia Building, Cleveland, Ohio.
" 369	50	50	" 346	50	50	Mr. R. J. Bowman		do do
" 370	100	100	" 505	100	100	Mr. O. M. Stafford		c/o The Union Trust Company, Broadway Office Cleveland, Ohio.
" 371	50	50	" 348	50	50	Mr. O. M. Stafford		do do
" 372	100	100	" 349	100	100	Mr. F. H. Ginn		1759 Union Trust Building, Cleveland, Ohio.
" 373	50	50	" 350	50	50	Mr. F. H. Ginn		do do
" 374	100	100	" 351	100	100	Philip Hofer & Company.		1708 Union Trust Building, Cleveland, Ohio.
" 375	50	50	" 352	50	50	Philip Hofer & Company.		do do
" 376	100	100	" 353	100	100	Miss Maude H. Bruce.		147 Worthington St., Fenway, Boston, Mass.
" 377	100	100	" 354	100	100	Mr. A. H. Scoville		c/o The Union Trust Company, Cleveland, Ohio.
" 378	100	100	" 355	100	100	Mrs. Mary M. O'Neill.		15103 Lake Ave., Lakewood, Ohio.
" 379	100	100	" 356	100	100	Mr. R. C. Hyatt		c/o The Union Trust Company, Cleveland, Ohio.
" 380	100	100	" 357	100	100	Mr. R. S. Crawford		do do
" 381	100	100	" 358	100	100	Mr. N. S. Halliday		do do
" 382	100	100	" 359	100	100	Mr. G. D. McGwinn		do do
" 385	100	100	" 360	100	100	Mr. C. H. Henderson.		do do
" 383	100	100	" 361	100	100	Mr. J. P. Hance		do do
" 384	100	100	" 362	100	100	Mr. G. P. Steele		do do
" 386	100	100	" 363	100	100	Mr. C. E. Farnsworth.		do do
" 387	100	100	" 364	100	100	Mr. F. D. Williams		do do
" 388	100	100	" 365	100	100	Mr. E. V. Hale		do do
" 389	100	100	" 366	100	100	Mr. G. S. Russell		do do
" 390	100	100	" 367	100	100	Mr. F. W. Woodworth		do do
" 391	100	100	" 368	100	100	Miss Emma L. Hogan.		do do
" 392	100	100	" 369	100	100	Miss Auriel M. Spencer.		c/o Hayden, Miller & Company Union Trust Bldg., Cleveland, Ohio.
" 393	100	100	" 370	100	100	Miss Nelle C. White		1903 East 84th St., Cleveland, Ohio.
" 394	100	100	" 371	100	100	Miss Ellen Chadbourne.		2810 Woodbridge Ave., Cleveland, Ohio.

EXHIBIT U-13-9c—Continued

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
T.C.395	100	100	T.P.372	100	100	Mrs. Bessie D. Marvin.		804 Guardian Building, Cleveland, Ohio.

EXHIBIT U-13-9d

SHEET NO. 11								
T.C. 434	50	50	T.C. 411	50	50	Mr. C. B. Anderson		c/o The Union Trust Company Cleveland, Ohio.
" 435	50	50	" 412	50	50	Mr. T. J. Champion		do do
" 437	50	50	" 413	50	50	Mr. Grover H. Null		do do
" 438	50	50	" 414	50	50	Mr. Judd H. Clark		do do
" 439	50	50	" 415	50	50	Mr. Ralph L. Williams		do do
" 440	50	50	" 416	50	50	Mr. H. L. Brown		do do
" 441	50	50	" 417	50	50	Mr. J. G. Geddes		do do
" 442	50	50	" 418	50	50	Mr. H. E. Hills		do do
" 443	50	50	" 419	50	50	Mr. Wm. G. Stuber		do do
" 444	50	50	" 420	50	50	Miss Etta M. Starr		do do
" 445	50	50	" 421	50	50	Mr. W. A. Gibson		do do
" 446	50	50	" 422	50	50	Mr. A. C. Coney		do do
" 447	50	50	" 423	50	50	Mr. E. N. Wagley		do do
" 448	50	50	" 424	50	50	Mr. P. N. Nunn		2440 Albatross St., San Diego, Calif.
" 449	50	50	" 425	50	50	Mrs. Helyn F. Nutt		12526 Cedar Rd., Cleveland Heights, O.
" 450	50	50	" 426	50	50	Mr. T. F. Newman		c/o Cleveland & Buffalo Transit Co., Cleveland, O.
" 451	50	50	" 427	50	50	Mr. H. O. Van Hart		c/o The Union Trust Company Cleveland, Ohio.
" 452	50	50	" 428	50	50	Mr. R. H. Sharpe		do do
" 453	50	50	" 429	50	50	Mrs. Sophia T. Bowes		do do
" 454	50	50	" 430	50	50	Miss Hazel S. Corwin		1294 Ethel Ave, Lakewood, Ohio.
" 455	50	50	" 431	50	50	Miss Grace C. Haycox		9511 Euclid Ave., Cleveland, Ohio.
" 456	50	50	" 432	50	50	Miss Ina H. Rife		1816 Union Trust Building, Cleveland, Ohio
" 457	50	50	" 433	50	50	Mrs. Ida E. Rockwell		1751 Page Ave, E. Cleveland, Ohio.
" 458	50	50	" 434	50	50	Mr. Steve Beeskazy		c/o J. R. Nutt, Stop 25 1/2 Ridge Rd, Wickliffe, O
" 459	50	50	" 435	50	50	Mr. F. A. Graves		1438 Union Trust Building, Cleveland, Ohio
" 460	50	50	" 436	50	50	Mr. W. H. Way		1696 Lee Road, Cleveland and Heights, O
" 461	50	50	" 437	50	50	Mr. W. L. Biersach		6533 Hollywood Blvd, Los Angeles, Calif
" 462	50	50	" 438	50	50	Mr. G. E. Steck		Dalton Ohio
" 463	50	50	" 439	50	50	Mr. A. H. Shoter		1276 West Third St., Cleveland, Ohio.
" 464	50	50	" 440	50	50	Mrs. Agnes G. Nunn		2440 Albatross St., San Diego, Calif.
" 465	50	50	" 441	50	50	Mrs. J. V. Hamilton		2440 Albatross St., San Diego, Calif.
" 466	50	50	" 442	50	50	Mr. A. C. House		1201 Union Trust Building, Cleveland, Ohio.
" 467	50	50	" 443	50	50	Mr. L. H. Stofer		c/o The Union Trust Company, Cleveland, Ohio.

EXHIBIT U-13-9d—Continued

Common			Preferred			Name	Folio	Address
Certificate numbers	Shares each	Shares	Certificate numbers	Shares each	Shares			
SHEET NO. 11—contd.								
T.C.467	50	50	T.P.444	50	50	Mrs. Katbarine A. Rockwell.	-----	Ravenna, Ohio.
" 468	50	50	" 445	50	50	Mr. L. O. Carr, Jr.	-----	3360 Equitable Building, 120 Broadway, New York.
" 469	30	30	" 446	30	30	Dr T. D. Rowley	-----	2919 Coleridge Rd, Cleveland Heights, O.
" 470	20	20	" 447	20	20	Miss Margaret H. Campbell.	-----	c/o J. R. Nutt, Union Trust Co., Cleveland, O.

EXHIBIT U-13-9e

SHEET NO. 12								
T.C 471	20	20	T.P. 448	20	20	Mr G. T. Rockwell	-----	1873 Farmington Rd., E. Cleveland, O.
" 472	10	10	" 449	10	10	Mrs Nellie Froaz	-----	2285 Coventry Rd., Cleveland Heights, O.
" 473	10	10	" 450	10	10	Miss Margaret Otis	-----	do do
" 474	10	10	" 451	10	10	Miss Margaret Pringle	-----	do do
" 535	10	10	" 452	10	10	Mrs Alice Quinn	-----	do do
" 476	10	10	" 453	10	10	Miss Matilda Dowling.	-----	c/o The Union Trust Company Cleveland, Ohio.
" 477	10	10	" 454	10	10	Miss Mary Quinn	-----	415½ Sixth St., Marietta, Ohio.
" 478	10	10	" 455	10	10	Mr. Wm. H. Jackson.	-----	2285 Coventry Rd, Cleveland Heights, O
" 479	10	10	" 456	10	10	Eneric von Pflugl	-----	Chateau de Bellevue, Collonge-Bellerive, Geneve, Switzerland.
		25,000			25,000			

Jan. 18, 1926: Received the above Certificates.

C. W. CARLSON, A. V. P.

EXHIBIT U-13-10

MARCH 22, 1926.

Mr. R. R. MENTZ,  
 Manager, Credit Department,  
 The National Bank of the Republic,  
 Chicago, Illinois.

DEAR SIR: As you may know, the United Milk Products Corporation, inquired about in your letter of March 19th, was incorporated under Delaware laws as a merger of condensed milk plants in various part of the country, the early part of this year. At the time of incorporation it was stated that the company's capital stock consisted of 250,000 shares of 7% Cumulative Preferred, par \$100, and callable at \$110, and 250,000 shares of no par value Common stock. There is at present outstanding around \$13,000,000 of Preferred, and \$14,000,000 of Common stock.

As yet the company has issued no financial statements, although we are told that one is to be issued some time soon. We understand the company is in a good financial position, with around \$6,000,000 of cash and practically no debts.

The market for both the Preferred and Common stock is largely in New York. Although they are not listed, they are quoted by brokers in unlisted securities. We notice that the New York Times of Friday, March 19th, in the Industrial Section of the Miscellaneous Market Quotations, lists the Common at 84 bid, 90 asked, and the Preferred at 87 bid, 90 asked.

We hold the management of the company in very high regard, and feel that the people associated with it represent some of the best milk people in this country

Very truly yours,

WILLIAM TONKS, *Vice President.*

ENW:ER

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EXHIBIT U-13-11

APRIL 9TH, 1926.

Mr. W. K. ADAMS,

*Vice-President, First Wisconsin National Bank,  
Milwaukee, Wis.*

DEAR SIR: As you may know, the United Milk Products Corporation, inquired about in your letter of April 8th, was incorporated under Delaware laws as a merger of condensed milk plants in various parts of the country, the early part of this year. At the time of incorporation it was stated that the company's capital stock consisted of 250,000 shares of 7% cumulative preferred, par \$100, and callable at \$110, and 250,000 shares of no par value common stock. The market for both the preferred and common stock is largely in New York. Although they are not listed, they are quoted by brokers in unlisted securities.

The company is in strong cash position and we hold the management of the company in very high regard and feel that the people associated with it represent the best experience in the milk business in this country.

If you are making inquiry from the standpoint of their credit for mercantile purposes, you may tell your client the company's obligations will always be paid promptly.

Yours very truly,

WILLIAM TONKS, *Vice-President.*

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EXHIBIT U-13-12

DECEMBER 24, 1926.

Mr. GEORGE F. BATCHOLDER,

*Lake Forest, Illinois.*

DEAR SIR: Your letter of November 22nd, regarding the United Milk Products Corporation, has just come to our attention. We are unable to account for the delay, but the letter apparently was pigeonholed through some error in one of our departments.

To our knowledge, neither a prospectus nor a circular on this Company has been published. At the time of the formation of the company, it was stated that capitalization consisted of \$25,000,000 of 7% Cumulative Preferred stock, and 250,000 shares of no par value Common stock. It is our understanding that there was issued at that time \$13,404,000 of the Preferred stock, and all of the Common.

No statements of the company are available, but some of our officers have seen the company's statement, which we understand shows an excellent financial condition, the company having large cash balances, with no debt.

Regular dividends of 7% are being paid on the Preferred stock, and we understand that the company earns a very nice surplus over and above this dividend.

Very truly yours,

AFK:RR  
JPH

—————, *Vice President.*

EXHIBIT U-13-13

JANUARY 27th, 1928.

Mr. D. B. A. RICHARDSON,  
*Manager Statistical Department,  
 Standard Statistics Company, Inc.,  
 47-49 West Street, New York, N.Y.*

DEAR SIR: Your inquiry in regard to United Milk Products Corporation has been handed to me in view of my knowledge of that situation. I am very sorry to report, however, that I cannot send you a financial statement of this company, although the company's operations are known to us rather intimately. As yet, the company has not seen fit to issue any statements of any sort, but it is not at all impossible that in the not distant future they will decide that the time has arrived when the complete statement may be given out to all stockholders. In general, however, I may say that the company is very highly regarded by us here; that we have the highest respect for the quality of the management, which to our minds is one of the best in the industry in America, and that we know the company to be doing very well. As you probably know, they do not owe a dollar to any one, and are in the habit of discounting all bills. They are in a very strong cash position, while their current position generally is exceptional.

Having been organized only two years ago, through the consolidation of some fifty or more milk companies scattered from Loleta, Calif., through Wisconsin, Illinois, Indiana, Michigan and New York State, much of their time and attention during the past two years have been devoted to the consolidation and correlation of these scattered operations. That work has now been very successfully completed, and in the meantime operations have been most satisfactory. The future, however, should in my judgment be even more gratifying to the stockholders, and I am inclined to consider the 7% Preferred stock at current prices a very attractive investment issue, while the Common stock has very distinct and attractive possibilities. Further than this I cannot speak in view of the fact that the company gives us our information under the seal of confidence, but, as already stated, I should not be surprised to see figures doubled in the not too distant future.

Very truly yours,  
 JPB:LRA

\_\_\_\_\_, *Vice President.*

EXHIBIT U-13-14

MAY 6th, 1926.

Re United Milk Products Corporation

This company was incorporated under the laws of Delaware; authorized \$25,000,000, 7% cumulative preferred stock, of which there is outstanding about \$13,400,000; authorized 250,000 shares common stock without par or stated value. The statement of the company shows it is all outstanding. We understand, however, there has actually been issued about 143,000 shares.

The company owns plants located in New York, Ohio, Indiana, Illinois, Michigan, Wisconsin and California. They are wholesale manufacturers of condensed milk, and we are told that they supply all the big baking companies with the milk used by them.

No statement of the company is available for the public. The company has no debts except current accounts and has large cash resources. Net quick assets, mostly cash and liberty bonds, equal to about \$50.00 per share for all the preferred stock outstanding.

The company was formed by consolidation of a number of condensed milk companies, the principal one being the Western Reserve Condensed Milk Company of Cleveland. The United Company began business January 1st, 1926, but it was in reality a continuation of the successful business carried on by these companies over a long period of years.

The first quarterly dividend on the preferred stock was paid on April 1st. The earnings of the company are very satisfactory.

I personally feel that the preferred stock is an excellent investment and will not only pay a good return in the way of dividends, but if held for a few years will show a very handsome profit. It is now selling around 85 to 90. The common stock has sold as high as 116—now selling between 60 and 70. It is more of a speculation, but from the way the business is going I would not be surprised to see it earn the first year a very substantial surplus after paying dividends on the preferred.

The men in the control and management of the company, who have their fortunes invested in the business, are thoroughly practical, and I believe recognized as the best men in the industry. I have confidence in the securities of the company and in its management.

J. P. HURT.

Mr. TONKS: The above to be used by your department with discretion.

(Exhibit U-13-15a faces this page)

LEDGER SHEET

TITLE OF ACCOUNT  
ADDRESS, ETC

United Milk Products Corp<sup>n</sup>

ACCOUNT NUMBER

Reference: Loose Leaf Ledger Co., Kansas City, Mo. No. 11223 FORM 170-C-4

DATE	ITEMS	DEBIT	CREDIT	BALANCE
1936. Jan 2		204000		
"	Edith Gunnstrom		1000	
"	Wm Buegel		2000	
"	Agnes Matterson		2000	
"	Bell Harrington		2000	
"	H. C. Keatt		2000	
"	Kathie M. Mearnsby		2000	
"	Dorothy Bradley		2000	
"	Mary B. Jackson		2000	✓
"	Emma Crafton		2000	
"	Harry Minixton		2000	
"	Barnie Hunt Common		2000	
"	Alice Porsman		2000	
"	Wm. K. Kari		2000	
"	Mary K. Munkstadt		2000	
"	Francis Martin		2000	
"	Harriet Boyer		2000	
"	H. J. Baker		2000	
"	Emma Baer Kay		10000	✓
"	Maudie K. Bruce		10000	✓
"	Vivian Arnold		2000	
"	Geo Lockwood		2000	
"	A. G. Brown		2000	
"	Louis Bettger		2000	
"	Clarence E. Bowden		2000	
"	Etha M. Bechel		2000	
"	H. J. J.		20000	78000
Jan 7	Bal 78000 to pd 780 to com			
Dec	Bought 100 pd to com	1000		

EXHIBIT U-13-15a



LEDGER SHEET

U-13-154

ACCOUNT NUMBER.....

TITLE OF ACCOUNT

United Milk Products Corp.

ADDRESS, ETC.

Kalamazoo Loose Leaf Ledger Co., Kalamazoo, Mich. X-1322 FORM 10C-4

DATE	ITEMS	DEBIT	CREDIT	BALANCE
1936				
Jan 12	10 lbs 40 10 lbs corn		1000	
19	20 lbs 20 20 lbs corn		2000	
20	20 lbs 20 20 lbs corn		2000	
21	20 lbs 20 20 lbs corn		2000	
Feb 1	10 lbs 10 10 lbs corn		1000	
Jan 2	20 lbs 20 20 lbs corn		2000	68000
Feb 25	20 lbs 20 20 lbs corn		2000	66000
15	10 lbs 10 10 lbs corn		1000	
20	20 lbs 20 20 lbs corn		2000	64500
Mar 1	110 lbs 110 lbs gift to Cleveland Clinic Foundation Grand E. Buxton			
	Medical & Surgical Research Fund		9680	54820
Apr 8	20 lbs 20 20 lbs corn		2000	
20	20 lbs 20 20 lbs corn		2000	52820
Oct 5	410 lbs 410 410 lbs corn		4200	48620
15	20 lbs 20 20 lbs corn		2000	46620
Nov 9	400 lbs 400 400 lbs corn		35000	7220
Dec 15	100 lbs 100 100 lbs corn		6348	872
1937				
Jan 9	300 lbs 300 300 lbs Common	1384600		1297400
"	" 100 " " "		479800	
" 12	" 120 " " "		590760	2367960
"	" To Profit & Loss	1367960		-0-

EXHIBIT U-13-15b

(Exhibit U-13-15b)

(Exhibits U-13-17a and U-13-17b)

Expense Accounts

Month	Day	Description	Account	Debit	Credit	Balance	Month	Day	Description	Account	Debit	Credit	Balance
Mar	31	W. P. Long of Co	J 6	125.00			Mar	31					
Apr	30	Int. State - 411111	J 7	125.00			June	15					
	15	J. R. Mudd	VR 19	1494.14				23					
May	31			00.00				30					
June	30	J. R. N. 017111	VR 19	1443.96			July	31	E. Williams	CR	143.00		
	30	Adm. & Pat. 017111	VR 19	710.00			Aug	31	Continental Bank	CR	70.00		
July	31	P. F. 017111	VR 19	500.00				31	W. Kelly	CR	10.00		
	31	R. W. 017111	VR 19	80.00				31	L. Kelatis	CR	75.00		
	31	P. S. 017111	VR 19	185.00				31	National Bank	CR	151.38		
	31	Continental Bank	CR	546.74				31	J. W. 017111	CR	6.00		
	31	W. Kelly	CR	10.00				31	Floyd Conner	CR	5.00		
	31	Chas. Kuebel	CR	75.00			Sept	30					
	31	E. Williams	CR	400.00				30					
	31			50.00			Oct	31					
	31			151.38				31					
	31			60.00			Nov	30					
	30	Continental Bank	CR	140.00				30					
	30	Franklin D. 017111	CR	50.00			Dec	31	Cont. Can	CR	47.00		
	30	H. D. 017111	CR	400.00				31					
	15	J. B. 017111	CR	200.00				31					
	15	A. D. 017111	CR	310.00				31	Cont. Can	CR	20.00		
	15	Alexander Koch	CR	125.00				31	Geo. T. Warr	CR	20.00		
	31			1200.00				31	J. B. Manning	CR	40.00		
	31			121.06				31	Geo. T. Warr	CR	20.00		
	31	Continental Bank	CR	77.10				31					
	31	Do	CR	85.30				31					
	31	Do	CR	31.94				31	C.W.C.	CR	110.00		
	31	John Warr	CR	1.00									
	31	Geo. T. Warr	CR	16.48									
	30	H. E. 017111	CR	52.10									
	30	Manning	CR	40.00									
	30	F. C. 017111	CR	200.00									
	30	Do	CR	260.00									
	30	Geo. T. Warr	CR	200.00									
	30	C. V. 017111	CR	1280.76									
	30	Do	CR	929.31									
	30	Trans. to P. 017111	CR	500.00									
	30	Wells 017111	CR	437.58									
	31	John Warr	CR	30.00									
	31	Hotel, W. R. R.	CR	200.40									
	31	C. J. 017111	CR	769.85									
	31	017111	CR	209.09									
	31	C.W.C.	CR	2640.00									
	31	C.W.C.	CR	7200.00									
	31		CR	5524.00									
	31		CR	18502.44									

# Special Accounts Receivable

Date	Description	Check No.	Amount	Date	Description	Check No.	Amount
Jan 1	J. R. Mull	55	500.00	Jan 21	C. W. Carlson	CR 264	1400.00
1	Akron Advertiser	✓	500.00	21	Do	Do	7700.00
1	R. F. Chretien	✓	800.00	25	Camargo Bach	CR 269	554.00
1	R. D. Woffner	✓	18500.00	31	C. W. Carlson	CR 271	5000.00
1	J. V. White	✓	18500.00	31	J. C. Mansfield	CR 272	4600.00
1	A. D. Kemp	✓	316500.00	31	Shelton Tech. Co.	CR 273	4516.00
1	Alexander Stock	✓	125000.00	31	Home Beer Store	CR 273	7718.15
1	Walter J. Ward	✓	1043758.00	1	C. W. Carlson	CR 275	40000.00
1	Indiana Coalfield	✓	1.00	13	J. R. Mott	CR 283	50000.00
1	F. O. Mansfield Co.	✓	4600.00	18	P. H. Chapman	CR 284	6165.00
1	C. W. Carlson	✓	1617000.00	28	C. W. Carlson	CR 286	50000.00
1	Camargo Bach	✓	55400.00	1	J. R. Mull	CR 287	50000.00
	<b>Total</b>		<b>126212258</b>	19	J. Phelps Can Co	CR 285	4266.00
Feb 31	11243258	300	6331.00	19	Do	Do	1561.00
Mar 1	P. L. G.	300	17377.00	26	Wickham-Johnson	CR 298	79813.00
31	Philip Can Co	300	6165.00	26	Do	Do	6650.00
31	Watson Yule	300	5827.00	26	Do	Do	47347.00
31	J. C. Capper	300	13381.00	26	Sam. Capper	CR 300	6806.00
31	Farmers B. Payroll	300	6806.00	6	J. C. Mull	CR 304	50000.00
Apr 30	K. S. Rellins	300	3528.00	14	W. H. L. Paulina	CR 307	5000.00
30	Tran. Co.	300	5000.00	13	J. C. Mull	CR 308	000000.00
30	W. J. Potter	300	18667.00	13	John Day Co.	CR 308	18662.00
30	Arlo D. Mc	300	1000.00	13	W. J. Potter	CR 308	10000.00
30	Paul Klein	300	2178.00	14	Sam. Klein	CR 308	1000.00
30	C. J. Hotal	300	100.00	14	Arg. Mfg. Co.	CR 309	2178.00
30	Philip Can Co.	300	4434.00	16	J. R. Mott	CR 309	150000.00
30	Chapman	300	9787.00	18	C. J. Hotal	CR 310	42541.00
30	C. B. Keck	300	5000.00	20	Chas. D. Keck	CR 310	5000.00
30	Lawrence C. H. H.	300	7500.00	23	Philip Can Co.	CR 315	9782.00
31	Philip Can Co.	300	21878.00	28	Tran. Co.	103	5703878.00
31	Philip Can Co.	300	66388.00	31	Philip Can Co.	CR 318	21878.00
31	Philip Can Co.	300	7111.00	31	Lawrence C. & Co.	CR 318	7500.00
31	John Swanson	300	350000.00	31	J. P. M. Howard	CR 320	180000.00
31	Alma Thum	300	29801.00	20	Philip Can Co.	CR 320	29801.00
31	Philip Can Co.	300	3596.00	28	Philip Can Co.	CR 331	3596.00
31	Philip Can Co.	300	17073.00	31	Philip Can Co.	CR 331	66388.00
31	Walter Farber	300	1300000.00	31	Philip Can Co.	CR 331	66388.00
31	J. P. M. Howard	300	310055.00	31	Philip Can Co.	CR 331	66388.00
31	J. P. M. Howard	300	310055.00	7	G. D. Stock	CR 356	7021800.00
31	Philip Can Co.	300	100000.00	8	Walter Farber	CR 356	1500.00
31	Philip Can Co.	300	63801.00	7	J. P. M. Howard	CR 357	1412305.00
31	R. B. Warner	300	17500.00	7	Walter Farber	CR 357	35000.00
31	J. B. O'Connell	300	1500.00	9	Walter Farber	CR 357	8489.00
31	Walter Farber	300	5053.00	11	Walter Farber	CR 357	5053.00
31	Walter Farber	300	8489.00	18	P. S. Johnson	CR 357	8500.00
31	Walter Farber	300	7226.00	28	Philip Can Co.	CR 357	72189.00
31	Walter Farber	300	3500.00	28	Philip Can Co.	CR 357	34880.00
31	Walter Farber	300	8500.00	30	Philip Can Co.	CR 349	18750.00
31	Walter Farber	300	34880.00	30	Philip Can Co.	CR 349	26187.00
31	Walter Farber	300	72189.00	30	Philip Can Co.	CR 349	17500.00
31	Walter Farber	300	15402.00	30	Philip Can Co.	CR 349	67801.00
31	Walter Farber	300	452.00	30	Philip Can Co.	CR 349	7420.00
31	Walter Farber	300	26187.00	30	Philip Can Co.	CR 349	15402.00
31	Walter Farber	300	200000.00	30	Philip Can Co.	CR 349	15402.00
31	Walter Farber	300	40000.00	2	Walter Farber	CR 351	20000.00
31	Walter Farber	300	20000.00	2	Texas Co.	CR 351	457.00
31	Walter Farber	300	18500.00	5	Walter Farber	CR 351	175000.00
31	Walter Farber	300	1005.00				
31	Walter Farber	300	1774.00				

Special Accounts Receivable

1927

1927

July	30	Alroy Bros	57	1585
	30	The Polaco Co	57	915
	30	Philps Can Co	61	43895
	30	Thomas Fowler	7	80000
	31	Transit Bank	187	7912
	31	Transit Bank	181	5332
Aug	17	3509 1/2 Hospital	53	4035
	31	A. J. O. Coy Co	53	75000
	31	Philps Can Co	53	2079
	31	American Bank	53	14911
	31	J. A. Mackham	53	200000
	31	Insurance B. Warren	53	16660
	31	Sheller Fawcett Co	54	380
Sept	30	A. D. Stock	54	20000
	30	Philps Can Co	56	13338
	30	Philps Can Co	56	23400
	30	A. D. Stock	56	50262
	30	Philps Can Co	59	4862
	30	Sheller Fawcett Co	59	5431
	30	Continental Bank	59	28514
	30	Philps Can Co	59	2772
	30	A. D. Stock	61	17948
	30	A. D. Stock	61	59044
Nov	30	Sheller Fawcett Co	63	2576
	30	Do	63	1594
	30	Philps Can Co	63	10100
	30	127938.55	65	15000
	31		67	22577
	31		67	7000
	31		67	300000
	31		67	783
	31		67	8186
	31		67	453
	31	10,938.58	68	22374
	31	Insurance B. Warren	71	25000
	31	Continental Bank	71	85300
	31	10,938.58	71	20000

July	5	Whelan Stock	352	17500
	12	J. H. Colledge	355	34400
	17	Merjman Bros	355	20000
	16	Conroy Bros	357	5000
	16	Banning Bros	357	35000
	20	J. H. Colledge	359	46400
	20	Philps Can Co	359	19005
	20	Alroy Mfg Co	361	1585
	28	Thomas Fowler	364	7913
	26	Polaco Co	364	915
	30	Philps Can Co	365	43895
	30	Continental Bank	365	5382
Aug	6	Thomas Fowler	368	20000
	13	Philps Can Co	378	9035
	13	Philps Can Co	378	22079
	20	Philps Can Co	381	14911
	20	J. A. Mackham	381	200000
	31	A. D. Stock	381	6920800
	31	Transit Bank	381	75000
Sept	2	A. D. Stock	381	5328100
	3	L. B. Harris	381	16660
	3	Sheller Fawcett Co	381	380
	6	A. D. Stock	381	2483200
	14	Philps Can Co	381	10338
	26	J. H. Colledge	381	60400
	30	Philps Can Co	381	23400
	30	Continental Bank	381	28514
	30	A. D. Stock	381	1368900
	19	Philps Can Co	381	2772
	19	U.S. Stock	381	6276400
	25	J. R. Nutt	381	12500000
	25	Sheller Fawcett Co	381	5431
	25	Philps Can Co	381	4862
	30	John Brunner	381	7111
	30	Sheller Fawcett Co	381	2576
	31	Do	381	1594
	31	Philps Can Co	381	10200
	31	Wells Fargo	381	1500
	30	Thomas Fowler	381	200000
	1	Philps Can Co	381	22577
	15	J. F. Marten	381	8000000
	15	Thomas B. Warren	381	7000
	16	R. D. Weppner	381	1850000
	16	J. S. Wall	381	1850000
	16	Continental Bank	381	30000
	19	Sheller Fawcett Co	381	783
	20	Philps Can Co	381	8186
	30	Sheller Fawcett Co	381	453
	31	Philps Can Co	381	22374

Jan	1	Balance	76	34788
	31	John Brunner	76	180000
	31	E. Roberts	76	100
	31	Wells Fargo	76	18401
Feb	1	John Brunner	76	5151

Jan	4	E. X. Roberts	76	100
	9	Wells Fargo	76	15401
	13	Continental Bank	76	1435630
	15	John Brunner	76	70300
	19	Wells Fargo	76	18401

(Exhibit U-13-17c)

(Exhibit U-13-17d)





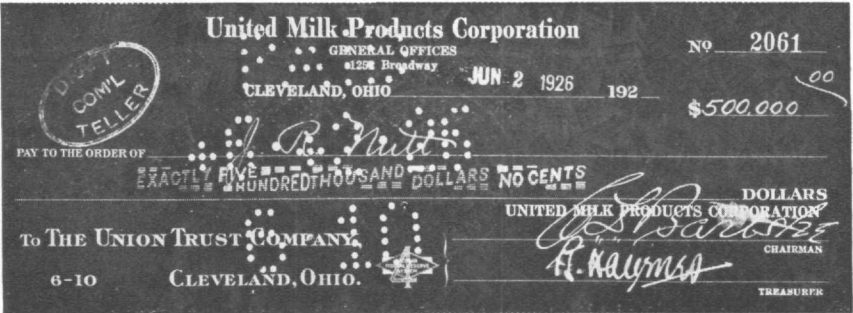


EXHIBIT U-13-18 (front)

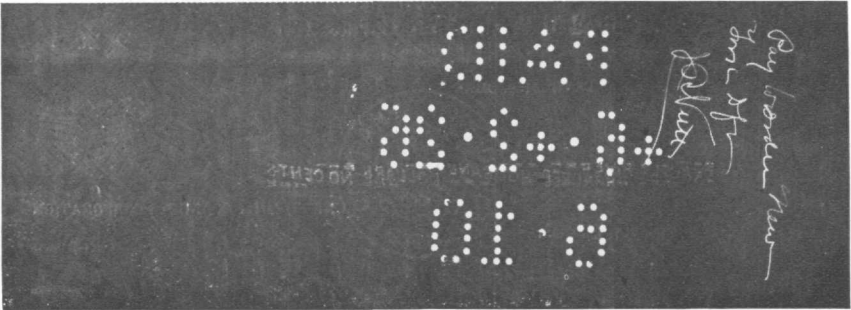


EXHIBIT U-13-18 (reverse)

(Exhibit U-13-18)

(Exhibit U-13-19)



EXHIBIT U-13-19 (front)

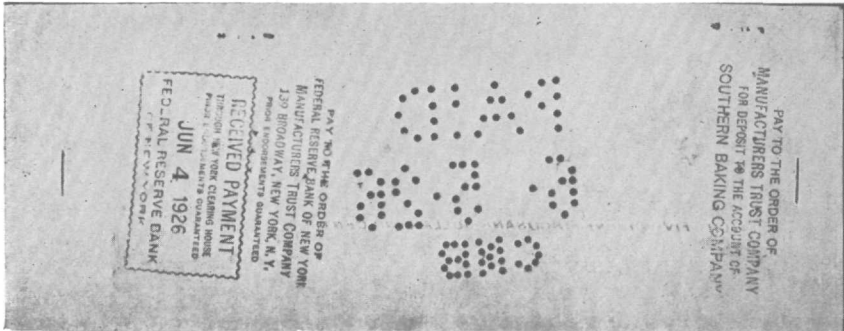


EXHIBIT U-13-19 (reverse)

STOCK EXCHANGE PRACTICES

9119

EXHIBIT U-13-20a

LEDGER SHEET

Title of account Southern Baking Company

Date		Items	Debit		Credit		Balance	
1926	June	2 Bx 5000 shs. 8% Pfd 1250 shs. N.P. Comm.....	\$500,000		\$100,000		\$400,000	00
		C. L. Bartshe 1000 Pfd. 250 Comm Bal. 4000 Pfd. 1000 Comm. Bot.						
	Dec.	1 600 shs. 8% Pfd. 150 shs. N.P. Comm.....	60,000				460,000	00
		Sold 2% 4069 Stanley Zeit 100 Pfd. 25 Comm. Sold C% 4068.	560,000		10,000		450,000	00
		Ruth Percival 100 " 25 " 4400 Pfd. 1100 Comm.			10,000		440,000	00
1927	Feb	25 Sold 300 shs Pfd.....			28,938			
	"	" 100 " ".....			9,673		401,389	00
		4000 Pfd 1100 Comm.....			158,611			
	April	12 Sold 1000 Pfd. 250 Comm @ \$100 per sh pfd. & Accrued Int. @ 6% Apr 1st to date and Comm. as bonus.....			100,000		301,389	00
		Int. \$200 Cr. to Int rec'd acct. 3000 Pfd. 850 Comm.						
		25 Sold 500 shs Pfd.....			44,980	00		
		" 40 " 60 " 250 Comm 150.....				28,745 00	227,664	00
	May	6 2500 Pfd. 600 Comm.....			332,336	00		
		" 150 shs Comm.....			16,497	00		
		2500 Pfd. 450 Comm.....			348,833	00		
		7 " 150 " Comm.....			16,570	00		
		21 " 60 " Pfd.....			5,262	60		
		23 2440 Pfd 300 Comm.....						
		" 100 " Pfd.....			8,771	00		
		23 " 75 " Comm.....			6,672	00		
		24 2340 Pfd 225 Comm.....						
		" 200 " Pfd.....			17,542	00		
		24 " 225 " Comm.....			19,791	00		
		26 2140 Pfd.....			423,441	60		
		" 100 " Pfd.....			8,771	00	127,787	40
		4040 Pfd.....			432,212	60		
	June	3 " 300 " Pfd.....			26,088	00		
		3 " 200 " ".....			17,392	00		
		7 1540 Pfd.....			475,692	60		
		" 100 " Pfd.....			8,498	00		
		22 1540 Pfd.....			484,190	60		
		" 100 " Pfd.....			7,796	00		
		23 " 100 " Pfd.....			7,898	00	60,115	40
		1240 Pfd.....			499,884	60		
	Oct.	26 " 200 " Pfd.....			9,996	00	50,119	40
		1040 ".....			509,880	60		
	Nov.	5 " 100 " Pfd.....			5,198	00		
		9 " 200 " Pfd.....			10,400	00	34,521	40
	Dec.	28 770 Sold 740 shs Pfd at.....			525,478	60		
		Forward.....	34,521	40			34,521	40

EXHIBIT U-13-20b

1927		Forwarded.....	34,521	40				
		\$35 00 per sh less Tax 2¢ per share 34 98 net.....			25,855	20		
Dec.	28	Loss to Trading a/c.....			8,636	20		
					34,321	40		

## EXHIBIT U-13-21

*Market prices of United Milk Products Corporation Stock, taken from standard corporation records*

(Listed on the New York Curb Exchange.)

	Common		Preferred	
	High	Low	High	Low
1932.....	1	½	12	10
1931.....	27½	¾	37	15
1930.....	6	¾	65	44
1929.....	21	2½	80	50
1928.....	42¾	14	91	67
1927.....	80	36	94	86

## EXHIBIT U-13-22

## UNITED MILK PRODUCTS CORPORATION

## COMMON STOCKHOLDERS' PROTECTIVE COMMITTEE

Charles M. Connfelt  
*Chairman*

Robert S. Bright  
Jesse Spier

Henry M. Barlow  
*Committee*

Cook, Nathan & Lehman  
*Counsel*

Frederick G. Brown  
20 Pine Street, New York  
*Secretary*

APRIL 10, 1929.

*To the Holders of Common Stock of United Milk Products Corporation:*

DEAR SIRS: At the annual meeting of the stockholders of your Corporation, one of the officers was questioned about the affairs of the Corporation. Further examination was suspended, however, because the attorneys for the Corporation consented to release accountants employed by one of the members of the undersigned committee to make an investigation of the affairs of your Corporation from restrictions imposed upon them by the management of your Corporation. Such restrictions prevented disclosure by the accountants to their client of the facts ascertained in the course of their investigation.

As a result of the investigation of the accounts thus made available, it is disclosed that the Corporation received no money or property for all of its 250,000 shares of Common Stock, although at the time when the stock was issued the shares were selling and were purchased by many stockholders in the open market in New York at prices in excess of \$100. per share. It appears quite clear that certain persons then in control of the Corporation profited improperly at the expense of the Corporation and its stockholders.

The investigation of the accountants also disclosed that the affairs of the Corporation have not been conducted in such a manner as the stockholders have a right to expect from a management acting solely in the interests of the stockholders whom they represent.

The situation makes it imperative therefore for the Common stockholders of United Milk Products Corporation to unite for the protection of their interests and the assertion of their rights, and for that purpose the undersigned have, at the request of stockholders, consented to act as a Committee under the terms of a Protective Agreement, a copy of which is enclosed herewith.

You are invited to deposit your certificates of stock with The New York Trust Company, 100 Broadway, New York City, the Depository under the Protective Agreement, which will issue transferable certificates of deposit therefor. Certificates should be properly endorsed in blank with necessary transfer stamps affixed and with signatures properly guaranteed. As the Committee will require funds for the enforcement of the rights of the stockholders and as shares of Common Stock of United Milk Products Corporation do not afford sufficient basis for the making of loans to provide such funds, a deposit of \$1.00 per share to provide a fund to meet the expenditures, obligations, and liabilities of the Committee should accompany your certificates.

U-13-24a

UNITED MILK PRODUCTS CORPORATION

BANK *Yanow Trust Co*  
No. 1

REGISTER OF CASH RECEIPTS

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT RECEIVED	ACCOUNTS TO BE CHARGED		UNIT	ACCOUNTS TO BE CREDITED				
				CASH DISCOUNT	GENERAL LEDGER		ACCOUNTS RECEIVABLE	OPERATING LEDGER	GENERAL LEDGER		
					ACCOUNT				AMOUNT	ACCOUNT	AMOUNT
Jan 5	J. R. O'Neil	To Subscriptions	2500.00					Subscriptions	2500.00		
	J. B. Williams		1500.00						1500.00		
	J. Myers		1000.00						1000.00		
	Edward Brunell		5000.00						5000.00		
	F. B. Carr		5000.00						5000.00		
	C. M. Walters		5000.00						5000.00		
	W. H. Collins		5000.00						5000.00		
	C. J. Corby		10000.00						10000.00		
	R. J. Corby (Chgo)		2000.00						2000.00		
	W. Jennings		10000.00						10000.00		
	J. Wallist		5500.00						5500.00		
	D. M. Larson		25000.00						25000.00		
	W. B. Tompser		10000.00					667 Interest Rec	10000.00		
	W. H. Collins		2500.00						2500.00		
	Chas. E. Nelson		10000.00						10000.00		
	N. J. Miller		5000.00						5000.00		
	W. H. Plate		10000.00						10000.00		
	D. L. Targart		5000.00						5000.00		
	R. D. Wadsworth		10000.00						10000.00		
	J. H. O'Neil		5000.00					Interest Rec	5000.00		
	J. C. White		1000.00					Subscriptions	1000.00		
	W. S. Corby		10000.00					667 Interest Rec	10000.00		
	V. J. Cook		5000.00						5000.00		
	J. H. Vorse		10000.00						10000.00		
	E. E. Smith		5000.00						5000.00		
	Alex. F. Osborn		10000.00						10000.00		
	J. H. Harris		25000.00						25000.00		
	Allent. T. Hgen		10000.00						10000.00		
	J. O. Brou		5000.00						5000.00		
	J. H. Harris Jr.		5000.00						5000.00		
	H. R. Wadsworth		10000.00						10000.00		
	C. C. Conway		25000.00						25000.00		
	F. H. Jense		4500.00						4500.00		
	J. C. Robinson		25000.00						25000.00		
	J. H. Harris		58000.00						58000.00		
	H. H. Johnson		10000.00						10000.00		
	W. H. Johnson		10000.00						10000.00		
	C. E. Steuber		5000.00						5000.00		
	Wm. D. Bartshe		10000.00						10000.00		
	H. E. Collins		245000.00					Capital Stock	245000.00		
	F. I. Fenlon		5000.00						5000.00		
	C. E. Fenlon		20000.00						20000.00		
	H. J. Collins		175000.00					Capital Stock	175000.00		
	J. H. Harris		50000.00						50000.00		
	F. B. Carr		20000.00						20000.00		
			4572951.20						4572951.20		





In the judgment of the Committee, your interests will best be served by an immediate deposit of your shares. The Committee will represent only those who deposit their shares.

Very truly yours,

CHARLES M. CONNFELT  
of Hayden, Stone & Co., New York,  
Chairman,  
ROBERT S. BRIGHT  
of Thos. A. Biddle & Co., Philadelphia,  
JESSE SPIER  
of Jesse Spier & Co., New York,  
HENRY M. BARLOW  
of New York  
Committee.

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EXHIBIT U-13-23

UNITED MILK PRODUCTS CORPORATION,  
2000 West 14th St., Cleveland, Ohio, 4-17-29

To the Holders of Common Stock of United Milk Products Corp:

DEAR SIR: A misleading letter, dated April 10, 1929, addressed to you by certain persons, styling themselves "Common Stockholders' Protective Committee", has come to the attention of your President and the other officers of your corporation and a demand has been made upon each member of such Committee for an immediate and complete retraction thereof.

It is not our purpose to enter into controversial letter writing as a result of that Committee's activities, nor do we believe that it is necessary to justify to you the acts of your directors and officers. We do feel, however, that those of you who purchased your stock in the market are entitled to know that property, which constituted adequate consideration for the issuance of the Common Stock of the corporation, was actually received by the corporation, a fact known to all stockholders who acquired their stock direct from the corporation, and that no one in control of the corporation profited improperly in any way at the expense of the corporation and its stockholders.

Your directors and officers have at all times devoted their best efforts to further the interests of the corporation, and every action taken has had that end in view. We feel confident that the progress that your corporation is making indicates that we have built upon a substantial foundation and that the formation of the Stockholders' Protective Committee and the deposit of stock, as requested by such Committee, is not only unnecessary and inadvisable, but may cause a stockholder so depositing his stock to pay his proportionate share of all expenses which the Committee in its absolute discretion may see fit to incur, including compensation to the members of such Committee.

Disgruntled stockholders, who may have purchased Common Stock in the market at high prices with the expectation of making quick speculative profits, would best serve their own interests, as well as the interests of the other stockholders, by permitting the management to devote its entire time to the operations of the corporation.

Very truly yours,

C. L. BARTSHE, *President,*  
*United Milk Products Corporation.*

Business extension has copy of this letter.

EXHIBIT U-13-25

(Exhibits U-13-24a through U-13-24b face this page)

MAY 22, 1926.

CHICAGO, WILMINGTON & FRANKLIN COAL Co.,  
*Chicago, Ill.*

GENTLEMEN: It is a pleasure for us to say that the United Milk Products Company, subject of your letter of May 21st, is a thoroughly responsible corporation and a good risk for anything required from you. This company was formed by consolidating a number of the condensed milk companies.

The United Milk Products Company has large cash resources and no debts of any consequence.

Yours very truly,

C-8

ARTHUR L. MOLER,  
Asst. Credit Manager.

EXHIBIT U-13-26

INDUSTRIALS

Bulk of crude oil run through refineries is purchased under contract.

Sales—Gasoline sales for the year ended March 31, 1930 were 41,873,923 gallons, including export sales, compared with 27,764,837 gallons in preceding year.

CAPITAL STOCK

Authorized, 1,000,000 shares of no par value; outstanding, Dec. 31, 1929, 188,411 shares.

Capital Stock Changes—Authorized capital was changed March 31, 1928, from \$5,000,000, par, \$25, to \$1,600,000, par, \$8. Stockholders received one new share for each share of \$25 par value stock owned, and also the right to buy two new shares for each three owned at a price of \$8 a share. Authorized capital was changed in November, 1929, from \$1,600,000, par, \$8, to 1,000,000 shares of no par value, and each old share exchanged for 1 new share.

Subscription Privilege—Stockholders of record July 15, 1929, received the right to subscribe to 1 share of Company's stock at \$12 per share for each 40 shares held. Right to subscribe expired Aug. 12, 1929. Stockholders of record April 15, 1930, received the right to subscribe to 1 share of Company's stock at \$15 per share for each 30 shares held. Right to subscribe expired May 12, 1930.

Transfer Agent—Stock transferred at company's office.

Registrar—Citizens National Trust & Savings Bank, Los Angeles, Cal.

Listed—Los Angeles Stock Exchange.

Price Range—	1929	1928	1927	1926	1925	1924
High.....	15 $\frac{3}{8}$	14 $\frac{1}{2}$	7 $\frac{1}{2}$	14 $\frac{1}{4}$	17 $\frac{1}{4}$	22 $\frac{1}{2}$
Low.....	10	4	3	6	10	13 $\frac{1}{4}$

Dividends—Annual rate of 8% paid quarterly from beginning of operations in July, 1923, to Sept. 30, 1924; none thereafter until July 30, 1929, when the initial quarterly dividend of 30 cents, on stock of par \$8, was paid; Oct. 31, 1929, 30 cents. On new no par stock initial dividend of 30 cents paid Jan. 31, 1930; April 30, 1930, 30 cents.

Annual Meeting—Third Tuesday in June, at Los Angeles, Cal.

Income account

	Yr. End. March 31, 1930	Yr. End. March 31, 1929	* Yr. End. Dec. 31, 1927
Sales.....	\$8, 106, 423	\$6, 130, 526	\$5, 316, 834
Cost of sales, exps., etc.....	7, 569, 711	5, 821, 083	5, 280, 813
Net earnings.....	\$536, 712	\$309, 443	\$30, 021
Other income.....	145, 910		
Total income.....	\$682, 622	\$309, 443	\$30, 021
Interest, etc.....	233, 195	3, 253	26, 690
Surplus.....	\$440, 427	\$306, 190	\$9, 331
Shares outstanding.....	194, 305	183, 359	145, 859
Earnings per share.....	\$2. 31	\$1. 71	\$0. 06

\* For the 3 months ended March 31, 1928, Company reported a loss of \$42,710.

## General balance sheet, March 31

	1930	1929
<b>Assets—</b>		
Property account, less deprec.....	\$1, 824, 817	\$1, 215, 235
Contracts and goodwill.....	250, 000	250, 000
Invests. in & advs. to affil cos.....	378, 163	220, 017
Securities owned.....	16, 153	17, 557
Current assets.....	1, 091, 914	856, 423
Deferred charges.....	74, 867	47, 371
<b>Total.....</b>	<b>\$3, 635, 914</b>	<b>\$2, 606, 603</b>
<b>Liabilities—</b>		
Capital stock.....	\$1, 554, 440	\$1, 466, 872
Due to Gilmore Co.....	157, 780	210, 094
Purchase money obligations.....	69, 809	68, 146
Current liabilities.....	1, 215, 800	503, 796
Notes payable.....		45, 000
Surplus.....	638, 085	312, 695
<b>Total.....</b>	<b>\$3, 635, 914</b>	<b>\$2, 606, 603</b>

Officers: E. B. Gilmore, Pres.; C. S. Beesemeyer, V-P. & Treas.; S. M. Salisbury, V-P. & Sec.

Directors: E. B. Gilmore, C. S. Beesemeyer, S. M. Salisbury, Dwight Whiting, C. C. Magenheimer, L. G. Barton, Oscar Howard.

Main Office, 2423 E. 28th St., Los Angeles, Cal.

## UNITED MILK PRODUCTS CORPORATION

*History.*—Incorporated in 1925 in Delaware and acquired properties located in New York, Michigan, Ohio, California and other states. Principal products are condensed milk, evaporated milk and other milk products.

## CAPITAL STOCK

Authorized 250,000 shares Common, no par value and \$25,000,000 7% cumulative Pfd., par \$100; outstanding 209,394 shares Common and \$7,401,700 Pfd.

*Transfer Agent.*—Corporation Trust Co., Jersey City, N. J.

*Market.*—Traded in on New York Curb Exchange.

Price Range—	1929	1928	1927
<b>Preferred—</b>			
High.....	80	91	94
Low.....	50	76	86
<b>Common—</b>			
High.....	21	42¾	80
Low.....	2½	17	36

Dividends.—Pfd. dividends paid quarterly J, A, J & O 1. None reported on Common.

## Consolidated income account, years ended December 31

[Funded debt—None]

	1929	1928
Net earnings.....	\$803, 035	\$908, 854
Depreciation.....	209, 114	220, 580
Federal Income tax reserve.....	67, 366	83, 781
Net profit.....	\$526, 555	\$604, 493
Excess of par value of 7% Pfd. stock purchased and cancelled during year at cost.....	63, 278	148, 444
Other income.....		8, 029
<b>Total income.....</b>	<b>\$589, 833</b>	<b>\$760, 966</b>
Preferred dividends.....	521, 096	571, 655
Surplus for year.....	\$68, 737	\$189, 311
7% Preferred shares outstanding.....	74, 017	76, 755
Times Preferred dividend earned.....	1. 14	1. 42
Common shares outstanding.....	209, 394	209, 394
Earnings per Common share.....	\$0. 33	\$0. 20

## CONSOLIDATED BALANCE SHEET, DECEMBER 31

	1929	1928
<b>Assets—</b>		
Property account, less depreciation.....	\$2, 444, 949	\$2, 594, 544
Milk supply.....	4, 364, 662	4, 364, 662
Brands & trademarks.....	10	10
<b>Current Assets—</b>		
Cash.....	\$390, 639	\$341, 579
Investments U. S. Govt. bonds.....	405, 000	1, 373, 800
Trade accounts receivable.....	809, 441	822, 279
Inventories.....	1, 191, 088	469, 474
Total current assets.....	\$2, 796, 768	\$3, 007, 132
Deferred assets.....	95, 542	83, 708
Total.....	\$9, 701, 931	\$10, 050, 056
<b>Liabilities—</b>		
Capital stock.....	\$7, 401, 700	\$7, 675, 500
<b>Current Liabilities—</b>		
Dividend payable.....	\$129, 530	\$137, 253
Accounts payable and accrued taxes.....	488, 518	607, 442
Income tax for current year.....	67, 365	83, 781
Total current liabilities.....	\$685, 413	\$828, 476
Capital surplus.....	537, 468	537, 468
Earned surplus.....	1, 077, 350	1, 008, 612
Total.....	\$9, 701, 931	\$10, 050, 056
Net Working Capital.....	\$2, 111, 355	\$2, 178, 656

Officers: C. L. Bartshe, Pres.; J. L. Harris, B. F. Amos, G. E. Bartshe, V-Ps.;  
W. L. Fox, Treas.; C. P. Lindahl, Sec.  
General Office, Cleveland, Ohio.

## THE FOUNDATION COMPANY OF CANADA, LIMITED

*History.*—Incorporated under The Companies Act, Canada, Sept. 22, 1924. Acquired the contracting business and plant of The Foundation Company of New York in Canada, as represented by the issued capital stock of Construction Equipment Company Limited. The Company operates a general contracting business throughout Canada, specializing in building construction, industrial plants, power developments and general engineering and marine construction. Through its subsidiaries Foundation Maritime Limited and The Foundation Company of Ontario Limited, the Company carries on a general contracting business in the maritime provinces and in Ontario. Through Construction Equipment Co. Limited and Foundation Maritime Limited, the Company owns and operates yards and shops at Dorval, and Montreal, Que., Toronto, Ont., and a maritime salvage station at Rimouski, Que. Company owns a general construction plant, salvage vessels, tugs and derrick boats.

*Change in Control.*—In February, 1929, The Foundation Company of New York sold its entire holdings in The Foundation Company of Canada, Ltd., to Drury & Co. Ltd., Montreal.

## CAPITAL STOCK

Authorized, 150,000 shares Common of no par value; outstanding, 84,600 shares.

*Capital Stock Changes.*—At a special meeting held May 22, 1929, stockholders approved a change in the authorized capitalization from \$360,000 7% cumulative First Pfd., \$250,000 7% cumulative Second Pfd., par of both classes of Pfd., \$100, and \$300,000 Common, par. \$25, to 150,000 shares Common of no par value. The First Pfd. and the Second Pfd. stock were exchanged for no par value Common on the basis of one share of \* \* \*

EXHIBIT U-13-27

DECEMBER 12, 1925.

MR. C. S. CASTLE,  
c/o Standard Trust & Savings Bank,  
Chicago, Ill.

DEAR CHARLIE: I have your letter of the 9th. Since writing you regarding the United Milk Products Corporation I have gathered some more information

which confirms your figures in regard to working capital. No concern seem to want cash for their property and all are demanding stock. Therefore, there is hardly any underwriting to be done, and the only way that you can get some stock is through some friend, and I would advise you to keep after him in order to get as much as you can. The distribution is going to be made early in the year, and very few will be able to get any of the stock.

I have been told that the common stock has already been bid for at 30 and that 40 is the lowest offering that has been made.

Very truly yours,

\_\_\_\_\_, Vice-President.

JRK

EXHIBIT U-13-28

*Fluctuations of stock of United Milk Products Corporation*

[Taken from Commercial & Financial Chronicle (Unable to find 1926 and 1927)]

LISTED ON NEW YORK CURB

	Common Stock			Preferred Stock		
	High	Low	Vol. Trading in Shares Per Week	High	Low	Vol. Trading in Shares Per Week
6/8/28.....	42 <sup>3</sup> / <sub>4</sub>	40	1,500	91	91	25
6/15/28.....	39 <sup>5</sup> / <sub>8</sub>	36 <sup>1</sup> / <sub>2</sub>	900	88	88	29
6/22/28.....	39 <sup>3</sup> / <sub>4</sub>	33	1,200	86	84	200
6/29/28.....	34	32	900	83	80	525
7/6/28.....	31	22	600	82 <sup>1</sup> / <sub>8</sub>	82	200
7/13/28.....	29 <sup>3</sup> / <sub>4</sub>	24 <sup>1</sup> / <sub>2</sub>	2,200	83	78	225
7/20/28.....	25 <sup>1</sup> / <sub>2</sub>	22 <sup>1</sup> / <sub>2</sub>	900	79	78	75
7/27/28.....	23	22 <sup>1</sup> / <sub>2</sub>	500	76	76	25
8/3/28.....	22	17	300	82	80	30
8/10/28.....	19	18	300	80	79 <sup>3</sup> / <sub>4</sub>	175
8/17/28.....	25 <sup>5</sup> / <sub>8</sub>	20 <sup>1</sup> / <sub>2</sub>	1,400			
8/24/28.....	27	20	3,000			
8/31/28.....	32 <sup>3</sup> / <sub>4</sub>	27 <sup>1</sup> / <sub>2</sub>	4,600	80	79	60
9/7/28.....	31	27	2,900			
9/14/28.....	30 <sup>1</sup> / <sub>2</sub>	25 <sup>1</sup> / <sub>4</sub>	1,200	81	81	50
9/21/28.....	26	25	800	80	80	50
9/28/28.....	24	22	2,400	78	78	100
10/5/28.....	22	21	1,100	78	76	125
10/12/28.....	21	20 <sup>1</sup> / <sub>2</sub>	2,200	78	76	175
10/19/28.....	26	20 <sup>1</sup> / <sub>4</sub>	500	80 <sup>1</sup> / <sub>4</sub>	78 <sup>3</sup> / <sub>8</sub>	400
10/26/28.....	25 <sup>5</sup> / <sub>8</sub>	22	2,000	85 <sup>3</sup> / <sub>4</sub>	84 <sup>3</sup> / <sub>4</sub>	200
11/2/28.....	23	22	1,200			
11/9/28.....	22 <sup>1</sup> / <sub>2</sub>	22	2,100			
11/16/28.....	23	21 <sup>1</sup> / <sub>4</sub>	1,400	83 <sup>1</sup> / <sub>2</sub>	81 <sup>1</sup> / <sub>2</sub>	500
11/23/28.....	21 <sup>1</sup> / <sub>2</sub>	20	1,700	81 <sup>3</sup> / <sub>4</sub>	80 <sup>1</sup> / <sub>2</sub>	350
11/30/28.....	20 <sup>3</sup> / <sub>4</sub>	20 <sup>3</sup> / <sub>4</sub>	400	80 <sup>1</sup> / <sub>8</sub>	80	300
12/7/28.....	20	17	1,700	80	79 <sup>1</sup> / <sub>2</sub>	825
12/14/28.....	18 <sup>3</sup> / <sub>4</sub>	16	300			
12/21/28.....	18	17	1,700	79	79	50
12/28/28.....	17 <sup>1</sup> / <sub>4</sub>	16	5,100	80	80	100

EXHIBIT U-13-29

JULY 26TH, 1927.

Mr. GEO. T. WOLF, *President,*  
*First State Savings Bank,*  
*Three Rivers, Michigan.*

DEAR SIR: It is a pleasure for us to say that the United Milk Products Company, subject of your letter of July 23rd, is a strong corporation and in an excellent position and that in our opinion the farmers in your vicinity need not hesitate to conclude arrangements for disposal of their products to this company.

The capitalization of this company, which was a consolidation of a number of condensed milk companies throughout the country, with \$25,000,000 of preferred stock and 250,000 shares of no-par common stock. The amount originally

issued was about \$13,500,000. This will give you some idea of the standing of the concern. It is our understanding that it has no debt of consequence and has large cash balances.

Yours very truly,

ARTHUR L. MOLER,  
Assistant Vice President.

ALM:C-3

EXHIBIT U-13-30

Received of THE UNION TRUST CO., Cleveland, O. two thousand seven hundred Fifty (2,750) shares United Milk Products Corp. N.P. Common, various certificates all registered "The Union Trust Company"

Date, MAY 6, 1929.

S. W. PARLSON,

EXHIBIT U-13-31a

MAY 6th, 1929.

Registered Mail  
The CORPORATION TRUST COMPANY,  
15 Exchange Place, Jersey City, N.J.

GENTLEMEN: We beg to enclose herewith, by registered mail, 2750 Shares of the Common Stock of the United Milk Products Corporation, certificates as follows:

No.	TC1231	for	100	Shares	in name of	Hornblower & Weeks
"	TC1429	"	75	"	"	"
"	TC1655	"	75	"	"	"
"	TC1682	"	100	"	"	"
Nos.	TC1694 & 5	@	100	"	"	"
"	TC2921/26	@	100	"	"	"
No.	TC2942	for	100	"	"	"
"	TC2955	"	100	"	"	"
"	TC2988	"	100	"	"	"
"	TC2994	"	100	"	"	"
"	TC2999	"	100	"	"	"
Nos.	TC3000/2	@	100	"	"	"
"	TC4055 & 56	@	50	"	"	"
"	TC4278 & 79	@	100	"	"	"
No.	TC364	for	100	"	"	James Dunn, Jr.
"	TC2104	"	100	"	"	John F. Keena
"	TC2397	"	100	"	"	Farrar Tilney
"	TC2501	"	100	"	"	Harry J. Kirby
"	TC2551	"	100	"	"	Kay & Company

The above certificates have been duly assigned for transfer to The Union Trust Company, Room 400 Union Trust Building, Cleveland, Ohio, and we would like certificates issued in the above name as follows:

EXHIBIT U-13-31b

17 @ 100 Shares	-----	Total	1700 Shares
19 @ 50 "	-----		950 "
1 @ 90 "	-----		90 "
1 @ 10 "	-----		10 "
			2750 "

Kindly forward the new certificates to us as soon as possible.

Very truly yours,

C. A. CARLSON, Vice President.

CWC.EMS  
Encl.

## EXHIBIT U-13-32

[Received by Statistical Dep't. Jul. 20 1927]

Re: Loan to Maurice Briggs,  
320 Leader Building.

We have a loan of \$10,000, due August 4, 1927, secured by 200 shares of United Milk Products Common. The present bid price on this stock is 45, making a total of \$9,000, or \$1,000 less than the loan.

I called this to the attention of Mr. Crawford, who talked with Ralph Williams, who said that this loan had been taken up with Mr. J. R. Kraus and C. A. Carlson, who had talked to Mr. Nutt.

There apparently is nothing that can be done at this time. The borrower is unable to reduce the loan.

E. R. VAN HORN.

7-20-27

## EXHIBIT U-13-33a

## MEMORANDUM RE UNITED MILK PRODUCTS CORP.

NOVEMBER 7, 1931.

Producing plants of the company number 25.

Book value of all the plants	\$3,321,078.16
Depreciation	1,197,016.78
Net Value	\$2,124,061.38

Depreciation is figured 10% each year on machinery and equipment, 2½% to 3% on buildings, 33¼% on motor equipment and 30% on milk cans. The company is anxious to sell two of its plants and is content to keep the remaining 23 plants. The plants which they would like to sell are

Merton, Wis.:	
Book value	\$21,822
Depreciation	6,543
Net value	\$15,279
Possible Sales Value	\$20,000
Fay, Illinois:	
Book Value	\$80,499
Depreciation	30,647
Net Value	\$49,852
Possible Sales Value	\$40,000

If these two plants were sold there would be a net loss of \$5,000.

During the month of September, 4 of the 25 plants operated at a loss.

Depreciation is taken monthly and amounts to approximately \$200,000 a year.

Inventory:	
December 31, 1929 310 cars	\$1,191,088.17
December 31, 1930 217 "	780,548.54
September 30, 1931 120 "	459,277.55
Current Assets	\$1,899,266.16
Current Liabilities	310,299.90
Net Current Assets	1,588,966.26
Plant Account Net	2,124,061.38

Total Value Exclusive of Milk Supply \$3,713,027.64

## EXHIBIT U-13-33b

Including the net plant account and net current assets a figure of \$53 a share for the preferred stock is arrived at. This would leave the item of milk supply, which is a good will item, as the principal asset (as a going concern) to be set up against common stock of 209,394 shares. Mr. Bartshe and Mr. Haynes estimate that in



a normal year the earnings of the company, after depreciation and taxes, should amount to \$350,000. They do not think that 1932 will be a normal year for many reasons, one of which is that the Department of Agriculture estimates an increase by October 1932 of 10% in the number of milk cows, and therefore a corresponding increase in the amount of milk produced. The annual dividend requirement on the 69,405 shares of preferred stock outstanding is \$485,835. It is therefore apparent that in no year of normal operation will it be possible to earn and pay the dividend on the present outstanding preferred stock. If none of the preferred stock is retired at the end of two years, that is, December 31, 1932, the accumulated dividends will amount to \$971,670. Adding to this present preferred stock outstanding of \$6,940,500, a total of \$7,912,170 is shown to be ahead of the common stock. If the present preferred stock was reduced to \$3,500,000 the annual dividend requirement on this amount would be \$245,000 and, assuming the earning of \$350,000 a year, would leave \$105,000 a year for the common stock, which is about 50¢ a share.

## EXHIBIT U-13-33c

As I see the situation, the company will be greatly benefited by any reduction of the preferred stock and comfortably situated if one-half the preferred stock could be retired. Retirement of preferred stock will benefit not only holders of the remaining preferred but also holders of common stock. Mr. Haynes stated that he thought the cash and Governments in the company's treasury necessary to carry on its business should amount to \$750,000. The present amount of these two items is \$1,007,337, so that there is an excess of \$257,337. Personally I think that Mr. Haynes' estimate of the amount of cash and Governments necessary to carry on the business, even with increased business, is too high. It should be understood that each year the cash position of the company increases by the amount of depreciation; i.e. \$200,000. I feel that at the present time the company should use \$400,000 to ask for tenders of preferred stock. Assume that the stock was acquired at \$20 a share. This would take up 20,000 shares, which would reduce the outstanding stock to 49,405 shares and also save a year's dividend when the stock was retired, or \$140,000, and an accrual of like amount for the year 1932; that is, a total of \$280,000. At the present time it is easy for a person to make a switch from United Milk Products at \$20 a share to other securities. As the price of other securities improve, as they probably will in the near future, the opportunity to make certain switches will not be so apparent as at the present time.

OTTO MILLER.

OM:EL

## EXHIBIT U-13-34

("Taken from the personal files of J. R. Nutt")

11/7/33.

Cleveland Plain Dealer—November 5, 1933—reports in the E. J. Falkenstein testimony the following:

"Falkenstein cited records of collateral loans secured by stock in the United Milk Products Co., in which Nutt was an organizer and large investor, to show that adequate collateral was not maintained.

"The way this ties into the investigation," he explained, 'is to determine whether loans secured by stock in companies in which officers and directors are interested obtain special consideration. There is good evidence that, in so far as this concern was concerned, the collateral was not maintained. Mr. Nutt was apparently a heavy holder of stock in this company. Whether this had influence on maintenance of collateral I am not prepared to state.'"

This is nothing but pure bunk. I was not "an organizer" and was never an officer or director of the United Milk Products Corporation. My only relation to this Company was that at the time it was organized I purchased a substantial block of this stock for my friends and members of my family. This stock was all turned over in every instance at my exact cost. The members of my family still retain a large block of this stock.

The records will show that every loan made by the Bank, with this stock as collateral, was properly margined at the time the loan was made, and as the market went down additional collateral was secured wherever possible. The fact that I was a stockholder could have no possible influence with the Finance Committee in passing on loans where this stock was offered as part of the collateral.

The United Milk Products Corporation never borrowed a dollar from The Union Trust Company, but on the contrary, kept large balances, at times exceeding two million dollars. At the time the Bank was closed, the Company had a balance in excess of \$300,000. in its account.



NAME		ADDRESS		DEMAND LOAN NO.			
Ayers, C. L.				0-13-36c			
INTEREST			PRINCIPAL				
DATE	DEBIT	CREDIT	BALANCE	DATE	DEBIT	CREDIT	BALANCE
		219.52	1104.898				
37-11-73		1468.46	2573.76	10-1-73			
37-06-63		277.42	2851.18	11-1-34			
		211.03					

EXHIBIT U-13-36c

DATE	PAR OR SHARE	DESCRIPTION OF COLLATERAL	MARKET BASIS	AMOUNT
	166 <del>4</del> shs	United Milk Products Company, Common #TG578 at 10 shs #TG581 at 66 shs #60480 at 4/6ths of 1 sh n/o Jason Crain	C 6	1200 19
	1,080 shs	United Milk Products Co. Pfd. #TF938/47-100 shs ea #TF1950 at 80 shs To Jason Crain	27 25	23700 25156
				131 11
				2-30 20
JEC 2-2-1936		1/2 sh United Milk Prod Co. Pfd. Corporation Paid to par to 2 shs on loan		29196
		RECEIVED		

Received from THE UNICION TRUST COMPANY, Cleveland, Ohio. Collateral consists of all other papers due in connection with the above described loan.

THE GLIDERS COMPANY FIVE YEAR 5% GOLD NOTES (\$8,000,000)											
HOUSE OF ISSUE <u>Bankamerica Blair Corporation</u>								DATE <u>May 20, 1930</u>			
SYNDICATE CLOSURE <u>7/11/30</u>				EXTENSIONS <u>1/19/30</u>		BANKERS DISC.		DEALERS DISC.			
TAKE UP PRICE <u>99 3/4</u>		OFFERING PRICE <u>99 1/4</u>		SPECIAL TERMS:							
GROUP	BOOK TO	POSITION	AMOUNT	%	EST. PROFIT	HOUSE	ADJUSTMENTS	AMOUNT	%	EST. PROFIT	NET ESTIMATED PROFIT
PURCHASE	<u>97 1/2</u>		<u>200000</u>	<u>1</u>	<u>2000<sup>00</sup> (20000)</u>						
BANKERS											
SPECIAL											
SELLING COM.	<u>98 1/4</u>	<u>100000</u>	<u>000</u>	<u>1/4</u>	<u>3000<sup>00</sup> (20000)</u>	<u>Sec &amp; Inv</u>	<u>20000</u>	<u>2 1/4</u>		<u>2500<sup>00</sup> (20000)</u>	
SYNDICATE						<u>at 1/2% (Cancelled)</u>	<u>30000</u>	<u>1</u>		<u>30<sup>00</sup> (at 2 1/2%)</u>	
FIRM BONDS											
TRADING ACCT											
OVERSALES											
REPURCHASES FROM DEALERS											
HOUSE	AMOUNT	PRICE	RESOLD TO	AMOUNT	PRICE	SPECIAL					
TOTAL NET ESTIMATED PROFIT											
FIRM BONDS											
TOTAL INSIDE POSITION											

EXHIBIT U-12-1

NORTON STEEL COMPANY 2-yr 6% GOLD NOTES (\$8,000,000)											
HOUSE OF ISSUE <u>Midland Corporation</u>								DATE <u>Jan. 3, 1930</u>			
SYNDICATE CLOSURE <u>2/3/30</u>				EXTENSIONS <u>See 3/13/30</u>		BANKERS DISC. <u>1/2</u>		DEALERS DISC. <u>1/8</u>			
TAKE UP PRICE <u>100 - 1/8</u>		OFFERING PRICE <u>100 - 1/8</u>		SPECIAL TERMS:							
GROUP	BOOK TO	POSITION	AMOUNT	%	EST. PROFIT	HOUSE	ADJUSTMENTS	AMOUNT	%	EST. PROFIT	NET ESTIMATED PROFIT
PURCHASE	<u>97 1/8</u>		<u>1,200,000</u>	<u>1</u>	<u>12,000</u>	<u>Franklin &amp; D. Smith Co</u>		<u>175,000</u>	<u>1 1/2</u>	<u>1875<sup>00</sup> (12000 take up)</u>	
BANKERS	<u>97 1/8</u>		<u>450,000</u>	<u>1/4</u>	<u>4500</u>	<u>First National Detroit Co</u>		<u>25,000</u>	<u>1 1/2</u>	<u>125<sup>00</sup></u>	
SPECIAL											
SELLING COM.	<u>97 1/4</u>	<u>8000</u>	<u>815,000</u>	<u>1/4</u>	<u>1750</u>	<u>Sec. Inv. Mgt. Co. of C.</u>	<u>100,000</u>	<u>1 1/4</u>		<u>1500<sup>00</sup> (12000 take up)</u>	
SYNDICATE						<u>Alliance Sav. Ass. Bank</u>	<u>5,000</u>	<u>1 1/4</u>		<u>75<sup>00</sup></u>	
FIRM BONDS						<u>First National Detroit Co</u>	<u>125,000</u>	<u>1 1/2</u>		<u>1875<sup>00</sup></u>	
TRADING ACCT											
OVERSALES											
<u>*200,000 - Sold to SPECIAL ACCOUNT FOR CORPORATION. - 2/1/30 -</u>											
REPURCHASES FROM DEALERS											
HOUSE	AMOUNT	PRICE	RESOLD TO	AMOUNT	PRICE	SPECIAL					
<u>W.C. CUMMINGS &amp; Co</u>	<u>75,000</u>	<u>100 - 1/4</u>	<u>Midland Corp</u>	<u>37,000</u>	<u>100 - 1/4</u>	<u>ON TAKE UP (20000)</u>					
<u>McDONALD-CAMERON</u>	<u>60,000</u>	"	"	"	"	"					
<u>BRANTNELL &amp; Co</u>	<u>15,000</u>	"	"	"	"	"					
<u>W. TARRANT &amp; Co</u>	<u>10,000</u>	<u>100 - 1/4</u>	"	"	"	"					
<u>WALSH BROS &amp; Co</u>	<u>3,000</u>	<u>100 - 1/4</u>	"	"	"	"					
<u>SPENCER-KAMBERG &amp; Co</u>	<u>15,000</u>	<u>100 - 3/4</u>	<u>Alliance Sav. Ass.</u>	<u>12,500</u>	<u>1/4</u>	<u>ON TAKE UP (20000)</u>					
<u>FRYDEN-MILLER &amp; Co</u>											
TOTAL NET ESTIMATED PROFIT											
FIRM BONDS											
TOTAL INSIDE POSITION											

EXHIBIT U-12-2

ISSUE: NATIONAL CITY CORPORATION FIRST COLL. MTGE SECURIZ FUND GOLD BONDS 5 1/8% DATE OFFERED 4-8-51

HOUSE OF ISSUE: The National City Co. TOTAL ISSUE \$40,000,000 MATURITY 4-1-56

ACCOUNT CLOSURES 6-8-51 EXTENSIONS BANKERS DISC. 1/4 \* DEALERS DISC. 1/4 \* LIABILITY LIMITED

TAKE UP PRICE 99 OFFERING PRICE 99 INTEREST OR DIVIDEND DATES

\* 1% on Sales of \$250,000 or over (Letter #18)

GROUP	POSITION			RESALES AND ADJUSTMENTS				MEMO	
	FROM	TO	AMOUNT	%	PROFIT	HOUSE	AMOUNT		%
PURCHASE	45 1/2	96 1/2	1,778,000	3/4	13,335				
SPECIAL									
BANKERS	46 1/4	48 1/2	1,276,000	1/4	8,190				
SYNDICATE									
SELLING COM.	96 1/4	99	400,000	2 1/4	9,000	(Book) Selective Invest Dept.	100,000	1/4	1750 - (Line in)
UNDERWRITING SYNDICATE						Menick-Hendley Co.	20,000	3/4	450 - (Line in)
TRADING ACCT									

ADDITIONAL PURCHASES FROM DEALERS

HOUSE	AMOUNT	PRICE	PROFIT RECEIVED	HOUSE	AMOUNT	PRICE	PROFIT RECEIVED
<i>Selling Commission originally 1 1/2% - increased to 2 1/4% and banking group charges from 1/4 to 1/2 (Letter #18/19)            Pick up for company program 400,000 Bonds - 4/1/51 (Part of our liability amount to transfer. Bonds covered by line in to            400M of above 500M Bonds sold to Union Trust Co @ 96 1/4            Pick up \$3,100,000 bonds as our share of general bonds and bonds in trading account @ 96 1/2. The            price included banking group profits due us.</i>							
TOTALS							

UNION CLEVELAND CORPORATION  
CLEVELAND, OHIO

PARTICIPATION RECORD

FORM 300, 10-16-50 (7-54)

EXHIBIT U-12-3

ISSUE: INTERNATIONAL MATCH CORPORATION TEN YEAR 5% CONVERTIBLE GOLD DEBTENTURES DATE OFFERED 8-8-51

HOUSE OF ISSUE: LEE HIGGINSON & CO. TOTAL ISSUE \$50,000,000 MATURITY 12-15-41

ACCOUNT CLOSURES 3/14/51 (7th Series) EXTENSIONS 3/10 BANKERS DISC. 1/4 DEALERS DISC. 1/4 LIABILITY LIMITED

TAKE UP PRICE 96 OFFERING PRICE 96 INTEREST OR DIVIDEND DATES

GROUP	POSITION			RESALES AND ADJUSTMENTS				MEMO	
	FROM	TO	AMOUNT	%	PROFIT	HOUSE	AMOUNT		%
PURCHASE									
SPECIAL									
UNDERWRITING BANKERS	93 1/4	94	200,000	3/4	1,500	(Bank)			
SYNDICATE									
SELLING COM.	94	96	100,000	✓	2,000	Lee Higginson & Co.	10,000	✓	200 - (Bank)
UNDERWRITING SYNDICATE									
TRADING ACCT									

ADDITIONAL PURCHASES FROM DEALERS

HOUSE	AMOUNT	PRICE	PROFIT RECEIVED	HOUSE	AMOUNT	PRICE	PROFIT RECEIVED
<i>Annual Pmt. 1/4 - 1,000 96 1/4 15 - (14 weeks up)</i>							
TOTALS							

UNION CLEVELAND CORPORATION  
CLEVELAND, OHIO

PARTICIPATION RECORD

FORM 300, 10-16-50 (7-54)

EXHIBIT U-12-4

ISSUE: THE OLLIVIER COMPANY 5-YR 6 1/4 GOLD NOTES NOV 6-1-36

SYNDICATE CLOSED

SYNDICATE EXPENSES  $(44.00)$   $(3.56)$   $(Purchase)$

PROFITS RECEIVED			ALLOTMENT OF PROFITS			SECURITIES REPURCHASED		
DATE	GROUP	AMOUNT	HOUSE	AMOUNT	PENALTY	NET	NUMBERS	AMOUNT
	TAKE UP							
10/1	Allen	2202 <sup>00</sup>	St. Louis	30 <sup>00</sup>			3480/83	4000
10/10	Bank	1289 <sup>00</sup>	Sec. Inv.	1189 <sup>50</sup>			3984/88	5000
			" "	611 <sup>51</sup>				
				1798 <sup>01</sup>			3069/78	10000
								19000
							Penalty	255 <sup>00</sup>
TOTALS		3549 <sup>60</sup>						
LESS ALLOTMENTS		1798 <sup>01</sup>						
TOTAL NET PROFIT REC'D		1750 <sup>59</sup>						

EXHIBIT U-12-5

EXHIBIT U-13-35

DEC. 9, 1933.

United Milk Products Company

Account	Owned Dec 31, 1932 before split up		Present holdings (the new stock)	
	Preferred (shares)	Common (shares)	Preferred (shares)	Common (shares)
J. R. Nutt.....	70	10	140	8
R. H. Nutt.....	400	800	320	133
H. F. Nutt.....	50	50	40	8
J. N. Akins.....	300		240	
L. N. Iseman.....	300		270	
E. H. Nutt.....	1 100	400	880	66
D. C. Nutt.....	400	200	320	34
F. Nutt.....	400	150	320	25
J. R. Nutt Jr.....	400	200	320	35
Wm. F. Nutt Est.....	300		240	
E. N. Krepps & W. R. Nutt.....	700		560	
Totals.....	4 420	1 810	3 650	309

THE UNION TRUST COMPANY: TRUST ACCOUNTS—R. F. MUIR

(Exhibits U-13-36a through U-13-36d face this page)  
(Exhibits U-12-1 through U-12-5 face this page)

EXHIBIT U-12-6

Issue: Newton Steel Co. 6's  
Syndicate closed ----- syndicate expenses  
(81¢ per M)

Profits received			Allotment of profits				Securities re- purchased	
Date	Group	Amount	House	Amount	Penalty	Net	Num- bers	Amount
Take up--	883,000.....	1,103.75	First Nat Duluth Co Sec. & Inv Dept. Alliance First Nat.	125,000	½ on take up. " "	156.25		
	¾ take up, 143,000	178.75						
	Hayden Miller (¾ on 15)	112.50						
	Midland-- (banking)	62.50						
	"	555.00						
4/4/30	(1¾ on 37) Purchase.....	12,000.00	First Nat Duluth Co	125,000	1¾ Rem S.C.	1,718.75		
4/4/30	Banking.....	3,983.06	Sec. & Inv.	100,000	" "	1,375.00		
4/4/30	Selling.....	12,141.25	Alliance First Nat.	5,000	" "	68.75		
4/5/30	Hord - Curtiss (sell).	137.50				3,450.00		
4/9/30	N. S. Talbott..	206.25						
4/10/30	McDonald- Callahan	687.50						
"	R. V. Mitchell & Co.	687.50						
"	Schultz Bros..	87.50						
"	Spencer-Kam- erer.	30.00	First Nat. Duluth Co.	25,000	½ on BG..	125.00		
Totals.....		31,973.06						
Less allotments.....		3,450.00						
Total net profit rec'd.....		28,523.06						
		125.00						
		28,398.06						

Remarks:

## EXHIBIT U-12-7

Issue: National Steel Corp. first coll. mtge sinking fund gold bonds 5's due 4-1-56

Expenses—purchase Special Banking Syndicate selling ¼

Profits received			Adjustments		Securities purchased by managers		
Date	Group	Amount	House	Amount	Numbers	Amount	Customer
8/7	Take up.....	-----	Estates Dept.....	1,500 00	TM 15512. TM 15491/ 95	1,000 00 5,000.00	Mrs. A. Hawirth First Nat. Bk. No. Baltimore, Ohio.
	Selling com.	7,865 00	Merril-Hawley Co.	400 00			
8/7	Syndicate.....	-----	-----	-----	-----	-----	-----
	Purchase.....	13,335.00	-----	-----	-----	-----	-----
	Banking.....	-----	-----	-----	-----	-----	-----
	Special a/c.....	248 92	-----	-----	-----	-----	-----
	Trading.....	-----	-----	-----	-----	-----	-----
	Other houses	-----	-----	-----	-----	-----	-----
	Totals.....	21,448.92	-----	1,900.00	Penalty...	135 00	-----
	Less adjustments.....	1,900 00	-----	-----	-----	-----	-----
	Total net profit rec'd.....	19,548.92	-----	-----	-----	-----	-----

Remarks:

## EXHIBIT U-12-8

Issue: International Match Corporation 10-year 5's due 1-15-41

Expenses—purchase Special Banking Syndicate selling

Profits received			Adjustments		Securities purchased by managers		
Date	Group	Amount	House	Amount	Numbers	Amount	Customer
3/12	Take up.....	-----	-----	-----			
	Selling com.	1,800.00	-----	-----			
4/1/31	Syndicate.....	-----	-----	-----			
	Purchase.....	-----	-----	-----			
	Banking.....	1,001.97	-----	-----			
	Special.....	-----	-----	-----			
	Trading.....	-----	-----	-----	Penalty		
	Other houses	15.00	-----	-----			
	Totals.....	2,816.97	-----	-----			
	Less adjustments.....	-----	-----	-----	-----	-----	-----
	Total net profit rec'd.....	-----	-----	-----	-----	-----	-----

Remarks:



EXHIBIT U-12-9

CLEVELAND OHIO, *May 1, 1931.*

To ESTATES TRUST DEPT.,  
*The Union Trust Co.*

UNION CLEVELAND CORPORATION  
UNION TRUST BUILDING

Sold to you:

\$50,000.00	National Steel Corp. 5's.....	99	\$49,500.00	
	Int. from 4/1 to 5/1 (1 month) @ 5%.....		208.33	
				\$49,708.33
\$50,000.00	National Steel Corp. 5's.....	99	\$49,500.00	
	Int. from 4/1 to 5/1 (1 month) @ 5% .....		208.33	
				\$49,708.33
				\$99,416.66

Due date: April 1, 1956.  
Int. dates: Apr. & Oct. 1st.

Received the above described securities

THE UNION TRUST COMPANY,  
By E. D. PEARSON.

Date MAY 1, 1931.

EXHIBIT U-12-10

Security Ledger—Union Cleveland Corporation, Cleveland, Ohio—The Union Trust Company—Bond Department

9132

STOCK EXCHANGE PRACTICES

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
4/29/31	Howard W. Stange, 6624	Natl. Steel Corp.	4/1/56	1	5	239,000.00		1,000.00		99	236,685.00			990.00	3.89	
Do.	Katherine Tiernan, 6637	do.	do.	1	5			1,000.00		99				990.00	3.89	
Do.	Dr. Minabel Snow, 6638	do.	do.	1	5			1,000.00		99				990.00	3.89	
Do.	Farmers Natl. Bk., Ashtabula, 6675	do.	do.	1	5			1,000.00		99-1/4				987.50	3.89	
Do.	Mrs. T. C. Swain, 6567	do.	do.	1	5			1,000.00	234,000.00	99				990.00	3.89	231,737.50
4/30/31	Mrs. Ruby V. Ferguson, 6740	Natl. Steel Corp.	4/1/56	1	5	234,000.00		1,000.00		99	231,737.50			990.00	4.03	
Do.	Dr. Chas. W. Stone, 6681	do.	do.	1	5			2,000.00	231,000.00	99				1,980.00	8.06	228,767.50
4/31/31	Citz. Sav. Bk., Columbiana, O., 6581	Natl. Steel Corp.	4/1/56	1	5	231,000.00		3,000.00	228,000.00	99-1/4	228,767.50			2,962.50	12.08	225,805.00
5/1/31	13929, H. B. Thiemann	Natl. Steel Corp.	4/1/56	1	5	228,000.00	1,000.00		229,000.00	97-3/4	225,805.00	977.50	4.17			228,782.50
5/1/31	Mrs. Ida Fox McNish, 6690	Natl. Steel Corp.	4/1/56	1	5	229,000.00		1,000.00		99	226,782.50			990.00	4.03	
Do.	Mrs. Adda J. Ives, 6728	do.	do.	1	5			1,000.00		99				990.00	3.89	
Do.	Estates Trust Dept., 6749	do.	do.	1	5			50,000.00		99				49,500.00	208.33	
Do.	do., 6750	do.	do.	1	5			50,000.00		99				49,500.00	208.33	
Do.	Walter F. Kleiber, 6704	do.	do.	1	5			2,000.00	125,000.00	99				1,980.00	8.33	123,822.50
5/1/31	Painesville Natl. Bk., O, 6747	Natl. Steel Corp.	4/1/56	1	5	125,000.00		3,000.00		99-1/4	123,822.50			2,962.50	12.50	
Do.	Mrs. A. Hayes, 6753	do.	do.	1	5			1,000.00		99				990.00	4.17	119,870.00
5/2/31	A. G. Wehster, 6693	Natl. Steel Corp.	4/1/56	1	5	121,000.00		1,000.00	120,000.00	99	119,870.00			990.00	4.17	118,880.00
5/2/31	Mrs. Minnie Belden, 6737	Natl. Steel Corp.	4/1/56	1	5	120,000.00		1,000.00	119,000.00	99	118,880.00			990.00	4.31	117,890.00
5/4/31	Navarre Deposit Bk., 6760	Natl. Steel Corp.	4/1/56	1	5	119,000.00		2,000.00		99-1/4	117,890.00			1,975.00	9.44	
Do.	L. C. Dequaise, 6762	do.	do.	1	5			1,000.00	116,000.00	99				990.00	4.31	114,935.00
5/4/31	H. A. Marting, 6759	Natl. Steel Corp.	4/1/56	1	5	116,000.00		2,000.00	114,000.00	99	114,925.00			1,980.00	9.17	112,945.00
5/5/31	Mary F. Bricker, 6769	Natl. Steel Corp.	4/1/56	1	5	114,000.00		1,000.00	113,000.00	99	112,945.00			990.00	4.72	111,955.00
5/6/31	Mrs. Elsie T. Bossart, 6775	Natl. Steel Corp.	4/1/56	1	5	113,000.00		1,000.00		99	111,955.00			990.00	4.86	
Do.	Mrs. Pauline B. Bamberger, 6773	do.	do.	1	5			2,000.00	110,000.00	99				1,980.00	9.72	108,975.00
5/7/31	Miss Hannah Champlin, 6772	Natl. Steel Corp.	4/1/56	1	5	110,000.00		2,000.00	108,000.00	99	108,985.00			1,980.00	10.00	107,005.00
5/8/31	Mrs. Kathryn Packard, 6713	Natl. Steel Corp.	4/1/56	1	5	108,000.00		5,000.00	103,000.00	99	107,005.00			4,950.00	25.69	102,055.00
5/9/31	Cleveland City Hospital Alumni Ass'n., 6787	Natl. Steel Corp.	4/1/56	1	5	103,000.00		1,000.00	102,000.00	99	102,055.00			990.00	5.28	101,065.00
5/9/31	Merrill Hawley & Co, 6794	Natl. Steel Corp.	4/1/56	1	5	102,000.00		5,000.00	97,000.00	99	101,065.00			4,950.00	26.39	96,115.00
5/13/31	Mrs. Alice C. Hickox, 6720	Natl. Steel Corp.	4/1/56	1	5	97,000.00		5,000.00	92,000.00	99	96,115.00			4,950.00	29.17	91,165.00
5/14/31	Andover Bk. Ohio, 6815	Natl. Steel Corp.	4/1/56	1	5	92,000.00		3,000.00	89,000.00	99-1/4	91,165.00			2,962.50	17.92	88,202.50
5/20/31	Mrs B. J. Torbron, 6844	Natl. Steel Corp.	4/1/56	1	5	89,000.00		1,000.00		99	88,202.50			990.00	6.81	
Do.	Merrill Hawley & Co., 6848	do.	do.	1	5			10,000.00	78,000.00	99				9,900.00	68.06	77,312.50

5/21/31	Miss Clara A. Wolff, 6838	Natl. Steel Corp.	4/1/56	1	5	78,000.00	1,000.00	77,000.00	99	77,312.50	990.00	6.94	76,322.50
5/22/31	Jaro H. Pavlik, 6861	do	do	1	5	77,000.00	2,000.00	75,000.00	99	76,322.50	1,980.00	14.17	74,342.50
5/23/31	Miss Mabel Shepard, 6864	Natl. Steel Corp.	4/1/56	1	5	75,000.00	1,000.00		99	74,342.50	990.00	7.22	
Do.	Mrs. Jessie L. Chapman, 6865	do	do	1	5		1,000.00	73,000.00	99		990.00	7.22	72,362.50
5/25/31	Frank Bures, 6866	Natl. Steel Corp.	4/1/56	1	5	73,000.00	1,000.00		99	72,362.50	990.00	7.50	
Do.	Deshler State Bk, O., 6868	do	do	1	5		2,000.00		99-1/4		1,975.00	15.00	
Do.	Miss Rachel Hedden, 6857	do	do	1	5		1,000.00		99		990.00	7.22	
Do.	Montpelier Natl. Bk., O., 6860	do	do	1	5		5,000.00	64,000.00	99-1/4		4,937.50	37.50	63,470.00
5/25/31	Miss Mabel Shepard 6867	do	do	1	5	64,000.00	1,000.00	63,000.00	99	63,470.00	990.00	7.50	62,480.00
5/26/31	Mrs. B. E. Marshall, 6876	Natl. Steel Corp.	4/1/56	1	5	63,000.00	1,000.00	62,000.00	99	62,480.00	990.00	7.64	61,490.00
5/26/31	Mrs. Nettie R. Hyde, 6877	Natl. Steel Corp.	4/1/56	1	5	62,000.00	1,000.00		99	61,490.00	990.00	7.64	
Do.	Miss Sue Williams, 6878	do	do	1	5		1,000.00	60,000.00	99		990.00	7.64	59,510.00
5/27/31	E. H. Edwards, 6883	Natl. Steel Corp.	4/1/56	1	5	60,000.00	1,000.00	59,000.00	99	59,510.00	990.00	7.78	58,520.00
5/29/31	Mrs. Olive G. Bosworth, 6887	Natl. Steel Corp.	4/1/56	1	5	59,000.00	1,000.00	58,000.00	99	58,520.00	990.00	8.33	57,530.00
6/1/31	Merrill Hawley & Co., 6940	Natl. Steel Corp.	4/1/56	1	5	58,000.00	5,000.00	53,000.00	99	57,530.00	4,950.00	41.67	52,580.00

STOCK EXCHANGE PRACTICES

9133

EXHIBIT U-12-11

Security Ledger—Union Cleveland Corporation, Cleveland, Ohio—The Union Trust Company—Bond Department

9134

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	sales (principal)	Interest received	New balance
4/13/31	A/c Ernst Jt. a/c Detroit, c/o Ernst & Ernst, 6608.	Natl. Steel Corp.	4/1/56	1	5	00	-----	28,000.00	Cr28,000.00	99	00	-----	-----	27,720.00	46.67	Cr27,720.00
4/14/31	Paul A. Preus, 6580.	Natl. Steel Corp.	4/1/56	1	5	Cr28,000.00	-----	1,000.00	Cr29,000.00	99	Cr27,720.00	-----	-----	990.00	1.81	Cr28,710.00
4/15/31	Mrs. Anna M. Williams, 6602.	Natl. Steel Corp.	4/1/56	1	5	Cr29,000.00	-----	3,000.00	Cr32,000.00	99	Cr28,710.00	-----	-----	2,970.00	5.83	Cr31,680.00
4/16/31	Miss R. E. Emery, 6618.	Natl. Steel Corp.	4/1/56	1	5	Cr32,000.00	-----	1,000.00	Cr33,000.00	99	Cr31,680.00	-----	-----	990.00	2.08	Cr32,670.00
4/17/31	A. V. Cannon, 6651.	Natl. Steel Corp.	4/1/56	1	5	Cr33,000.00	-----	20,000.00	-----	99	Cr32,670.00	-----	-----	19,800.00	44.44	-----
Do.	Jos. De Fazio, 6662.	do	do	1	5	do	-----	2,000.00	Cr55,000.00	99	-----	-----	-----	1,800.00	4.44	Cr54,450.00
4/18/31	13635, Miss E. E. Emery.	Natl. Steel Corp.	4/1/56	1	5	Cr55,000.00	1,000.00	-----	Cr54,000.00	99	Cr54,450.00	990.00	2.08	-----	-----	Cr53,460.00
4/21/31	L. Littman, 6682.	Natl. Steel Corp.	4/1/56	1	5	Cr54,000.00	-----	3,000.00	-----	99	Cr53,460.00	-----	-----	2,970.00	7.92	-----
Do.	Miss Lillian Monegan, 6674.	do	do	1	5	do	-----	3,000.00	Cr60,000.00	99	-----	-----	-----	2,970.00	8.33	Cr59,400.00
4/22/31	Miss Agnes C. Cunabaugh, 6691.	Natl. Steel Corp.	4/1/56	1	5	Cr64,000.00	-----	1,000.00	Cr60,000.00	99	Cr59,400.00	-----	-----	990.00	2.78	Cr60,390.00
4/27/31	Bank of Follansbee, W. Va., 6603.	Natl. Steel Corp.	4/1/56	1	5	Cr61,000.00	-----	7,000.00	Cr61,000.00	99-1/4	Cr60,390.00	-----	-----	6,912.50	25.28	Cr67,302.50
4/28/31	13369, Natl. City Co., N.Y.	Natl. Steel Corp.	4/1/56	1	5	Cr68,000.00	400,000.00	-----	332,000.00	99	Cr67,302.50	396,000.00	1,500.00	-----	-----	328,697.50
4/28/31	Chas. W. Davey, 6556.	Natl. Steel Corp.	4/1/56	1	5	332,000.00	-----	3,000.00	-----	99	328,697.50	-----	-----	2,970.00	11.67	-----
Do.	Miss Paulene M. Champlin, 6696	do	do	1	5	do	-----	1,000.00	-----	99	-----	-----	-----	990.00	3.75	-----
Do.	Blairsville Natl. Bk., Pa., 6709	do	do	1	5	do	-----	5,000.00	323,000.00	99-1/4	-----	-----	-----	4,937.50	20.83	319,800.00
4/29/31	Mrs. Anna Buchmiller, 6636.	Natl. Steel Corp.	4/1/56	1	5	323,000.00	-----	2,000.00	-----	99	319,800.00	-----	-----	1,980.00	7.78	-----
Do.	A. H. Darmstadt, 6621.	do	do	1	5	do	-----	1,000.00	-----	99	-----	-----	-----	990.00	3.39	-----
Do.	Mrs. Mariea Sly, 6711.	do	do	1	5	do	-----	4,000.00	-----	99	-----	-----	-----	3,960.00	15.56	-----
Do.	Mrs. Gladys E. Stevens, 6595.	do	do	1	5	do	-----	1,500.00	-----	99	-----	-----	-----	990.00	3.89	-----
Do.	Mrs. H. V. Francisca, 6663.	do	do	1	5	do	-----	1,000.00	-----	99	-----	-----	-----	990.00	3.89	-----
Do.	Miss Margaret A. Trace, 6627.	do	do	1	5	do	-----	2,000.00	212,000.00	99	-----	-----	-----	1,980.00	7.78	308,910.00
Do.	Mrs. Birdelia B. Irving, 6628.	do	do	1	5	312,000.00	-----	1,000.00	-----	99	308,910.00	-----	-----	990.00	3.89	-----
Do.	Wm. H. Kuhnert, 6699.	do	do	1	5	do	-----	2,000.00	-----	99	-----	-----	-----	1,980.00	8.06	-----
Do.	Mrs. Lulu M. Holden, 6686.	do	do	1	5	do	-----	1,000.00	-----	99	-----	-----	-----	990.00	3.89	-----
Do.	Edgerton State Bk., O., 6601.	do	do	1	5	do	-----	2,000.00	-----	99-1/4	-----	-----	-----	1,975.00	7.78	-----
Do.	Edgerton State Bk., O., 6646.	do	do	1	5	do	-----	1,000.00	305,000.00	do	-----	-----	-----	987.50	3.89	301,987.50
4/29/31	Walter F. Kleiber, 6706.	Natl. Steel Corp.	4/1/56	1	5	305,000.00	-----	1,000.00	-----	99	301,987.50	-----	-----	990.00	3.89	-----
Do.	Mrs. Frances H. Clements, 6648.	do	do	1	5	do	-----	3,000.00	-----	99	-----	-----	-----	2,970.00	11.67	-----
Do.	Edward G. Goldsack, 6685.	do	do	1	5	do	-----	2,000.00	-----	99	-----	-----	-----	1,980.00	7.78	-----
Do.	Merrill Haweey & Co., 6679.	do	do	1	5	do	-----	15,000.00	-----	99	-----	-----	-----	14,850.00	53.33	-----
Do.	Merrill Haweey & Co., 6701.	do	do	1	5	do	-----	3,000.00	-----	99	-----	-----	-----	2,970.00	11.67	-----
Do.	James C. F. Shafer, 6717.	do	do	1	5	do	-----	1,000.00	250,000.00	99	-----	-----	-----	990.00	3.89	277,237.50

STOCK EXCHANGE PRACTICES

Do.	Citz. Sav. Bk., Columbiana, 6613.	Natl. Steel Corp.	4/1/56	1	5	280,000.00	3,000.00	99-1/4	277,237.50	2,962.50	11.67
Do.	Mrs. Jessie D Dickson, 6620.	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Miss Ada Fox, 6622	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Mary Wolcott, 6612	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Mary Wolcott, 6683	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Peoples Natl. Bk., Wapakoneta, O., 6647	do.	do.	1	5		1,000.00	99-1/4	272,000.00	987.50	3.89
4/29/31	E. J. Lees, 6587	Natl. Steel Corp.	4/1/56	1	5	272,000.00	5,000.00	99	269,327.50	4,950.00	19.44
Do.	Mrs. Ida E. Leonard, 6623	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Mrs. Beatrice B. Sague, 6590	do.	do.	1	5		5,000.00	99		4,950.00	19.44
Do.	Mrs. Ella E. Stevens, 6594	do.	do.	1	5		2,000.00	99		1,930.00	7.78
Do.	1st Natl. Bk., No. Baltimore, 6597	do.	do.	1	5		5,000.00	99-1/4	254,000.00	4,937.50	19.44
Do.	Citz. Bk., Follansbee, W. Va., 6730	do.	do.	1	5	254,000.00	1,000.00	99-1/4	251,520.00	987.50	3.89
Do.	N. H. Fetzer, 6732	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	J. T. Hagan, 6596	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Mrs. Anna Haworth, 6625	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Mrs. Ella M. Hubbard, 6619	do.	do.	1	5		1,000.00	99	249,000.00	990.00	3.89
4/29/31	Merrill Hawley Co., 6688	Natl. Steel Corp.	4/1/56	1	5	249,000.00	2,000.00	99	246,572.50	1,980.00	7.78
Do.	Merrill Hawley Co., 6700	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Miss Mary Robertson, 6670	do.	do.	1	5		1,000.00	99		990.00	3.89
Do.	Chagrin Falls Bkg. Co., O., 6571.	do.	do.	1	5		5,000.00	99-1/4		4,937.50	19.44
Do.	Miss Rose Du Ross, 6724	do.	do.	1	5		1,000.00	99	239,000.00	990.00	3.89

EXHIBIT U-12-12

THE UNION TRUST COMPANY,  
Cleveland, Ohio, June 7, 1930.

L. J. ROEDER,  
Ass't. Treasurer, Union Cleveland Corporation.

DEAR MR. ROEDER: Attached are the third and fourth of the series of trust booklets, the first two of which you have already received.

As they follow in logical sequence, a certain quantity of them will be bound together into a master book, which will contain all four under the title "Your Family and Your Property."

The major portion of the booklets, however, have been individually bound. Thus, the individual booklets will be useful to pass on to people who are interested in specific features of the trust idea—whereas the master book can be used to explain the entire idea of the bank's function as executor and trustee.

These books will not be used for general counter and lobby distribution, but are to be handed personally or sent to individuals known to be trust prospects, or interested in some feature of trust service. If at any time you want copies of any or all of these books, please notify Mr. Culver in the Estates Trust Department, or Mr. Knowlton in the Publicity Department.

Very truly yours,

J. C. ROYON, Vice President.

V  
Enc.

EXHIBIT U-12-13

CLEVELAND, OHIO, February 30, 1931.

To ESTATES TRUST DEPARTMENT, a/c Jessie C. \_\_\_\_\_,  
c/o Mr. R. E. Baker, 2422 Euclid Avenue.

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

\$1,000	International Match Co. 5's.....	96	\$960.00	\$962.50
	Less ¼.....		2.50	
	Int. from 1/15 to 2/21 (1 month 6 days) @ 5%.....		957.50	

Due date: January 15, 1941.

Int. dates: Jan. & July 15th.

If payment does not reach us by February 21st, kindly add \$.14 per day.

Received the above described securities

By THE UNION TRUST COMPANY,  
-----

Date FEB. 21, 1931.

EXHIBIT U-12-14

CLEVELAND, OHIO, September 27, 1929:

To ESTATES TRUST DEPARTMENT,  
c/o Mr. Forsythe.

In account with

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

\$1,000	Van Sweringen 6's.....	100	\$1,000.00	\$1,000.33
	Int. from 8-1 to 9-27 (1 mo. 26 days) @ 6%.....		9.33	

Due Date: August 1, 1935.  
 Ent. Dates: February and August 1st.  
 Received the above described securities

THE UNION TRUST COMPANY.  
 By A. C. CRIST.

Date SEP. 21, 1929.

EXHIBIT U-12-15

CLEVELAND, OHIO, Oct. 30, 1929.

To ESTATES TRUST DEPARTMENT.  
 Western Union University.

In account with

UNION CLEVELAND CORPORATION  
 UNION TRUST BUILDING

500 shs.	The Firestone Tire & Rubber Co. 6% Pfd.....	99	\$54,450.00	\$54,990.83
	Div. from 9/1 to 10/30 (1 month 29 days) @ 6%.....		540 83	

Div. dates: March, June, Sept. and December 1st.  
 Received the above described securities:

Date \_\_\_\_\_

EXHIBIT U-12-16

CLEVELAND, OHIO, November 6, 1929.

To ESTATES TRUST DEPARTMENT,  
 The Union Trust Co.

In account with

UNION CLEVELAND CORPORATION  
 UNION TRUST BUILDING

Sold to you:

413	Shares Firestone Tire & Rubber Co 6% Pfd. Stock.....	99	\$40,887 00	\$41,334.40
	Div. from 9-1 to 11-6 (2 mo 5 days) @ 6%.....		447 40	

Div. Dates: March, June, Sept., and Dec. 1st.  
 Received the above described securities:

THE UNION TRUST COMPANY.  
 By M. KLUTZ.

Date Nov. 6, 1929.

STOCK EXCHANGE PRACTICES

EXHIBIT U-12-17

CLEVELAND, OHIO, *November 7, 1929.*

To ESTATES TRUST DEPARTMENT,  
*Union Trust Company.*

In account with

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

50 Shares Firestone Tire & Rubber Co. 6% Pfd. Stock.....	99	\$4,950.00	\$5,005.00
Div. from 9-1 to 11-7 (2 mo. 6 days) @ 6%.....		55 00	

Div. Dates: Mar., June, Sept., and Dec. 1st.  
Received the above described securities

By THE UNION TRUST COMPANY,

Date Nov. 7, 1929.

EXHIBIT U-12-18

CLEVELAND, OHIO *Jan. 31, 1930.*

To ESTATES TRUST DEPT.  
*Attention: Mr. Forsythe.*

In account with

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

\$4,000 THE NEWTON STEEL CO. 6's.....	100	\$4,000 00	\$4,008.67
Int. from 1/1 to 1/14 (13 days) @ 6%.....		8.67	

Due date: December 31, 1931.  
Int. dates: Jan. & July 1st.  
Received the above described securities

By THE UNION TRUST COMPANY,

DATE JAN. 31, 1930.

EXHIBIT U-12-19

CLEVELAND, OHIO, *June 9, 1930.*

To Mr. J. P. HANCE,  
*Ass't Vice President, Estates Trust Dept.*  
*Union Trust Co., Cleveland, O.*

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

\$1,000	Glidden Company 5½'s.....	99¾	\$997.50	
	Accrued Interest 6-1 to 6-9 (8 days).....	5½	1.22	
			998.72	



Due June 1, 1935.  
 Interest Dates June & Dec. 1st.  
 Received the above described securities.  
 Date JUN 9, 1930.

THE UNION TRUST COMPANY,  
 By O. F. BUSCH.

EXHIBIT U-12-20

CLEVELAND, OHIO, *February 20, 1931.*

To ESTATES TRUST DEPT.

*% Maybell Y. Herr,*  
*c/o Mr. R. E. Baker, 2422 Euclid Avenue.*

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

Sold to you:

\$3,000	International March Co. 3's.....	96	\$2,550 00	
	Less 1/4.....		7.50	
			2,872.50	
	Int. from 1/15 to 2/21 (1 month 6 days) @ 5%.....		15.00	\$2,887.60

Due date: January 15, 1941.

Int. dates: Jan. & July 15th.

If payment does not reach us by February 21st, kindly add \$. 42 per day.

Received the above described securities:

Date FEB 21, 1931.

THE UNION TRUST COMPANY,  
 By O. F. BUSCH.

EXHIBIT U-12-21

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO

Security, International Match Corporation, ten-year convertible gold debentures: rate, 5%, maturity, 1/15/41.  
Interest due Jan. & July 15. Trustees or transfer agent, City Bank Farmers Trust Co., N.Y., trustee. Denominations, 1,000.

Date	Purchased from or sold to—	Description	Matur-ity	Class-ification	Rate %	Par value				Price	Book value				
						Previous balance	Pur-chases	Sales	New balance		Previous balance	Pur-chases (princ-ial)	In-terest paid	Sales (princ-ial)	Inter-est re-ceived
1/16/31	F. Lisy, 5462	Internatl Match Corp	1/15/41	1	5	0		\$3,000		96	0 00		\$2,880 00	.42	
Do	F. M. Aldridge, 5484	do	do	1	5			1,000	Cr 4,000	96			960 00		Cr 3,840 00
1/17/31	Theo. F. Kmkkink, 5451	Internatl Match Corp.	1/15/41	1	5	Cr 4,000		2,000		96	Cr 3,840 00		1,920 00	.56	
Do	Miss Rose Vogel, 5457	do	do	1	5			1,000	Cr 7,000	96			960 00		Cr 6,720 00
1/20/31	11006 Lee Higginson & Co.	Internatl Match Corp.	1/15/41	1	5	Cr 7,000	100,000			96	Cr 6,720 00	96,000 00	69.44		
Do	Miss Emily Vackar, 5550	do	do	1	5			1,000		96			960 00	.56	
Do	Lee Higginson Co, 5563	do	do	1	5			10,000	82,000	96-2			9,400 00	6.94	78,920 00
1/21/31	Farmers & Citz, Milan, 5455	Internatl Match Corp.	1/15/41	1	5	82,000		1,000		96-¼	78,920 00		957.50	.97	
Do	Oberlin Sav. Bk., Ohio, 5500	do	do	1	5			5,000		do			4,787 50	4.17	
Do	Miss Kathryn & Huston, 5503	do	do	1	5			1,000	75,000	96			960 00	.83	72,215 00
1/21/31	Judge B. W. Griffin, 5458	Internatl Match Corp	1/15/41	1	5	75,000		1,000		96	72,215 00		960 00	.83	
Do	Mrs Mary Walter Mercer, 5497	do	do	1	5			1,000		96			960 00	.83	
Do	Farmers & Merch Bk , Lee-toma, Ohio, 5496	do	do	1	5			5,000		96-¼			4,787 50	4.17	
Do	Bank of Cleveland, 5463	do	do	1	5			5,000		do			4,787 50	4.17	
Do	Washington Natl Bk , Bur-gettstown, Pa , 5452	do	do	1	5			5,000		do			4,787 50	5.56	
Do	K. C. Zonstus, 5460	do	do	1	5			1,000	57,000	96			960 00	.83	54,972 50
1/21/31	Hugh Jones, 5486	Internatl Match Corp	1/15/41	1	5	57,000		1,000		96	54,972 50		960 00	.83	
Do	Bucyrus City Bk , Ohio, 5456	do	do	1	5			5,000		96+			4,787 50	4.17	
Do	1st Tr. & Sav. Bk., Canton, 5502	do	do	1	5			5,000		do			4,787 50	5.56	
Do	Magnolia Bk , Ohio, 5454	do	do	1	5			2,000		96-¼			1,915 00	2.22	
Do	S L. Smith, 5459	do	do	1	5			5,000	39,000	96			4,800 00	4.17	37,722 50

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STOCK EXCHANGE PRACTICES

1/22/31	Mrs. Antoinette A. Coffin, 5499	Internatl Match Corp.	1/15/41	1	5	39,000	2,000	37,000	96	37,722 50		1,920 00	1.67	35,802 50
1/22/31	Mrs Hazel B Cardinal, 5585	Internatl Match Corp.	1/15/41	1	5	37,000	2,000		96	35,802 50		1,920.00	1.94	
Do...	Mrs. Bessie C. Baker, 5597	do	do	1	5		1,000	34,000	96			960 00	.97	32,922 50
1/23/31	Cr A/C Adj. 2 pt. Lee Higginson Co. sale 10M.	Internatl Match Corp.	1/15/41	1	5	34,000		34,000		32,922 50		200 00		32,722 50
1/23/31	Allan N. Moore, 5549	Internatl Match Corp.	1/15/41	1	5	34,000	1,000	33,000	96	32,722 50		960 00	1.11	31,762 50
1/23/31	Farmers Natl. Bk. Ashtabula, 5477.	Internatl Match Corp.	1/15/41	1	5	33,000	5,000		96-1/4	31,762 50		4,787.50	5.56	
Do...	Mrs Aranka Tlach, 5517.	do	do	1	5		1,000	27,000	96			960 00	1.11	26,015 00
1/24/31	Harry F. Bower, 5480	Internatl Match Corp.	1/15/41	1	5	27,000	1,000		96	26,015 00		960 00	1.25	
Do...	James D. Wood, 5485	do	do	1	5		1,000	25,000	96			960 00	1.25	24,095 00
1/27/31	Farmers Natl. Bk , Canfield, 5465	Internatl Match Corp	1/15/41	1	5	25,000	3,000	22,000	96-1/4	24,095.00		2,872 50	5.83	21,222 50
1/28/31	Edgerton State Bk , O , 5545.	Internatl Match Corp	1/15/41	1	5	22,000	2,000		96-1/4	21,222 50		1,915 00	3.61	
Do...	Mrs Bessie R. Baker, 5692.	do	do	1	5		1,000	19,000	96			960 00	1.81	18,347 50
1/31/31	1st Natl. Bk , Williamson, W. Va , 5506.	Internatl Match Corp	1/15/41	1	5	19,000	5,000	14,000	96-1/4	18,347 50		4,787 50	10.42	13,560 00
2/6/31	W. L. Solomon, 5461	Internatl Match Corp.	1/15/41	1	5	14,000	1,000	13,000	96	13,560 00		960 00	2.78	12,600 00
2/13/31	11552 Miss Rose Vogel	Internatl Match Corp.	1/15/41	1	5	13,000	1,000	14,000	96	12,600 00	960 00	4 03		13,560 00
2/14/31	Merrill Hawley & Co , 5859	Internatl Match Corp.	1/15/41	1	5	14,000	5,000	9,000	96	13,560 00		4,800.00	20.14	8,760 00
2/20/31	J. P. Harris, 6006	Internatl Match Corp.	1/15/41	1	5	9,000	5,000	4,000	96	8,760.00		4,800 00	24.31	3,960 00
2/21/31	Estates Trust Dept., 5945	Internatl Match Corp	1/15/41	1	5	4,000	5,000	Cr 1,000	96-1/4	3,960 00		4,787.50	25.00	827.50
3/3/31	12076 Samuel Bros & Co.	Internatl Match Corp	1/15/41	1	5	Cr 1,000	1,000		96-1/4	Cr 827.50	957 50	5.42		130 00
3/4/31	Cr. A/C Loss transf.	Internatl Match Corp	1/15/41	1	5					130 00		130 00		.00
3/18/31	12709 Farmers & Citz, Milan	Internatl Match Corp.	1/15/41	1	5	0	3,000		97 3/8	.00	2,928 75	26 25		
Do...	12710 Farmers & Citz, Milan.	do	do	1	5		2,000		97 3/8		1,950 00	17.50		
Do...	1st Natl Old Colony, 12711	do	do	1	5		5,000		97 3/8			4,881 25	43 75	Cr 2 50
3/19/31	Dr. A/C profit transf.	Internatl Match Corp.	1/15/41	1	5	0				Cr. 2.50	2 50			.00
4/2/31	13158 Miss Kl. Huston	Internatl Match Corp.	1/15/41	1	5	0	1,000		97	.00	970 00	10 69		
Do...	Brown Bros Harriman, 13159	do	do	1	5		1,000		96 1/2			965 00	10 69	5 00
4/3/31	Cr. A/C loss transf.	Internatl Match Corp	1/15/41	1	5	0				5.00		5 00		.00
4/16/31	13570 Edgerton State Bk., O.	Internatl Match Corp.	1/15/41	1	5	0	2,000		96 3/4	.00	1,930 00	25 28		
Do...	Brown Bros Harriman, 135741.	do	do	1	5		2,000		96 1/2			1,930 00	25 28	.00

## EXHIBIT U-12-21—Continued

## SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
8/25/31	16052 Chagrin Falls Bkg. Co., O.	Internatl Match Corp.	1/15/41	1	5	0	4,000	-----	-----	77½-	.00	3,090.00	22.22	-----	-----	
Do...	16050 Chagrin Falls Bkg. Co. O.	do.....	do.....	1	5	-----	1,000	-----	-----	78¼-	-----	780.00	5.56	-----	-----	
Do...	Brown Bros. Harriman & Co., 16053.	do.....	do.....	1	5	-----	-----	\$4,000	-----	77½-	-----	-----	-----	\$3,090.00	22.22	
Do...	Brown Bros. Harriman & Co., 16051.	do.....	do.....	1	5	-----	-----	1,000	-----	78¼-	-----	-----	780.00	5.56	.00	
12/28/31	18589 Chas. E Quincy Co...	Internatl Match Corp.	1/15/41	1	5	-----	1,000	-----	1,000	47¾+	.00	475.00	22.22	-----	475.00	
12/28/31	Kunkle State Bk., O., 18588.	Internatl Match Corp.	1/15/41	1	5	1,000	-----	1,000	-----	47¾+	475.00	-----	-----	475.00	22.29	.00

## EXHIBIT U-12-22

## SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO

Security, Glidden Company; rate, 5½%; maturity, 6/1/35.

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
5/26/30	1st Natl Bk, Erie, Pa.....	Glidden Company.	6/1/35	1	5½	00	-----	\$3,000	Cr. 3,000	99¾	00	-----	2.29	\$2,992.50	-----	Cr. 2,992.50
6/ 6/30	Bancamerica Blair Corp.....	do.....	6/1/35	1	5½	Cr. 3,000	200,000	-----	197,000	99¾	Cr. 2,992.50	199,500.00	152.78	-----	196,507.50	
6/ 6/30	Mrs G R Garver.....	do.....	6/1/35	1	5½	197,000	-----	1,000	196,000	99¾	196,507.50	-----	-----	997.50	.76	195,510.00
6/ 9/30	Albert Mendelson.....	do.....	6/1/35	1	5½	196,000	-----	1,000	-----	99¾	195,510.00	-----	-----	997.50	1.22	-----
Do...	M A Lloyd.....	do.....	do.....	1	5½	-----	-----	1,000	-----	99¾	-----	-----	-----	997.50	1.22	-----

Do.	Natl Bk of Fairmont, W Va.	do	do	1	5½		10,000	184,000	99¾			9,975.00	15.28	183,540.00
Do.	Peoples Bkg. McComb, Ohio.	do	do	1	5½	184,000	4,000		99¾	183,540.00		3,990.00	6.11	
Do.	J P Hance	do	do	1	5½		1,000	179,000	99¾			997.50	1.22	178,552.50
Do.	Farmers St. Bk. Delta, Ohio.	do	do	1	5½	179,000	2,000		99¾	178,552.50		1,995.00	2.44	
Do.	Farmers Natl Bk. Bryan, Ohio.	do	do	1	5½		5,000		99¾			4,987.50	6.11	
Do.	1st Natl Byesville, Ohio.	do	do	1	5½		2,000		99¾			1,995.00	2.44	
Do.	Painesville Natl Bank	do	do	1	5½		5,000		99¾			4,987.50	6.11	
Do.	do	do	do	1	5½		5,000		99¾			4,987.50	6.11	
Do.	1st Amer Bk , Lima, Ohio.	do	do	1	5½		2,000	158,000	99¾			1,995.00	2.44	157,605.00
6/10/30	Mrs E Cudell	do	do	1	5½	158,000	1,000	157,000	99¾	167,605.00		997.50	1.22	156,607.50
6/10/30	Mrs Vera Hanson	do	do	1	5½	157,000	1,000	156,000	99¾	156,607.50		997.50	1.22	155,610.00
6/11/30	Bank of Corning, Ohio.	do	do	1	5½	156,000	5,000	151,000	99¾	155,610.00		4,987.50	7.64	156,622.50
6/12/30	Miss Eliz Mitchell	do	do	1	5½	151,000	1,000	150,000	99¾	150,622.50		997.50	1.68	149,625.00
6/21/30	Ward Beecher	do	do	1	5½	150,000	1,000	149,000	99¾	149,625.00		997.50	3.06	148,627.50
6/25/30	J P Colver	do	do	15	2	149,000	1,000	148,000	99¾	148,627.50		997.50	3.67	147,630.00
7/ 1/30	Mrs Blanche A Myers	do	do	1	5½	148,000	5,000		99¾	147,630.00		4,987.50	22.92	
Do.	Mrs Samuel B Rouse.	do	do	1	5½		2,000	141,000	99¾			1,995.00	9.16	140,647.50
7/ 2/30	C D Harris	do	do	1	5½	141,000	1,000		99¾	140,647.50		997.50	4.89	
Do.	Wm Harris	do	do	15	2		1,000	139,000	99¾			997.50	4.58	138,652.50
7/ 8/30	C T Paull	do	do	1	5½	139,000	2,000	137,000	99¾	138,652.50		1,995.00	11.31	136,657.50
7/ 9/30	The Union Trust Co.	do	do	1	5½	137,000	100,000		99¾	136,657.50		99,750.00	580.55	
Do.	Ditz Natl Bk, Caldwell, O.	do	do	1	5½		5,000	32,000	99¾			4,987.50	29.03	31,920.00
7/10/30	Mrs Anna Duchmiller	do	do	1	5½	32,000	2,000	30,000	99¾	31,920.00		1,995.00	11.92	29,925.00
7/11/30	Mrs Irma S Haralson	do	do	1	5½	30,000	2,000	28,000	99¾	29,925.00		1,995.00	12.22	27,930.00
7/15/30	Mrs Ora M Noland	do	do	1	5½	28,000	1,000	27,000	99¾	27,930.00		997.50	6.72	26,932.50
7/16/30	Mrs Frankie C McIntosh.	do	do	1	5½	27,000	1,000	26,000	99¾	26,932.50		997.50	6.88	25,935.00
7/17/30	Miss Clara A Wolff	do	do	1	5½	26,000	1,000	25,000	99¾	25,935.00		997.50	7.03	24,937.50
7/18/30	Citiz Sav Bk, Columbiana, O.	do	do	1	5½	25,000	2,000	23,000	99¾	24,937.50		1,995.00	14.36	22,942.50
7/18/30	Joshua Poole	do	do	1	5½	23,000	5,000	18,000	99¾	22,942.50		4,987.50	35.90	17,955.00
7/19/30	Mrs Jessie B Dickson	do	do	1	5½	18,000	2,000	16,000	99¾	17,955.00		1,995.00	14.67	15,960.00
7/21/30	Mrs Alice C Hickok	do	do	1	5½	16,000	5,000	11,000	99¾	15,960.00		4,987.50	38.19	10,972.50
7/22/30	Mr R Dorfman	do	do	1	5½	11,000	2,000	9,000	99¾	10,972.50		1,995.00	15.28	8,977.50
7/23/30	Second Natl Bk, Youns- town, O.	do	do	1	5½	9,000	10,000	Cr. 1,000	99¾	8,977.50		9,975.00	82.50	Cr. 997.50
7/24/30	Mrs Ida M Palmer	do	do	1	5½	Cr. 1,000	2,000		99¾	Cr. 997.50		1,995.00	16.19	
Do.	Floyd R Stewart	do	do	1	5½		1,000	Cr. 4,000	99¾			997.50	8.10	Cr. 3,990.00
7/28/30	Union Trust Co.	do	do	1	5½	Cr. 4,000	5,000	1,000	99¾	Cr 3,990.00	4,987.50	43.54		997.50
7/29/30	Second Natl Bk, Young St.	do	do	1	5½	1,000	5,000	6,000	99¾	997.50	4,987.50	44.31		5,985.00
7/31/30	Erie County Bk, Vermil- lion, O.	do	do	1	5½	6,000		1,000	99¾	5,985.00		997.50	9.17	
Do.	Josephine Secor	do	do	15	2		1,000	4,000	99¾			997.50	9.17	3,990.00
8/ 5/30	Second Natl Bk, Youngs, O.	do	do	1	5½	4,000	5,000	9,000	99¾	3,990.00	4,987.50	48.89		8,977.50
8/16/30	Erie Co Bkg Co, Vermil- lion, O.	do	do	1	5½	9,000	1,000	8,000	99¾	8,977.50		997.50	11.76	7,980.00

## EXHIBIT U-12-22—Continued

## SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
8/30/30	John Lyons.....	Glidden Company.	6/1/35	1	5½	8,000	-----	1,000	7,000	99¾	7,980.00	-----	-----	997.50	13.60	6,982.50
9/9/30	Mrs G R Garver.....	do.....	do.....	1	5½	7,000	1,000	-----	8,000	99¾	6,982.50	997.50	14.82	-----	-----	7,980.00
9/13/30	Brenda S. Merrill.....	do.....	do.....	1	5½	8,000	-----	1,000	7,000	99¾	7,980.00	-----	-----	997.50	15.58	6,982.50
9/15/30	1st Natl Bk, Convoy, O.....	do.....	do.....	1	5½	7,000	-----	2,000	5,000	99¾	6,982.50	-----	-----	1,995.00	31.78	4,987.50

## U-12-22a

9/17/30	Mrs J F Malling.....	Glidden Company.	6/1/35	1	5½	5,000	-----	1,000	4,000	99¾	4,987.50	-----	-----	997.50	16.04	3,990.00
9/18/30	Monroe Bk, Woodfield, O.....	do.....	6/1/35	1	5½	4,000	-----	5,000	Cr. 1,000	99¾	3,990.00	-----	-----	4,987.50	83.26	Cr. 997.50
10/2/30	Miss Agnes C Cumabaugh.....	do.....	6/1/35	1	5½	Cr. 1,000	-----	1,000	Cr. 2,000	96	Cr. 987.50	-----	-----	960.00	18.33	Cr. 1,857.50
10/9/30	Bancamerica Blair Corp.....	do.....	6/1/35	1	5½	Cr. 2,000	2,000	-----	0*	95½	Cr. 1,907.50	1,907.50	39.11	-----	-----	Cr. 50.00
10/10/30	Dr A/C Profit Transf.....	do.....	6/1/35	1	5½	0	-----	-----	0*	-----	Cr. 50.00	50.00	-----	-----	-----	0*
10/13/30	T W Marshall.....	do.....	6/1/35	1	5½	0	-----	1,000	Cr. 1,000	95	0	-----	-----	950.00	20.17	Cr. 950.00
10/15/30	M A Lloyd.....	do.....	6/1/35	1	5½	Cr. 1,000	-----	1,000	Cr. 2,000	94½	Cr. 950.00	-----	-----	945.00	20.47	Cr. 1,895.00
10/23/30	Edith H Mortimer.....	do.....	6/1/35	1	5½	Cr. 2,000	-----	1,000	Cr. 3,000	95	Cr. 1,895.00	-----	-----	950.00	22.00	Cr. 2,845.00
10/27/30	Bancamerica Blair Corp.....	do.....	6/1/35	1	5½	Cr. 3,000	2,000	-----	Cr. 1,000	95	Cr. 2,845.00	1,900.00	44.61	-----	-----	Cr. 945.00
10/27/30	L G Dequasie.....	do.....	6/1/35	1	5½	Cr. 1,000	-----	1,000	Cr. 2,000	94½	Cr. 945.00	-----	-----	947.50	22.31	Cr. 1,892.50
10/29/30	Bancamerica Blair Corp.....	do.....	6/1/35	1	5½	Cr. 2,000	1,000	-----	Cr. 1,000	94½	Cr. 1,892.50	945.00	22.61	-----	-----	Cr. 947.50
10/30/30	Bellville Sav Bk, Ohio.....	do.....	6/1/35	1	5½	Cr. 1,000	-----	1,000	Cr. 2,000	94	Cr. 947.50	-----	-----	940.00	22.76	Cr. 1,887.50
11/4/30	Mrs Mary Walter Mercer, 4856	do.....	6/1/35	1	5½	Cr. 2,000	-----	1,000	Cr. 3,000	94	Cr. 1,887.50	-----	-----	940.00	23.38	Cr. 2,827.50
11/5/30	9450 Bancamerica Blair Corp	do.....	6/1/35	1	5½	Cr. 3,000	2,000	-----	Cr. 1,000	94	Cr. 2,827.50	1,880.00	47.06	-----	-----	Cr. 947.50
11/7/30	Citz Sav Bk, Columbiana, O 9497.	do.....	6/1/35	1	5½	Cr. 1,000	-----	1,000	Cr. 2,000	94+C	Cr. 947.50	-----	-----	942.50	23.83	Cr. 1,890.00
11/10/30	1st Natl Bk, Bealesv., O 4879	do.....	6/1/35	1	5½	Cr. 2,000	-----	2,000	Cr. 4,000	94	Cr. 1,890.00	-----	-----	1,880.00	48.58	Cr. 3,770.00
11/17/30	9596 Bancamerica Blair Corp.	do.....	6/1/35	1	5½	Cr. 4,000	4,000	-----	0*	93	Cr. 3,770.00	3,720.00	101.44	-----	-----	Cr. 50.00
11/18/30	Cr A/C Loss Transf.....	do.....	6/1/35	1	5½	0	-----	-----	0*	-----	Cr. 50.00	50.00	-----	-----	-----	0
11/20/30	Miss Mary L. Barthelman, 4939	do.....	6/1/35	1	5½	0	-----	1,000	-----	93	0	-----	-----	930.00	25.82	-----

Do...	Mrs Ida M Stein, 4940...	do	do	1	5½			1,000	Cr 2,000	93			930.00	25.82	Cr. 1,860.00	
11/24/30	9750 Bancamerica Blair Co.	do	6/1/35	1	5½	Cr 2,000	2,000		0*	93	Cr. 1,860.00	1,860.00	52.86		0	
12/3/30	Citz Bank, Portland, Ind.	do	6/11/35	1	5½		0	5,000	Cr. 5,000	92½	0		4,625.00	1.53	Cr. 4,625.00	
12/8/30	10017 Bancamerica Blair, NY	do	6/1/35	1	5½	Cr 5,000	5,000		0*	92¼	Cr. 4,625.00	4,612.50	5.35		Cr. 12.50	
12/9/30	Dr A/C Profit Transf.	do	6/1/35	1	5½	0	0		0*		Cr. 12.50	12.50			0	
1/2/31	C W Fitch, 5264.	do	6/1/35	1	5½	0	0	2,000	Cr. 2,000	90	0		1,800.00	9.47	Cr. 1,800.00	
1/5/31	10661 Bancamerica Blair Corp.	do	6/1/35	1	5½	Cr 2,000	2,000		0*	90	Cr. 1,800.00	1,800.00	10.39		0	
1/7/31	10724 Brown Bros Co.	do	6/1/35	1	5½	0	1,000		1,000	89+C	0	892.50	5.19		892.50	
1/7/31	Rose Vogel 10723.	do	6/1/35	1	5½	1,000		1,000	*0	89+C	892.50			892.50	5.50	
Do...	Walter F Kleiber 5322.	do	do	1	5½	0		2,000	Cr. 2,000	90	0			1,800.00	11.00	Cr. 1,800.00
1/9/31	10787 Bancamerica Blair Corp.	do	6/1/35	1	5½	Cr. 2,000	2,000		0*	90	Cr. 1,800.00	1,800.00	11.61		0	
1/14/31	10904 Bancamerica Blair Corp.	do	6/1/35	1	5½	0	1,000		1,000	92¾	0	928.75	6.57		928.75	
1/15/31	10953 Bancamerica Blair Co.	do	6/1/35	1	5½	1,000	1,000			93	928.75	930.00	6.72			
Do...	Mrs Irma S Haralson, 5423	do	do	1	5½			1,000		93				930.00	6.72	
Do...	Miss Mildred Fishel 5366.	do	do	1	5½			1,000	0*	92¾				928.75	6.72	0
1/19/31	11068 Chas E Quincy & Co.	do	6/1/35	1	5½	0	24,000	24,000	24,000	90+C	0	21,636.00	176.00		21,636.00	
1/21/30	Monarch Fire Ins Co, 11067	do	6/1/35	1	5½	24,000		24,000	0*	90+C	21,636.00			21,660.00	183.33	Cr. 24.00
1/22/31	Dr A/C Profit Transf.	do	6/1/35	1	5½	0			0*		Cr. 24.00	24.00			0	
2/9/31	11633 Collateral Loan Dept	do	6/1/35	1	5½	0	1,000		1,000	91-C	0	907.50	10.39		907.50	
2/9/31	Salomon Bros & Hutzler, 11634	do	6/1/35	1	5½	1,000		1,000	0*	91-C	907.50			908.50	10.24	Cr. 1.00
2/10/31	Dr A/C Profit Transf.	do	6/1/35	1	5½	0			0*		Cr. 1.00	1.00			0	
2/10/31	11686 Bellville Sav Bk O.	do	6/1/35	1	5½	0	1,000		1,000	90-C	0	897.50	10.54		897.50	
2/00/31	Brown Bros Harriman, 11687	do	6/1/35	1	5½	1,000		1,000	0*	90-C	897.50			898.50	10.54	Cr. 1.00
2/11/31	Dr A/A Profit Transf.	do	6/1/35	1	5½	0			0*		Cr. 1.00	1.00			0	
2/13/31	11683 Chas E Quincy & Co	do	6/1/35	1	5½	0	1,000		1,000	90+C	0	901.50	10.54		901.50	
2/16/31	Monarch Fire Ins Co., 11682	do	6/1/35	1	5½	1,000		1,000	0*	90+C	901.50			902.50	11.46	Cr. 1.00
2/17/31	Dr A/C Profit Transf.	do	6/1/35	1	5½	0			0*		Cr. 1.00	1.00			0	

STOCK EXCHANGE PRACTICES

9145

EXHIBIT U-12-23

SECURITY LEDGER, CLEVELAND CORPORATION, CLEVELAND, OHIO

Interest due Jan/ & July 1st, trustee or transfer agent, The Union Trust Company, Cleveland, O., trustee, denominations, 1,000.  
Security, The Newton Steel Company; two year 6% convertible gold notes. Rate, 6%; maturity, 12/31/31.

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
1/4/30	Ida M. Boyle.....	Newton Steel Co.	12/31/31	1	6			\$2,000	Cr. 2,000	100				\$2,000 00	1 00	Cr. 2,000.00
1/7/30	John F. Grase & Co.	do	12/31/31	1	6	Cr. 2,000		1,000	Cr. 3,000	100	Cr. 2,000.00			1,000 00	1 00	Cr. 3,000.00
1/8/30	Dr. Elliott Osgood & Mrs. Frances Osgood.	do	12/31/31	1	6	Cr. 3,000		1,000		100	Cr. 3,000.00			1,000 00	1 17	
Do.	Max Glueck	do	do	1	6			2,000	Cr. 6,000	100				2,000 00	2 33	Cr. 6,000.00
1/9/30	Mary V. Whelan	do	12/31/31	1	6	Cr. 6,000		5,000		100	Cr. 6,000.00			5,000 00	6 67	
Do.	N. Lawson Lewis	do	do	1	6			3,000		100				3,000 00	4 00	
Do.	Mrs. Laura V. Melin	do	do	1	6			1,000		100				1,000 00	1 33	
Do.	Miss Lillian Monegan	do	do	1	6			4,000		100				4,000 00	5 33	
Do.	Miss Esther Lanus	do	do	1	6			1,000		100				1,000 00	1 33	
Do.	Albert Mendelson	do	do	1	6			2,000		100				2,000 00	2 67	
Do.	C. E. Gyke	do	do	1	6			2,000	Cr. 24,000	100				2,000 00	2 67	Cr. 24,000.00
1/10/30	M. W. O'Connell	do	12/31/31	1	6	Cr. 24,000		1,000		100	Cr. 24,000.00			1,000 00	1 50	
Do.	Mr. S. Pasqua De Pompei	do	do	1	6			4,000		100				4,000 00	6 00	
Do.	Feebert & Emma Mascio	do	do	1	6			6,000		100				6,000 00	9 00	
Do.	W. J. Mueller	do	do	1	6			2,000		100				2,000 00	3 00	
Do.	T. C. Swain	do	do	1	6			2,000	Cr. 39,000	100				2,000 00	3 00	Cr. 39,000.00
1/10/30	H. Kenneth Briggs	do	12/31/31	1	6	Cr. 39,000		2,000		100	Cr. 39,000.00			2,000 00	3 00	
Do.	W. H. Schuster	do	do	1	6			1,000		100				1,000 00	1 50	
Do.	Milton G. Miller	do	do	1	6			1,000		100				1,000 00	1 67	
Do.	Harry F. Bower	do	do	1	6			2,000	Cr. 45,000	100				2,000 00	3 00	Cr. 45,000.00
1/11/30	Mrs. Josephine Hoyt	do	12/31/31	1	6	Cr. 45,000		2,000		100	Cr. 45,000.00			2,000 00	3 67	
Do.	Frank W. Brown	do	do	1	6			1,000		100				1,000 00	1 67	
Do.	Miss E. L. Swetzer	do	do	1	6			1,000		100				1,000 00	1 67	
Do.	Wm. Burwig	do	do	1	6			1,000	Cr. 50,000	100				1,000 00	1 50	Cr. 50,000.00
1/11/30	J. M. Cannon	do	12/31/31	1	6	Cr. 50,000		2,000		100	Cr. 50,000.00			2,000 00	3 00	
Do.	J. C. Crisp	do	do	1	6			1,000	Cr. 53,000	100				1,000 00	1 67	Cr. 53,000.00
1/13/30	Midland Corporation	do	12/31/31	1	6	Cr. 53,000	875.000			100 1/2	Cr. 53,000.00	873,906 25	1,750.00			
Do.	Mrs. Elmer Mack	do	do	1	6			3,000		100				3,000 00	6 00	
Do.	Miss Florence G. Schull	do	do	1	6			1,000		100				1,000 00	2 00	
Do.	Kipton Natl. Bk., Ohio	do	do	1	6			3,000		100 1/2				2,996 25	6 00	

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STOCK EXCHANGE PRACTICES



Do...	Farmers & Merch. Bk, Beaverdam	do	do	1	6			1,000		100½			998.75	2.00	
Do...	Mrs. Katherine O. Teah	do	do	1	6			1,000	813,000	100			1,000.00	2.00	811,911.25
Do...	Miss Mable Snow	do	do	1	6	813,000		1,000		100	811,911.25		1,000.00	2.00	
Do...	Andover Bk Ohio	do	do	1	6			5,000		100½			4,993.75	10.00	
Do...	W. L. Solomon	do	do	1	6			1,000		100			1,000.00	2.00	
Do...	Wayne Co Natl. Bk., Wooster, O.	do	do	1	6			5,000		100½			4,993.75	10.00	
Do...	Ferdinand E. Boehmer	do	do	1	6			1,000	800,000	100			1,000.00	2.00	798,923.75
Do...	1st Natl Bk, Wadsworth, O.	do	do	1	6	800,000		5,000		100½	798,923.75		4,993.75	10.00	793,930.00
Do...	Chas W Taft	do	do	1	6			2,000		100			2,000.00	4.00	
Do...	1st Natl Bk, Indiana, Pa.	do	do	1	6			10,000		100½			9,987.50	23.33	
Do...	1st Natl. Bk., Dayton, Pa.	do	do	1	6			2,000		100			1,997.50	4.67	
Do...	Geneva Sav Bk, Ohio	do	do	1	6			1,000	780,000	100			998.75	2.17	778,946.25
1/13/30	Greenville Natl Bk, Pa.	do	do	1	6	780,000		1,000		100½	778,946.25		998.75	2.33	
Do...	Citz. Sav. Bk., Upper Sandusky, O.	do	do	1	6			2,000		100			1,997.50	4.00	
Do...	Mrs. Lucie Cubrie	do	do	1	6			1,000		100			1,000.00	2.00	
Do...	L. Luttman	do	do	1	6			2,000		100			2,000.00	4.00	
Do...	Mrs M Pinare	do	do	1	6			1,000	773,000	100			1,000.00	1.67	771,950.00
Do...	L. T. Tanney	do	do	1	6	773,000		1,000		100	771,950.00		1,000.00	2.00	
Do...	S. L. Hull	do	do	1	6			1,000		100			1,000.00	1.67	
Do...	N. Fetzer	do	do	1	6			2,000		100			2,000.00	4.00	
Do...	Kunkle State Sav. Bk., Ohio	do	do	1	6			1,000		100½			998.75	1.67	
Do...	Miss Caroline Scheldt	do	do	1	6			6,000	762,000	100			6,000.00	12.00	760,951.25
Do...	Mary V. Whelan	do	do	1	6	762,000		5,000		100	760,951.25		5,000.00	10.00	
Do...	Lima Trust Co., Ohio	do	do	1	6			1,000		100½			998.75	2.17	
Do...	Wm Harris	do	do	1	6			1,000		100			1,000.00	2.00	
Do...	1st Natl Bk. Rocky Riv- er, O.	do	do	1	6			5,000		100½			4,993.75	10.00	
Do...	Cumberland Sav. Bk., Ohio.	do	do	1	6			3,000	747,000	100			2,996.25	6.00	745,962.50

## EXHIBIT U-12-23a

1/13/30	Midland Corp.	Newton Steel Co.	12/31/31	1	6	747,000	37,000			100-1½	745,962.50	36,445.00	74.00		
Do...	John Becker	do	do	1	6			\$5,000		100			\$5,000.00	10.00	
Do...	1st Natl Bk, Finleyville, Pa.	do	do	1	6			5,000		100½			4,993.75	11.67	
Do...	Park Natl Bk, Newark, O.	do	do	1	6			25,000		100½			24,968.75	58.34	
Do...	1st Natl Bk, Indiana, Pa.	do	do	1	6			10,000	739,000	100½			9,987.50	23.33	737,457.50
Do...	1st Amer Bk & Tr, Lima, O.	do	do	1	6	739,000		2,000		100½	737,457.50		1,997.50	4.00	
Do...	Dr Emily Widdecombe	do	do	1	6			2,000		100			2,000.00	4.00	
Do...	E H Willmarth	do	do	1	6			1,000		100			1,000.00	2.00	
Do...	1st Natl Bk, Carrollton, O.	do	do	1	6			1,000		100½			998.75	2.00	

## EXHIBIT U-12-23a—Continued

## SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
1/13/30	Arthur H Chmo	Newton Steel Co	12/31/31	1	6			\$5,000		100				\$5,000.00	10.00	
Do	Monarch Fire Ins Com	do	do	1	6			25,000	703,000	100%				24,968.75	50.00	701,492.50
1/13/30	Detroit W. 65th Office	Newton Steel Co	12/31/31	1	6	703,000		1,000		100	701,492.50			1,000.00	2.00	
Do	Geo D Harter Bk, Canton, O	do	do	1	6			3,000		100%				2,996.25	6.50	
Do	Estates Trust Dept	do	do	1	6			1,000		100%				998.75	2.00	
Do	James C F Shafer	do	do	1	6			1,000		100				1,000.00	2.00	
Do	Mrs Lillian D Landmead	do	do	1	6			1,000		100				1,000.00	2.00	
Do	Kanawha Bkg & Tr, Charleston, W. Va.	do	do	1	6			5,000	691,000	100%				4,993.75	10.00	689,503.75
1/13/30	L H Bahner	Newton Steel Co	12/31/31	1	6	691,000		5,000		100	689,503.75			5,000.00	10.00	
Do	1st Natl Bk, Byesville, O	do	do	1	6			3,000		100%				2,996.25	6.00	
Do	Bucyrus City Bk, Ohio	do	do	1	6			6,000		100%				5,992.50	12.00	
Do	1st Natl Bk, Duluth, Minn.	do	do	1	6			75,000		100%				74,906.25	150.00	
Do	do	do	do	1	6			25,000		100%				24,968.75	50.00	
Do	Miss Winifred Pardy	do	do	1	6			2,000	575,000	100				2,000.00	4.00	573,640.00
Do	Miss Helen G Ingersoll	do	do	1	6	575,000		1,000		100	573,640.00			1,000.00	2.00	
Do	Amsterdam State Bk, Ohio	do	do	1	6			2,000		100%				1,997.50	4.00	
Do	Hardin Co Bk, Forest, O	do	do	1	6			10,000		100%				9,987.50	20.00	
Do	1st Natl Bk, Syracuse, O	do	do	1	6			4,000		100%				3,995.00	8.00	
Do	Chagrin Falls Bkg Co, Ohio	do	do	1	6			25,000		100%				24,968.75	50.00	
Do	Mrs W B Hubbell	do	do	1	6			1,000	532,000	100				1,000.00	2.00	530,691.25
1/14/30	Mrs Mary E Pohlmann	Newton Steel Co	12/31/31	1	6	532,000		1,000		100	530,691.25			1,000.00	2.17	
Do	Mrs Madaline Gaede	do	do	1	6			1,000		100				1,000.00	2.17	
Do	Mrs Rhea S Mohr	do	do	1	6			1,000		100				1,000.00	2.01	
Do	Dr H M Doty	do	do	1	6			2,000		100				2,000.00	4.33	
Do	Amer Sav Bk, Crooksville, O	do	do	1	6			2,000		100%				1,997.50	4.00	
Do	Miss Zoe R Powers	do	do	1	6			1,000		100				1,000.00	2.17	

Do.	Miss Marica Sly	do	do	1	6		5,000	100			5,000.00	10 83
Do.	John F Rust	do	do	1	6		5,000	100			5,000.00	10 83
Do.	Mrs Harriet Garfield	do	do	1	6		1,000	100			1,000.00	2 17
Do.	Wright Bkg Co, Bellvue, O.	do	do	1	6		5,000	508,000	100%		4,993.75	10 83 506,700 00
1/15/30	Tiffin Natl Bk, Ohio	Newton Steel Co.	12/31/31	1	6	508,000	2,000	100%	506,700 00		1,997.50	5 00
Do.	Miss Henrietta Sonntag	do	do	1	6		1,000	100			1,000.00	2 33
Do.	R Grosvenor Fitch	do	do	1	6		3,000	100			2,000.00	4 67
Do.	Amer State Bk, Ohio, St Marys.	do	do	1	6		3,000	100%			2,996.25	7 00
Do.	Farmers & Merch Bk, Malinta, O.	do	do	1	6		2,000	497,000	100%		1,997.50	4 67 496,708 75
Do.	Harrod State Bk, Ohio	Newton Steel Co	12/31/31	1	6	497,000	2,000	100%	496,708 75		1,997.50	4 67
Do.	do	do	do	1	6		2,000	100%			1,997.50	4 67
Do.	F P Root	do	do	1	6		5,000	100%			4,993.75	11 67
Do.	H J Lawrence	do	do	1	6		2,000	100			2,000.00	4 67
Do.	Neil T Chamberlin	do	do	1	6		2,000	484,000	100		2,000.00	5 33 483,720 00
1/15/30	Everett Thornton	do	do	1	6	484,000	1,000	100	483,720 00		1,000.00	2 33
Do.	Mrs B B Irving	do	do	1	6		1,000	100			1,000.00	2 33
Do.	Mrs Catherine Conat	do	do	1	6		1,000	100			1,000.00	2 33
Do.	Arthur Wathey	do	do	1	6		1,000	100			1,000.00	2 00
Do.	Trinity Bond & Note	do	do	1	6		500	479,500	99½		497.50	11 17 479,222 50
Do.	Trinity Bond & Note	Newton Steel Co a/c Sinclair oil issue.	do	1	6	479,500	500	488,000	99½	479,222 50	497.50	11 17 479,720 00
1/15/30	Mrs Hazel B. Cardinal	Newton Steel Co.	12/31/31	1	6	480,000	2,000	100	479,720 00		2,000.00	4 67
Do.	Commercial Bk, Kenton, O.	do	do	1	6		5,000	100%			4,993.75	11 67
Do.	Community Natl Bk, Flushing, O.	do	do	1	6		2,000	471,000	100%		1,997.50	4 67 470,728 75

## EXHIBIT U-12-23b

1/15/30	Mrs Ruth & Purdy	Newton Steel Co.	12/31/31	1	6	471,000	\$1,000	100	470,728 75		\$1,000.00	2 33
Do.	Mrs Nancy B Bonneville	do	do	1	6		1,000	100			1,000.00	2 33
Do.	Miss Clara Birnbaum	do	do	1	6		1,000	468,000	100		1,000.00	2 28 467,728.75
Do.	Dr par a/c error in copying sale R Grosvenor Fitch	do	do	6	6	468,000	1,000	469,000				467,728.75
1/16/30	C R Bush	Newton Steel Co.	12/31/31	1	6	469,000	1,000	100	467,728 75		1,000.00	2 50 466,728 75
Do.	Frank J Strong	do	do	1	6		2,000	100	466,728 75		2,000.00	5 00
Do.	C P Coyne	do	do	1	6		2,000	100			2,000.00	5 00
Do.	Bueyrus City Bk, Ohio	do	do	1	6		3,000	100%			2,996.25	7 50
Do.	Miss Myrtle Metcalf	do	do	1	6		1,000	460,000	100		1,000.00	2 33 458,732 50

EXHIBIT U-12-23b—Continued

SECURITY LEDGER, UNION CLEVELAND CORPORATION—CLEVELAND, OHIO—Continued

9150

STOCK EXCHANGE PRACTICES

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received
1/16/30	Miss Agnes Sonwtag	Newton Steel Co.	12/31/31	1	6	460,000		1,000		100	458,732.50		1,000.00	2.50	
Do...	Thos Kirk	do	do	1	6			1,000		100			1,000.00	2.50	
Do...	Mrs F H Clements	do	do	1	6			3,000		100			3,000.00	7.50	
Do...	N Miller	do	do	1	6			1,000	454,000	100			1,000.00	2.50	452,732.50
1/17/30	Farmers & Merch Bk, Leetonia.	Newton Steel Co.	12/31/31	1	6	454,000		5,000		100½%	452,732.50		4,993.75	13.33	
Do...	Farmers & Citz, Monroeville, O.	do	do	1	6			1,000		100½%			998.75	2.67	
Do...	Farmers Bank, Lakeview, O.	do	do	1	6			5,000		100½%			4,993.75	13.33	
Do...	Cora Fox	do	do	1	6			1,000	442,000	100			1,000.00	2.67	440,746.25
1/17/30	W T Anderson	Newton Steel Co.	12/31/31	1	6	442,000		1,000		100	440,746.25		1,000.00	2.67	
Do...	Mrs Minnie B Berger	do	do	1	6			1,000		100			1,000.00	2.67	
Do...	Mrs H G Chappell	do	do	1	6			3,000		100			3,000.00	5.00	
Do...	Mrs W E Fowler	do	do	1	6			3,000		100			3,000.00	5.00	
Do...	Mrs Ella M Hubbard	do	do	1	6			1,000	433,000	100			1,000.00	2.67	431,746.25
1/18/30	Mrs Carolina S Thompson	Newton Steel Co.	12/31/31	1	6	433,000		1,000		100	431,746.25		1,000.00	2.83	
Do...	Phillip C Ronk	do	do	1	6			1,000	431,000	100			1,000.00	2.83	429,746.25
1/18/30	Mrs Anna C Haworth	Newton Steel Co.	12/31/31	1	6	431,000		1,000		100	429,746.25		1,000.00	2.83	
Do...	Jeannette Wesler	do	do	1	6			1,000		100			1,000.00	2.83	
Do...	Miss E E Emery	do	do	1	6			1,000		100			1,000.00	2.83	
Do...	Miss Florence Birnbaum	do	do	1	6			1,000	427,000	100			1,000.00	2.83	425,746.25
1/18/30	Frank Mahan	Newton Steel Co.	12/31/31	1	6	427,000		1,000	426,000	100	425,746.25		1,000.00	2.83	424,746.25
1/20/30	C H Kay	Newton Steel Co.	12/31/31	1	6	426,000		1,000		100	424,746.25		1,000.00	3.17	
Do...	Mrs Rachael Polifrone	do	do	1	6			1,000		100			1,000.00	2.83	
Do...	Clara Patterson	do	do	1	6			1,000		100			1,000.00	3.17	
Do...	Mrs Callie Hieber	do	do	1	6			1,000	422,000	100			1,000.00	3.33	420,746.25
1/20/30	Dr a/c sell concession allowed Wm. Dietz.	Newton Steel Co.	12/31/31	1	6	422,000			422,000		420,746.25	206.25			420,952.50

1/20/30	Wm Dietz.....	Newton Steel Co	12/31/31	1	6	422,000	15,000		100%	420,952.50		14,981.25	47.50	
Do.	M J O'Donnell.....	do.	do.	1	6		5,000		100			5,000.00	15.83	
Do.	1st Natl Bk, Amesville, O	do.	do.	1	6		2,000	400,000	100%			1,997.50	6.33	398,973.75
1/20/30	Harrod State Bk, Ohio.....	Newton Steel Co	12/31/31	1	6	400,000	2,000		100%	398,973.75	1,997.50	6.33		
Do.	Mrs Nettie Lupton.....	do.	do.	1	6		3,000	399,000	100			3,000.00	9.50	397,971.25
1/21/30	J U Duffy.....	Newton Steel Co	12/31/31	1	6	399,000	5,000		100	397,971.25		5,000.00	15.83	
Do.	Miss Ada B. Fox.....	do.	do.	1	6		1,000		100			1,000.00	3.33	
Do.	J T Hagan.....	do.	do.	1	6		1,000		100			1,000.00	3.33	
Do.	John Mayhew.....	do.	do.	1	6		1,000	391,000	100			1,000.00	3.33	389,971.25
1/21/30	H W Gaekle.....	Newton Steel Co	12/31/31	1	6	391,000	1,000		100	389,971.25		1,000.00	3.17	
Do.	1st Natl Bk, New Wilmington, Pa	do.	do.	1	6		2,000		100%			1,997.50	7.33	
Do.	Central Natl Bk, Cambridge, O	do.	do.	1	6		5,000	383,000	100%			4,993.75	16.67	381,980.00
Do.	Miss Florence M Ginter.....	do.	do.	1	6	383,000	1,000		100	381,980.00		1,000.00	3.34	
Do.	Edgerton State Bk, Ohio.....	do.	do.	1	6		2,000		100%			1,997.50	6.67	
Do.	Alliance 1st Natl Bk, Ohio	do.	do.	1	6		5,000	375,000	100%			4,993.75	16.67	373,988.75
1/22/30	Farmers Bk, Lakeview, O	Newton Steel Co	12/31/31	1	6	375,000	5,000		100%	373,988.75	4,993.75	17.50		
Do.	E J Lees.....	do.	do.	1	6		5,000		100			5,000.00	17.50	
Do.	S L Smith.....	do.	do.	1	6		5,000		100			5,000.00	17.50	
Do.	A G Webster.....	do.	do.	1	6		1,000	369,000	100			1,000.00	3.34	367,982.50

EXHIBIT U-12-23c

1/22/30..	Midland Corp .....	Newton Steel Co	12/31/31	1	6	369,000	8,000	377,000	100%	367,982.50	7,990.00	28.00		375,972.50
1/23/30..	G. Favagrossa.....	Newton Steel Co	12/31/31	1	6	377,000		1,000	100	375,972.50		\$1,000.00	3.67	
Do.	Painesville Natl Bk, Ohio	Newton Steel Co	do.	1	6		3,000		100%			2,996.25	11.00	
Do.	Gwinn State Sav. Bk., Mich.	do.	do.	1	6		2,000	371,000	100%			1,997.50	7.33	369,978.75
1/24/30..	1st Natl, Duluth Co, Minn.	Newton Steel Co	12/31/31	1	6	371,000	15,000		100%	369,978.75		14,981.25	57.50	
Do.	Wm. Dietz.....	do.	do.	1	6		1,000	355,000	100%			998.75	3.83	353,998.75
1/25/30..	Miss Vera C. Cushman.....	Newton Steel Co	12/31/31	1	6	355,000		1,000	100	353,998.75		1,000.00	3.83	
Do.	T W. Miller.....	do.	do.	1	6		25,000	329,000	100%			24,968.75	100.00	325,030.00
1/27/30..	Mrs Beatrice B Sague.....	Newton Steel Co	12/31/31	1	6	329,000	3,000	326,000	100	325,030.00		3,000.00	11.50	325,030.00
1/27/30..	Dr A/C Adj. 1M to Wm Dietz.	Newton Steel Co	12/31/31	1	6	326,000		325,000		325,030.00	13.75			325,043.75

EXHIBIT U-12-23c—Continued

SECURITY LEDGER, UNION CLEVELAND CORPORATION—CLEVELAND, OHIO—Continued

9152

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
1/28/30	F. W. Hoyer	Newton Steel Co	12/31/31	1	6	326,000		1,000		100%	325,043 75			998.75	4.33	
Do.	H. L. Kildow	do	do	1	6			1,000		100				1,000 00	4 50	
Do.	Mrs. Emily Hughes	do	do	1	6			1,000		100				1,000 00	4 50	
Do.	Mrs. Anna B. Horning	do	do	1	6			1,000		100				1,000 00	4 50	
Do.	A. Waldeck	do	do	1	6			2,000		100				2,000 00	9 00	
Do.	Chas. W. Schultz	do	do	1	6			1,000		100				1,000 00	2 33	
Do.	Bank of Westerville Co., Ohio	do	do	1	6			2,000	317,000	100%				1,997.50	9.67	316,047.50
1/28/30	Citz. Bk & Tr., Conneaut, O	Newton Steel Co	12/31/31	1	6	317,000		5,000		100%	316,047 50			4,993 75	22 50	
Do.	Mrs. A. Blanche Cannell	do	do	1	6			1,000		100				1,000 00	4 50	
Do.	do	do	do	1	6			1,000	310,000	100				1,000 00	4 50	309,053 75
1/29/30	R. A. Peterson	Newton Steel Co	12/31/31	1	6	310,000		1,000		100	309,053 75			1,000 00	4 67	
Do.	J. H. Rush	do	do	1	6			1,000		100				1,000 00	4 84	
Do.	John Bradley Rush	do	do	1	6			1,000		100				1,000 00	4 83	
Do.	Mary Ellen Rush	do	do	1	6			1,000		100				1,000 00	4 83	
Do.	Miss Mabel A. Wheeler	do	do	1	6			1,000		100				1,000 00	4 67	
Do.	Rev. John J. Lilles	do	do	1	6			1,000	304,000	100				1,000 00	4 50	303,053 75
1/30/30	Carl C. Greenstone	Newton Steel Co	12/31/31	1	6	304,000		1,000		100	303,053 75			1,000 00	4 83	
Do.	Miss Dorothy E. Ray	do	do	1	6			1,000		100				1,000 00	4 67	
Do.	The Guardian Trust Co.	do	do	1	6			5,000		100%				4,993 75	24 17	
Do.	Howard W. Stange	do	do	1	6			1,000		100				1,000 00	4 83	
Do.	1st Natl. Duluth Co., Minn	do	do	1	6			10,000	286,000	100%				9,987 50	48.33	285,072 50
1/31/30	Estates Trust Dept.	Newton Steel Co	12/31/31	1	6	286,000		4,000		100	285,072 50			4,000 00	8.67	
Do.	C. E. Wagner	do	do	1	6			1,000		100				1,000 00	5.00	
Do.	Daniel Stone	do	do	1	6			2,000	279,000	100				2,000 00	10.00	278,072 50
2/1/30	Mrs. Mildred E. Hartman	Newton Steel Co	12/31/31	1	6	279,000		1,000		100	278,072 50			1,000 00	5.00	
Do.	Margaret L. Bourn	do	do	1	6			2,000		100				2,000 00	10 00	
Do.	Union Cleveland Corp.	do	do	1	6			200,000	76,000	100				200,000 00	1,000 00	75,072.50
2/1/30	McDonald Callahan Co.	Newton Steel Co	12/31/31	1	6	76,000	50,000			100%	75,072.50	49,937 50	250 00			

STOCK EXCHANGE PRACTICES

Do...	Mrs C A Nelson.....	do.....	do.....	1	6			1,000		100				1,000 00	5 00	
Do...	Emilie A Nicolans.....	do.....	do.....	1	6			2,000	123,000	100				2,000 00	10 00	122,010 00
2/3/30	R. V Mitchell & Co.....	Newton Steel	12/31/31	1	6	123,000	50,000		173,000	100 $\frac{1}{8}$	122,010 00	49,937 50	266 67			171,947 50
2/3/30	Mrs. Jennie B Kingsley.....	Newton Steel	12/31/31	1	6	173,000		1,000		100	171,947 50			1,000 00	5 00	
Do...	1st Natl Bk , Wadsworth, O.....	do.....	do.....	1	6			1,000		100 $\frac{1}{8}$				998 75	5 33	
Do...	Samuel Bardon.....	do.....	do.....	1	6			1,000		100				1,000 00	5 33	
Do...	Ernest Howard.....	do.....	do.....	1	6			1,000		100				1,000 00	5 33	
Do...	Walter Daird.....	do.....	do.....	1	6			1,000		100				1,000 00	5 33	
Do...	Mrs Helen F Babcock.....	do.....	do.....	1	6			1,000	167,000	100				1,000 00	5 33	165,948 75
2/4/30	Dr A/C Adj 1/8 on 1M to Dietz.....	Newton Steel	12/31/31	1	6	167,000			167,000		165,948 75	12 50				165,961 25
2/4/30	Miss Elz K. Wilson.....	Newton Steel	12/31/31	1	6	167,000		1,000		100	165,961 25			1,000 00	5 50	
Do...	Wm Dietz.....	do.....	do.....	1	6			1,000	165,000	100 $\frac{1}{4}$				997 50	5 50	163,963 75
2/4/30	Schultz Bros & Co.....	Newton Steel	12/31/31	1	6	165,000	10,000			100 $\frac{1}{8}$	163,963 75	9,987 50	55 00			
Do...	N. S Talbott Co.....	do.....	do.....	1	6		15,000			100		14,981 25	82 50			
Do...	Kittie J Munhall.....	do.....	do.....	1	6			1,000		100				1,000 00	5 50	
Do...	Mrs Lydia Rauch.....	do.....	do.....	1	6			1,000		100				1,000 00	5 33	
Do...	1st Natl Bk , Jackson Center, O.....	do.....	do.....	1	6			2,000		100 $\frac{1}{8}$				1,997 50	11 00	
Do...	Union Trust Co.....	do.....	do.....	1	6			100,000	6,000	100				99,875 00	550 00	85,060 00

EXHIBIT U-12-24

SECURITY LEDGER—UNION CLEVELAND CORPORATION—CLEVELAND, OHIO—Continued

Security, Van Sweringen Co.; rate 6%; maturity 8/1/35.

Date	Purchased from or sold to	Description	Maturity	Classification	Rate %	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received
8/20/29	Union Trust Co.....	Van Sweringen Co.	8/1/35	C	6	0	4,000		4,000	Cost	00	3,985.00	12.67		3,985.00
8/28/29	F. C. Masterson & Co., N.Y.	Van Sweringen Co.	8/1/35	C	6	4,000	1,000		5,000	97	3,985.00	970.00	4.17		4,955.00
8/29/29	Mayfield Adams & Co., Akron	Van Sweringen Co.	8/1/35	C	6	5,000	1,000		6,000	97	4,955.00	970.00	4.67		5,925.00
8/31/29	Masterson & Co., N.Y.	Van Sweringen Co.	8/1/35	4	6	6,000	100		6,100	95	5,925.00	95.00	.42		6,020.00
9/17/29	Cedar Lee Office	Van Sweringen Co.	8/1/35	4	6	6,100		2,000	4,100	100	6,020.00			2,000.00	4,020.00
9/19/29	Saml. Ungerleider Co.	Van Sweringen Co.	8/1/35	4	6	4,100	5,000		9,100	99	4,020.00	4,950.00	40.00		8,970.00
9/24/29	Ungerleider & Co.	Van Sweringen Co.	8/1/35	4	6	9,100		5,000	4,100	99 3/8	8,970.00			4,968.75	4,001.25
9/27/29	Estates Trust Dept.	Van Sweringen Co.	8/1/35	4	6	4,100		1,000	3,100	100	4,001.25			1,000.00	3,001.25
9/27/29	Mrs Mary G. Bronson	Van Sweringen Co.	8/1/35	4	6	3,100		100	3,000	100	3,001.25			100.00	2,901.25
9/30/29	Herrick Co.	Van Sweringen Co.	8/1/35	4	6	3,000	2,500		5,500	100 1/4	2,901.25	2,500.25	24.59		5,407.50
10/10/29	Wm Burwig	Van Sweringen Co.	8/1/35	4	6	5,500	1,000		6,500	102	5,407.50	1,020.00	11.67		6,427.50
10/14/29	J. W. Goldsbury	Van Sweringen Co.	8/1/35	4	6	6,500	100			98	6,427.50	98.00	1.21		
Do	Miss Ida Ott	do	do	4	6			1,000	5,600	100				1,000.00	11.68
10/16/29	Miss Hazel Treter	Van Sweringen Co.	8/1/35	4	6	5,600		100	5,500	100	5,525.50			100.00	1.25
10/21/29	Miss Mary E. Kaiser	Van Sweringen Co.	8/1/35	4	6	5,500	100			102	5,425.50	102.00	1.33		
Do	Biddle & Henry	do	do	4	6		1,000		6,600	98 1/2		985.00	13.00		6,512.50
10/22/29	Mrs. B. Svoboda	Van Sweringen Co.	8/1/35	4	6	6,600		1,000	1,000	100	6,512.50			1,000.00	13.50
Do	Herrick Co.	do	do	4	6			1,000	4,600	do				1,000.00	13.50
10/30/29	Mrs Rhea S. Mohr	Van Sweringen Co.	8/1/35	4	6	4,600		1,000	3,600	100	4,512.50			1,000.00	14.83
10/21/29	Guardian Trust Co.	Van Sweringen Co.	8/1/35	4	6	3,600		1,600		102	3,512.50			1,632.00	24.00
Do	do	do	do	4	6			1,000	1,000	102				1,020.00	15.00
11/2/29	Mrs. A. E. Thayer	Van Sweringen Co.	8/1/35	4	6	1,000	500			102	860.50	510.00	7.50		
Do	R. P. Sage	do	do	4	6		3,000			99		2,970.00	45.50		
Do	Carl Meteling	do	do	4	6		1,000		5,500	102		1,020.00	15.17		5,360.50
11/4/29	M. J. O'Donnell	Van Sweringen Co.	8/1/35	4	6	5,500	1,000			102	5,360.50	1,020.00	15.00		
Do	The Guardian Trust Co.	Van Sweringen Co.	do	4	6		1,000		7,500	99 1/4		995.00	15.50		7,375.50
11/6/29	Guardian Trust Co.	Van Sweringen Co.	8/1/35	4	6	7,500		2,500	5,000	102	7,375.50			2,550.00	37.50
11/18/29	Citz. & Southern Co., Savannah, Ga.	Van Sweringen Co.	8/1/35	4	6	5,000	1,000		6,000	99	4,825.50	990.00	17.17		5,815.50
11/18/29	Ungerleider & Co.	Van Sweringen Co.	8/1/35	4	6	6,000		1,000	5,000	99 1/4	5,815.50			992.50	17.83
11/22/29	Herrick Co.	Van Sweringen Co.	8/1/35	4	6	5,000		1,000	4,000	99 1/2	4,823.00			995.00	18.50
11/29/29	Ungerleider Co.	Van Sweringen Co.	8/1/35	4	6	4,000		2,000	2,000	99 1/4	3,823.00			1,985.00	39.33

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STOCK EXCHANGE PRACTICES



11/30/29	Citz & Southern Co.....	Van Sweringen Co.	8/1/35	4	6	2,000	2,000		4,000	98½	1,843.00	1,970.00	39.33				3,813.00
12/3/29	Tillotson & Wolcott.....	Van Sweringen Co.	8/1/35	4	6	4,000		3,000	1,000	100	3,813.00			3,000.00	61.00		813.00
12/10/29	Albert Olson.....	Van Sweringen Co.	8/1/35	4	6	1,000				97	813.00	97.00	2.17				
Do.	Albert Olson.....	do.	do.	4	6		500		1,600	97		485.00	10.83				1,395.00
12/11/29	Ungerleider & Co.....	Van Sweringen Co.	8/1/35	4	6	1,600		100		97¼	1,395.00				97.25	2.17	
Do.	Saml. Ungerleider.....	do.	do.	4	6			500	1,000	99½					497.50	10.83	800.25
12/13/29	Ungerleider Co.....	Van Sweringen Co.	8/1/35	4	6	1,000		1,000		99½	800.25				995.00	22.00	Cr. 194.75
12/14/29	Dr A/C profit transf.....	Van Sweringen Co.	8/1/35	4	6	0			0		Sh. 194.75	194.75					00
12/19/29	Theodore Prince & Co., N.Y.	Van Sweringen Co.	8/1/35	4	6	0	1,000		1,000	99	00	990.00	22.00				990.00
12/26/29	W R. Kaley.....	Van Sweringen Co.	8/1/35	4	6	1,000		1,000		0	100	990.00			1,000.00	20.17	Cr. 10.00
12/27/29	Dr. A/C profit transf.....	Van Sweringen Co.	8/1/35	4	6	0					Cr. 10.00	10.00					00
1/2/30	Frank C. Masterson Co..	Van Sweringen Co.	8/1/35	4	6	0	700		700	97	00	679.00	17.38				679.00
1/14/30	Miss Irma Horn.....	Van Sweringen Co.	8/1/35	4	6	700		500	200	100	679.00			500.00	13.50		179.00
2/6/30	Miss H Squire.....	Van Sweringen Co.	8/1/35	4	6	200		100		100	179.00			100.00			08
Do.	Miss M Becker.....	do.	do.	4	6			100		do.				100.00			Cr. 21.00
2/7/30	Dr A/C profit transf.....	Van Sweringen Co.	8/1/35	4	6	0			0		Cr. 21.00	21.00					00
2/7/30	Peoples Bkg. Co., Ober- lin	Van Sweringen Co.	8/1/35	4	6	0	3,000		3,000	100	00	3,000.00	3.00				3,000.00

EXHIBIT U-12-25

SECURITY LEDGER—UNION CLEVELAND CORPORATION—CLEVELAND, OHIO—Continued

Security, Van Sweringen Co.; rate 6%; maturity 8/1/35.

Date	Purchased from or sold to	Description	Maturity	Classification	Rate (%)	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
2/10/30	Oberlin Sav Bk, Ohio.....	Van Sweringen Co.	8/1/35	4	6	3,000	3,000			100	3,000 00	3,000 00	4 50			
Do...	E G Tillotson.....	do.....	do.....	4	6		3,000	3,000		100½				3,007 50	4 50	
Do.....	do.....	do.....	do.....	4	6			3,000	00	do.....				3,007 50	4 50	Cr. 15 00
2/11/30	Dr a/c profit transf.....	Van Sweringen Co.	8/1/35	4	6	00			00		Cr. 15 00	15 00				00
3/1/30	Mrs Ida M Ott.....	Van Sweringen Co.	8/1/35	4	6	00	1,000		1,000	101	00	1,010 00	35 00			1,010 00
3/1/30	Guardian Trust Co.....	Van Sweringen Co.	8/1/35	4	6	1,000		1,000		102	1,010 00			1,020 00	15 00	Cr. 10 00
3/3/30	Dr a/c profit transf.....	Van Sweringen Co.	8/1/35	4	6	00			00		Cr. 10 00	10 00				00
3/6/30	Farmers & Citz, Bank, Monroeville, Ohio.	Van Sweringen Co.	8/1/35	4	6	00	2,000			100	00	2,000 00	11 67			
Do.....	Saml. Ungerleider Co.....	do.....	do.....	4	6			2,000	00	99¾				1,995 00	11 67	5 00
3/7/30	Cr a/c loss transf.....	Van Sweringen Co.	8/1/35	4	6	00			00		5 00			5 00		00
3/22/30	Dr int a/c adj 2 bonds from Burdie Hopfman.	Van Sweringen Co.	8/1/35	4	6	00			00		00		30 00			00
5/1/30	Norman Wagner.....	Van Sweringen Co.	8/1/35	4	6	00		4,000	Cr. 4,000	100	00			4,000 00		Cr. 4,000 00
5/2/30	T S Myers.....	Van Sweringen Co.	8/1/35	4	6	Cr. 4,000		2,000	Cr. 6,000							
Do.....	Norman Wagner.....	Van Sweringen Co.	8/1/35	4	6	Cr. 6,000	4,000			100	Cr. 4,000 00	4,000 00				00
Do.....	T S Myers.....	do.....	do.....	4	6			2,000								
8/27/30	Ettinger & Brand.....	Van Sweringen Co.	8/1/35	4	6	00	1,000			100¼	00	1,002 50	4 16			
Do.....	Ralph Ellsworth.....	do.....	do.....	4	6			1,000	00	101				1,010 00	4 33	Cr. 7 50
8/28/30	Dr a/c profit transf.....	Van Sweringen Co.	8/1/35	8	6				100		Cr. 7 50	7 50				00
9/2/30	Miss Dorothy McCarthy.....	Van Sweringen Co.	8/1/35	4	6	00	100		100	98	00	98 00	52			98 00
9/3/30	Miss Jean Shively.....	Van Sweringen Co.	8/1/35	4	6	100		100		100	98 00			100 00	.52	Cr. 2 00
9/4/30	Dr a/c profit transf.....	Van Sweringen Co.	8/1/35	4	6	00			00		Cr. 2 00	2 00				00
12/11/30	R H Ellsworth, 10168.....	Van Sweringen Co.	8/1/35	4	6	00		2,000	2,000	100¼	00			2,005 00	43 33	Cr. 2,005 00
12/15/30	10169 Ettinger & Brand.....	Van Sweringen Co.	8/1/35	4	6	Cr. 2,000	2,000			100	Cr. 2,005 00	2,000 00	43 45			Cr. 5 00
12/16/30	Dr a/c profit transf.....	Van Sweringen Co.	8/1/35	4	6	00			00		Cr. 5 00	5 00				00

EXHIBIT U-12-26

CLEVELAND OHIO, July 21, 1932.

UNION CLEVELAND CORPORATION

UNION TRUST BUILDING

STATEMENT

ESTATES TRUST DEPT.,  
*The Union Trust Company.*  
 Atten. Mr. Armstrong.  
 a/c Mabel Y. Herr.

Sold to you:

\$2,000	Cuyahoga County Poor Relief 6's.....	100.76	\$2,015.20	
	Int from 6/15 to 7/21 (1 mo 6 da) @ 6%.....		12.00	
			\$2,027.20	

Due date, Mar. 1, 1954.  
 Int. dates, Mar. & Sept. 1st.

THE UNION TRUST COMPANY,  
 Cleveland, Ohio.  
 By \_\_\_\_\_

EXHIBIT U-12-27

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Interest due March, June, Sept, Dec, 1st; trustee or transfer agent, the Cleveland Trust Co.; denominations. Security, Firestone Tire & Rubber; cumulative pfd stock series A; rate, pfd; maturity, stock.

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STOCK EXCHANGE PRACTICES

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases principal	Interest paid	Sales principal	Interest received
10/25/29	Mrs Myra Torbrow...	Firestone T & R	Stock	9	6	00.....	-----	1 0 Sh	Cr 1 0 Sh	99	00	-----	990.00	10.00	Cr 990.00
10/29/29	Brank N Howe.....	Firestone T & R	do	9	6	Cr 1 0 Sh	-----	2 0 Sh	Cr 3 0 Sh	99	Cr 990.00	-----	1,980.00	19.67	C 2,970.00
Do...	Chagrin Falls Bkg Co, Ohio	Firestone T & R	do	9	6	Cr 3 0 Sh	-----	1 0 Sh	Cr 4 0 Sh	99½	Cr 2,970.00	-----	987.50	9.83	Cr 3,957.50
10/29/29	Wm Z R Edwards....	Firestone T & R	do	9	6	Cr 4 0 Sh	-----	4 5 Sh	Cr 8 5 Sh	99	Cr 3,957.50	-----	4,465.00	44.25	Cr 8,412.50
10/30/29	Otis & Co.....	Firestone T & R	do	9	6	Cr 8 5 Sh	2500 0 Sh	-----	2491 5 Sh	99½	Cr 8,412.50	2468,750.00	24,583.33	-----	2460,337.50
Do...	Frank J Meteling....	do	do	9	6	2491 5 Sh	-----	5 0 Sh	-----	99	2,460,337.50	-----	4,950.00	49.17	-----
Do...	Ida M Boyle.....	do	do	9	6	-----	-----	2 0 Sh	-----	99	-----	-----	1,980.00	19.67	-----
Do...	Mr Van Purdy.....	do	do	9	6	-----	-----	1 0 Sh	-----	99	-----	-----	990.00	9.84	-----
Do...	Mrs Ida L Schwab....	do	do	9	6	-----	-----	2 0 Sh	-----	99	-----	-----	1,980.00	19.67	-----
Do...	Western Reserve University Tr	do	do	9	6	-----	-----	55 0 Sh	-----	99	-----	-----	54,450.00	540.83	-----
Do...	Eliz G Packard....	do	do	9	6	-----	-----	20 0 Sh	-----	99	-----	-----	19,800.00	196.67	-----
Do...	Katherine B Packard	do	do	9	6	-----	-----	15 0 Sh	2,391 5 Sh	99	-----	-----	14,850.00	147.50	2,361,337.50
Do...	J P Harris, V P.....	do	do	9	6	2,391 5 Sh	-----	10 0 Sh	-----	99	2,361,337.50	-----	9,900.00	98.33	-----
Do...	John E Byron.....	do	do	9	6	-----	-----	5 5 Sh	-----	99	-----	-----	495.00	4.92	-----
Do...	Roscoe Ebright....	do	do	9	6	-----	-----	2 5 Sh	-----	99	-----	-----	198.00	1.97	-----
Do...	Jefferson Bkg Co., Ohio	do	do	9	6	-----	-----	1 0 Sh	-----	99½	-----	-----	987.50	9.83	-----
Do...	Peoples State Bk., Lisbon, O	do	do	9	6	-----	-----	2 5 Sh	-----	99½	-----	-----	197.50	1.97	-----
Do...	do	do	do	9	6	-----	-----	1 0 8 Sh	-----	99½	-----	-----	987.50	9.83	-----
Do...	Elwood A Richardson	do	do	9	6	-----	-----	4 0 8 Sh	-----	99	-----	-----	3,960.00	39.33	-----
Do...	Benj Hegerman....	do	do	9	6	-----	-----	3 8 Sh	2,374 3 Sh	99	-----	-----	297.00	2.95	2,344,315.00
Do...	John C Myers.....	do	do	9	6	2,374 3 Sh	-----	30 0 8 Sh	-----	99½	2,344,315.00	-----	29,625.00	295.00	-----
Do...	Edward Schurmann	do	do	9	6	-----	-----	7 5 Sh	-----	99	-----	-----	693.00	6.88	-----
Do...	A F Spitzer.....	do	do	9	6	-----	-----	1 0 8 Sh	-----	99	-----	-----	990.00	10.00	-----
Do...	Mrs Barbara Harm....	do	do	9	6	-----	-----	5 5 Sh	-----	99	-----	-----	495.00	4.92	-----
Do...	A M Ward.....	do	do	9	6	-----	-----	2 0 8 Sh	-----	99	-----	-----	1,980.00	19.67	-----

Do...	Alfred W Bentz	do	do	9	6		5 Sh		99				495.00	4.92	
Do...	C W Gabriel	do	do	9	6		1 0 Sh	2,338 6 Sh	99				990.00	9.83	2,309,047.00
Do...	Louis J Campbell	Firestone	do	9	6	2,338 6 Sh		1 0 Sh	99	2,309,047.00			990.00	9.83	2,308,057.00
10/30/29	E B Hamlin	Firestone	do	9	6	2,337 6 Sh		5 0 Sh	99	2,308,057.00			4,950.00	49.17	
Do...	Commercial Bk, Del-	do	do	9	6			8 0 Sh	99 1/4				7,900.00	78.67	
Do...	phos, O														
Do...	Geo M North	do	do	9	6			20 0 Sh	99				19,800.00	196.67	
Do...	Andover Bk, Ohio	do	do	9	6			1 0 Sh	99 1/4				987.50	9.83	
Do...	do	do	do	9	6			1 0 Sh	99 1/4				987.50	9.83	
Do...	Lima Trust Co, Ohio	do	do	9	6			2 Sh	99 1/4				197.50	1.97	
Do...	Miss Eliz Dechert	do	do	9	6			2 Sh	99				198.00	1.97	
Do...	Ferdinand B Kittner	do	do	9	6			2 Sh	99				198.00	1.97	
Do...	Farmers & Citz, Mon-	do	do	9	6			5 Sh	99 1/4				493 75	4.82	2,272,344 75
Do...	roeville, O														
10/31/29	Firestone Bk, Lasbon	Firestone	do	9	6	2,301 5 Sh	7 5 Sh		110 1/4	2,272,344.75	8,267.25	36.25			
Do...	(Purchase)	T & R													
Do...	Farmers Natl Bk,	do	do	9	6			3 0 Sh	110 1/4		3,306.90	14.50			
Do...	Salem														
Do...	Painesville Natl.	do	do	9	6			10 0 Sh	110 1/4		11,023.00	48.33			
Do...	Bk, Ohio														
Do...	W C Martin	do	do	9	6			4 0 Sh	110		4,399.20	19.33			
Do...	Miss Bell Bernard	do	do	9	6			3 5 Sh	110		3,849 30	16 92			
Do...	Painesville Natl.	do	do	9	6			5 Sh	110		549 90	2 42			2,303,740 30
Do...	Bk, O														
Do...	James P Radcliffe	do	do	9	6	2,330 0 Sh	5 0 Sh		110	2,303,740.30	5,499.00	24.17			
Do...	Mrs. Alice Wilmot	do	do	9	6		2 5 Sh		110		2,749.50	12.08			
Do...	1st Amer Bk & Tr,	do	do	9	6		5 0 Sh		110		5,499.00	24.17			
Do...	Lima														
Do...	Miss Ella Barcy	do	do	9	6		2 0 Sh		110		2,199.60	9.67			
Do...	Mrs Lillian S Lud-	do	do	9	6		1 5 Sh	2,346 0 Sh	110		1,649.70	7.25			2,321,337.10
Do...	jalow														
Do...	Mrs Katherine	do	do	9	6	2,346 0 Sh	1 5 Sh		110	2,321,337.0	1,649.70	7.25			
Do...	Roberts.														
Do...	J P. Harris	do	do	9	6		10 0 Sh		99				9,900 00	98.33	
Do...	Miss Ethel M Porter	do	do	9	6		1 0 Sh		99				990 00	9.83	
Do...	do	do	do	9	6		1 0 Sh		99				990 00	9.83	
Do...	E Fisher												990 00	9.83	
Do...	Cleveland Trust Co.	do	do	9	6		46 0 Sh		110				50,600.00	222.33	
Do...	Mr Van Purdy	do	do	9	6		4 0 Sh	2,285 5 Sh	99				3,960.00	39.33	2,256,546.80
Do...	Cr Par & Book a/c	do	do	9	6	2,285 5 Sh	46 0 Sh		110 2	2,256,546 80			50,642.05	222.34	
Do...	adj pur at 110-15														
Do...	old stock 6%														
Do...	Dr Par & Book a/c	do	do	9	6		46.0 Sh	2,285 5 Sh	110		50,600.00	222.33			2,256,504 75
Do...	adj sale 110 Old														
Do...	Stock 6%.														

STOCK EXCHANGE PRACTICES

EXHIBIT U-12-28

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Security, Firestone Tire & Rubber. Rate, pfd. 6%; maturity.

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
10/31/29	Walter G Holdi.....	Firestone T & R	Stock	9	6	2285 5 Sh		1 Sh		99	2256, 504.75			99 00	1.00	
Do...	Albert Herzing.....	do	do	9	6			3 0 Sh		99				2,970.00	29.50	
Do...	Mrs Netha Carsten.....	do	do	9	6			5 Sh		99				495 00	4 92	
Do...	Ralph R Day.....	do	do	9	6			1 0 Sh		99				990 00	9 83	
Do...	Mrs Bertha M Field.....	do	do	9	6			2 0 Sh		99				1,980 00	19.67	
Do...	North W Shelton, M.D.....	do	do	9	6			5 Sh	2278 4 Sh*	99				495.00	4 92	2249, 475 75*
Do...	Major J E Runcie.....	do	do	9	6	2278 4 Sh		3 0 Sh		99	2249, 475.75			2,970.00	29.50	
Do...	Harry Wm Pollard.....	do	do	9	6			5 Sh		99				495 00	4.92	
Do...	Mrs Mabel Saxton.....	do	do	9	6			1 0 Sh		99				990.00	10.00	
Do...	Harry K Hauch.....	do	do	9	6			1 0 Sh		99				990.00	27.33	
Do...	do.....	do	do	9	6			1 0 Sh	2271 9 Sh*	99				990 00	10 00	2243, 040 75*
10/31/29	Mrs Ida E Breitenbach.....	Firestone T & R	Stock	9	6	2271 9 Sh		1 0 Sh		99	2243, 040.75			990 00	10 00	
Do...	Samuel O Coates.....	do	do	9	6			1 0 Sh		99				990 00	10 00	
Do...	Orrville Natl Bk, Ohio.....	do	do	9	6			1 0 Sh		99-1/4				987 50	10 00	
Do...	Magdelene Gaede.....	do	do	9	6			1 0 Sh		99				990 00	10 00	
Do...	D J Joyce.....	do	do	9	6			2 0 Sh	2265 9 Sh*	99				1,980 00	20 00	2237, 103 25*
Do...	Dr Jos H Ralston.....	Firestone T & R	Stock	9	6	2265 9 Sh		1 0 Sh		99	2237, 103 25			990 00	10 00	
Do...	Jas C F Shafer.....	do	do	9	6			1 0 Sh		99				990.00	10 00	
Do...	Estates-Trust Dept.....	do	do	9	6			480 5 Sh		99-2 1/2				463,682 50 4,	805.00	
Do...	Samuel Bardon.....	do	do	9	6			1 5 Sh		99				1,485.00	15.00	
Do...	R G Rockwood.....	do	do	9	6			2 Sh	1781 7 Sh*	99				198 00	2 00	1769, 757.75*
11/ 1/29	Brilliant Bk & Svgs Co.....	do	do	9	6	1781 7 Sh		2 0 Sh		99 1/4	1769, 757.75			1,975.00	19.67	
Do...	Minster Mutual Fire Ins. Co.....	do	do	9	6			1 5 Sh		99 1/4				1,481.25	15.00	
Do...	Kipton Bkg C.....	do	do	9	6			4 0 Sh		99 1/4				3,950.00	40 00	
Do...	1st Amer Bk & Tr. Co, Lima, O.....	do	do	9	6			5 0 Sh		99 1/4				4,937.50	50 00	
Do...	Central Bk. Mechanicsburg, O.....	do	do	9	6			1 0 Sh	1768 2 Sh*	99 1/4				987.50	10 00	1756, 426 50*
Do...	Andover Bank, Andover, Ohio.....	do	do	9	6	1768 2 Sh		5 Sh		99 1/4	1756, 426 50			493.75	5 00	

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STOCK EXCHANGE PRACTICES

Do...	Farmers Natl Salem,	do	do	9	6		2 0 Sh	99 $\frac{1}{4}$			1,975.00	20.00
	Ohio											
Do...	Painesville Natl Bank	do	do	9	6		5 5 Sh	99 $\frac{1}{4}$			493.75	5.00
Do...	do	do	do	9	6		10 0 Sh	99 $\frac{1}{4}$			9,875.00	100.00
Do...	W C Martin	do	do	9	6		4 0 Sh	99			3,960.00	40.00
Do...	Mrs Elsie Geiger	do	do	9	6		1 0 Sh	99			990.00	27 33
Do...	do	do	do	9	6		1 Sh	99			99.00	1 00
Do...	James P Radcliffe	do	do	9	6		5 5 Sh	99			5,445.00	55.00
Do...	Miss Bell Bernard	do	do	9	6		3 5 Sh	99			3,465.00	35.00
Do...	Mrs Alice Wilmot	do	do	9	6		2 5 Sh	99			2,475.00	25.00
Do...	Mr Max Glueck	do	do	9	6		2 0 Sh	99			1,980.00	20.00
Do...	Gilbert Ward	do	do	9	6	1736 6 Sh	3 0 Sh	1736 6 Sh*	99	1725, 175.00	2,970.00	30.00
Do...	Joshua Poole	do	do	9	6		5 3 Sh	99			4,950.00	50.00
Do...	Susan Probasco	do	do	9	6		1 0 Sh	99			990.00	10.00
Do...	Mrs Emma Cuddell	do	do	9	6		2 0 Sh	99			1,980.00	20.00
Do...	Miss Florence Tilt	do	do	9	6		1 0 Sh	99			990.00	10.00
Do...	Katherine Smith	do	do	9	6		1 0 Sh	99			990.00	10.00
Do...	R A Petersen	do	do	9	6		1 0 Sh	99			990.00	10.00
Do...	Mrs Sophia Myer	do	do	9	6		2 0 Sh	99			1,980.00	20.00
Do...	Theodore S Myers	do	do	9	6		2 0 Sh	99			1,980.00	20.00
Do...	J T Hagan	do	do	9	6		5 0 Sh	1713 60 Sh	99		1,980.00	54 67
Do...	Saul Hertz	do	do	9	6	1713 6 Sh	1 0 Sh	1708 6 Sh	99	1702, 405 00	4,950.00	50.00
Do...	Carl T Hessel	do	do	9	6	1708 6 Sh	1 0 Sh		99	1697, 455 00	990.00	10.00
Do...	John Blau, Jr.	do	do	9	6		1 0 Sh		99		990.00	10.00
Do...	Peter Cosgrove	do	do	9	6		1 0 Sh		99		990.00	10.00
Do...	Peter J Kockers	do	do	9	6		1 0 Sh	1704 6 Sh*	99		990.00	10.00
11/ 1/29	Daniel Sheier	Firestone	Stock	9	6	1704 6 Sh	5 0 Sh		99	1693, 495 00	4,950.00	136 67
		T & R										
Do...	Albert Myer	do	do	9	6		1 0 Sh	99			990.00	27 33
Do...	W H Mather	do	do	9	6		5 0 Sh	99			4,950.00	49 17
Do...	C H Shumaker	do	do	9	6		3 Sh	99			297.00	2 95
Do...	Katherine Roberts	do	do	9	6		2 0 Sh	99			1,980.00	20.00
Do...	Claude Stimson	do	do	9	6		2 Sh	99			198.00	2 00
Do...	do	do	do	9	6		3 Sh	1690 8 Sh*	99		297.00	3 00

EXHIBIT U-12-29

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Security, Firestone Tire & Rubber; rate, 6%; maturity.

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received
11/4/29	Western Reserve University Trust Fund	Firestone T. & R.	Stock	9	6	1510 3 Sh	95 0 Sh	1415 3 Sh	99½	1,489,373 00			93,812 50	997 50	1,395,560 50
11/5/29	Wm H Motz	Firestone T. & R.	Stock	9	6	1415 3 Sh	10 0 Sh		99	1,395,560 50			9,900 00	108 33	
Do.	Dr J A Shoemaker	do	do	9	6		1 0 Sh		99				990 00	10 85	
Do.	Wm Schneider	do	do	9	6		1 0 Sh		99				990 00	10 51	
Do.	Leaba D Meyer	do	do	9	6		1 5 Sh		99				99 00	1 07	
Do.	1st Natl Bk, Carrollton, O	do	do	9	6		2 0 Sh	1401 2 Sh	99½				1,975 00	20 00	1,381,606 50
11/5/29	Mrs Frances H Keiper	Firestone T. & R.	Stock	9	6	1401 2 Sh	2 5 Sh		99	1,381,606 50			2,475 00	26 67	
Do.	Martha F Rymer	do	do	9	6		1 5 Sh		99				99 00	1 00	
Do.	Mrs Wm H Bury	do	do	9	6		1 5 Sh		99				99 00	1 00	
Do.	Miss Belle Beavis	do	do	9	6		1 0 Sh		99				990 00	10 51	
Do.	Miss Maude Lynch	do	do	9	6		5 5 Sh		99				2,475 00	26 66	
Do.	Mrs Margaret O'Connor	do	do	9	6		5 5 Sh	1394 5 Sh	99				495 00	5 33	1,374,973 50
Do.	Mrs Margaret Buchner	do	do	9	6	1394 5 Sh	1 0 Sh		99	1,374,973 50			495 00	9 83	
Do.	H Brinkerhoff	do	do	9	6		5 0 Sh		99				4,950 00	53 33	
Do.	Mrs Clara B Keifer	do	do	9	6		5 5 Sh		99				495 00	5 33	
Do.	1st Natl Bk, St Clairsv O	do	do	9	6		1 5 Sh		99½				1,481 25	16 00	
Do.	Edward C Lindner	do	do	9	6		1 0 Sh	1385 5 Sh	99				990 00	10 67	1,366,067 25
11/6/29	N Lawson Lewis	Firestone T. & R.	Stock	9	6	1385 5 Sh	3 0 Sh		99	1,366,067 25			2,970 00	32 00	
Do.	Mrs Irene M Barnhart	do	do	9	6		5 5 Sh		99				495 00	5 34	
Do.	Mrs Rose Svoboda	do	do	9	6		5 5 Sh		99				495 00	5 42	
Do.	Mrs Lillian Cappel	do	do	9	6		5 5 Sh		99				495 00	5 42	
Do.	Frank H Herbst	do	do	9	6		10 0 Sh		99				9,900 00	110 02	
Do.	Estates Trust Dept	do	do	9	6		41 3 Sh	1329 7 Sh	99				40,887 00	447 40	1,310,825 25
11/6/29	Louise L Mitchell	Firestone T. & R.	Stock	9	6	1329 7 Sh	10 0 Sh	1319 7 Sh	99	1,310,825 25			9,900 00	108 33	1,300,925 25
11/7/29	Grant Williams	Firestone T. & R.	Stock	9	6	1319 7 Sh	12 5 Sh		99	1,300,925 25			12,375 00	137 50	



Do...	Farmers Natl Bk, Salem, O	do	do	9	6			50 Sh		99¼				4,937.50	136.67	
Do...	Mrs Julia Adams	do	do	9	6			5 Sh		99				495.00	5.50	
Do...	Mary V Whelan	do	do	9	6			100 Sh		98				9,900.00	105.00	
Do...	J E Metzger	do	do	9	6			15 Sh		98				1,485.00	16.50	
Do...	Estates Trust Dept	do	do	9	6			50 Sh	1285 2 Sh	99				4,950.00	55.00	1,266,782.75
Do...	Estates Trust Dept	do	do	9	6	1285 2 Sh		24 5 Sh		99	1,266,782.75			24,255.00	269.50	
Do...	Farmers Natl Bk, Salem, O	do	do	9	6			50 Sh		99¼				4,937.50	54.17	
Do...	Henry E Leach	do	do	9	6			16 Sh		99				1,584.00	17.60	
Do...	Caroline Ball	do	do	9	6			100 Sh	1244 1 Sh	99				9,900.00	111.67	1,226,106.25
11/7/29	Harry F Bowers	Firestone T. & R.	do	9	6	1244 1 sh		10 Sh		99	1,226,106.25			990.00	11.00	
Do...	Mrs Helen Coyle	do	do	9	6			4 Sh	1242 7 Sh	99				396.00	4.40	1,224,720.25
Do...	Wm Dunn	do	do	9	6	1242 7 Sh		4 5 Sh	1238 2 Sh							
11/7/29	Wm Dunn	Do a/c error (Bamcoho)	do	9	6		4 5 Sh		1242 7 Sh		1,224,720.25					1,224,720.25
11/8/29	Elmer M Carsten	Firestone T. & R.	Stock	9	6	1242 7 Sh		5 Sh		99	1,224,720.25			495.00	5.42	
Do...	Mrs Amelia C Krause	do	do	9	6			10 Sh		99				990.00	10.83	
Do...	Farmers & Merch, Lee- tonia, O	do	do	9	6			10 Sh	1240 2 Sh	99¼				987.50	11.17	1,222,247.75
11/8/29	Chas H Mercer	do	do	9	6	1240 2 Sh		10 Sh		99	1,222,247.75			990.00	11.17	
Do...	Margaret D Libby	do	do	9	6			3 Sh	1238 9 Sh	99				297.00	3.35	1,220,960.75
11/3/29	Clarence J Beller	Firestone T. & R.	Stock	9	6	1238 9 Sh		5 Sh		99	1,220,960.75			495.00	5.67	
Do...	Dr Oscar Pan	do	do	9	6			10 Sh		99				990.00	11.33	
Do...	Hayden Miller Co	do	do	9	6			233 0 Sh	1004 4 Sh	99¼			230,087.50	2,640.67	989,338.25	
11/9/29	Wm G Fredericks	Firestone T. & R.	Stock	9	6	1004 4 Sh		6 Sh		99	989,338.25			594.00	6.80	
Do...	Nicholas U Berchin	do	do	9	6			1 Sh	1003 7 Sh	99				99.00	1.08	988,695.25
11/12/29	Irma Blau Clark	Firestone T. & R.	Stock	9	6	1003 7 Sh		3 Sh		99	988,695.25			297.00	3.55	
Do...	Miss Nellie Martin	do	do	9	6			5 Sh		99				495.00	5.90	
Do...	Arthur E Crane	do	do	9	6			10 Sh	1001 9 Sh	99				990.00	11.83	986,913.25
11/12/29	Herrick Co	Firestone T. & R.	Stock	9	6	1001 9 Sh	12 0 Sh		1013 9 Sh	86	986,913.25	10,317.34				997,230.59
11/12/29	Mrs Nellie R Collister	Firestone T. & R.	Stock	9	6	1013 9 Sh		20 Sh		99	997,230.59			1,980.00	23.67	
Do...	Peoples Sav Bk, Van Wert, O	do	do	9	6			20 Sh	1009 9 Sh	89¼				1,775.00	23.67	993,475.59

EXHIBIT U-12-30

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Security, Firestone Tire & Rubber, rate 6: Maturity.

Date	Purchasing from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest	Sales (principal)	Interest received	New balance
11/1/29	Loram Banking Co , Loram, O	Firestone T. & R	Stock	9	6	1690 8 Sh		5 0 Sh		99 1/4	1,679,833 00			4,937 50	50 00	
Do...	Mrs Flora Packer, Con- necticut.	do	do	9	6			5 Sh		99				495 00	5 00	
Do...	Mrs Elsie Geiger	do	do	9	6			9 Sh		99				891 00	9 00	
Do...	Sarah Vail	do	do	9	6			2 0 Sh		99				1,980 00	20 00	
Do...	Harvey Vail	do	do	9	6			2 0 Sh	1680 4 Sh	99				1,980 00	20 00	1,669,549 50
Do...	Cr a/c refund 2 1/2 pts from estates trust on 4805 Shs	do	do	9	6						1,669,549 50			12,012 50		1,657,537 00
Do...	Estates Trust Dept	Firestone T & R	Stock	9	6	1680 4 Sh		46 0 Sh	1,657,537 00		1,657,537 00			45,540 00	460 00	
Do...	do	do	do	9	6			19 5 Sh		99				19,305 00	195 00	
Do...	E J Kulus	do	do	9	6			10 0 Sh		99				9,900 00	100 00	
Do...	Margaret O'Malley	do	do	9	6			5 Sh		99				495 00	4 92	
Do...	Philip Storz	do	do	9	6			1 0 Sh		99				990 00	10 17	
Do...	Mrs J R Davis	do	do	9	6			5 Sh		99				495 00	5 00	
Do...	Mary Ellen Kaiser	do	do	9	6			1 Sh		99				99 00	1 00	
Do...	Bert D Cooper	do	do	9	6			4 Sh		99				396 00	4 00	
Do...	Delta Wilson	do	do	9	6			1 0 Sh		99				990 00	10 00	
Do...	Miss Violet Kittner	do	do	9	6			2 5 Sh	1598 7Sh	99				198 00	2 09	
Do...	Miss Ella Barclay	do	do	9	6			2 5 Sh		99				2,475 00	25 00	1,578,634 00
Do...	do	do	do	9	6	1598 7 Sh		5 0 Sh		99	1,578,634 00			4,950 00	136 67	
Do...	Lillian Langbead	do	do	9	6			1 0 Sh		99				990 00	10 00	
Do...	Eva Branard	do	do	9	6			5 Sh		99				495 00	5 00	
Do...	1st Natl St Clarisville, Ohio	do	do	9	6			5 5 Sh		99 1/4				5,431 25	55 00	
Do...	Toledo Trust Co	do	do	9	6			10 0 Sh	1576 7 Sh	99 1/4				9,875 00	101 67	1,556,892 75
Do...	1st Natl Bk. Canton, Ohio	do	do	9	6	1576 7 Sh		5 0 Sh		99 1/4	1,556,892 75			4,937 50	52 50	
Do...	Firestone Bank, Lisbon	do	do	9	6			2 5 Sh		99 1/4				2,468 75	25 00	
Do...	do	do	do	9	6			5 0 Sh						4,937 50	50 00	
Do...	do	do	do	9	6			1 0 Sh						987 50	27 33	
Do...	Bellevue Svgs Bank	do	do	9	6			1 0 Sh						987 50	10 00	

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STOCK EXCHANGE PRACTICES

Do	Painesville Natl Bank	do	do	9	6		3 0 Sh				2,962.50	30 00	
Do	do	do	do	9	6		1 0 Sh	1558 2 Sh			987.50	10 00	1,538,624.00
Do	Cr bal a/c Adj total 1980	do	do	9	6					1,538,624 00			1,536,644.00
11/2/29	Dr a/c 1/4 on 550sh to estate Tr	Firestone	Stock	9	6					1,536,644 00	137.50		1,536,781.50
11/2/29	Miss Cornelia A Zismer	Firestone	Stock	9	6	1558 2 Sh	1 0 Sh		99	1,536,781 50		990 00	10 17
Do	Miss Mary F Taot	do	do	9	6		5 Sh		99			495 00	5 00
Do	Ruth E Harms	do	do	9	6		3 Sh		99			297 00	3 05
Do	Mary Barbee	do	do	9	6		2 Sh		99			198 00	1 87
Do	Mrs Mary Beavis	do	do	9	6		1 0 Sh		99			990 00	10 00
Do	Mrs Marguerite I Lewis	do	do	9	6		5 Sh		99			495 00	5 00
Do	Mrs Lillian S Ludlow	do	do	9	6		1 3 Sh	1553 2 Sh	99			1,485 00	41 00
Do	Mrs Lillian S Ludlow	do	do	9	6	1553 2 Sh	1 5 Sh		99	1,531,831 50		1,485 00	15 00
Do	Miss Mary Harris	do	do	9	6		5 Sh		99			495 00	5 08
Do	W S Berry	do	do	9	6		1 0 Sh		99			990 00	9 99
Do	Wm Harry	do	do	9	6		6 Sh		99			594 00	6 70
Do	Mrs Kitty M Rohleder	do	do	9	6		2 0 Sh		99			1,980 00	20 33
Do	Miss Regina B Lebowitz	do	do	9	6		3 Sh		99			297 00	3 00
Do	Carl Metelng	do	do	9	6		1 0 Sh	1546 3 Sh	99			990 00	10 17
11/2/29	John G Welti	Firestone	Stock	9	6	1546 3 Sh	10 0 Sh		99	1,525,000 50		9,900 00	273 33
Do	Mrs Anna O Elwood	do	do	9	6		1 0 Sh		99			990 00	10 17
Do	Mrs Aranka Tlach	do	do	9	6		1 0 Sh		99			990 00	10 17
Do	Allen M Foster	do	do	9	6		5 0 Sh		99			4,950 00	50 83
Do	Mrs Rachael Polifrone	do	do	9	6		5 Sh		99			495 00	5 08
Do	Miss Alice Mc H Brynes	do	do	9	6		5 0 Sh		99			4,950 00	50 83
Do	Clarence Walker	do	do	9	6		1 0 Sh		99			990 00	10 00
Do	Robt W Hirschert	do	do	9	6		1 0 Sh	1521 8 Sh	99			990 00	10 00
11/4/29	Geo H Hodgson	Firestone	Stock	9	6	1521 8 Sh	5 0 Sh		99	1,500,745 50		4,950 00	50 83
Do	Chagrin Falls Bkg Co, Ohio	do	do	9	6		5 0 Sh		99 1/4			4,937.50	50.00
Do	Morris Woodlee	do	do	9	6		1 0 Sh		99			990 00	10 50
Do	do	do	do	9	6		5 Sh	1510 3 Sh	99			495.00	5.25

EXHIBIT U-12-31

SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO—Continued

Security, Cuyahoga County Poor Relief, rate 6%; maturity, 3/1/34/35/36/38.

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value					
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received	New balance
7/21/32	20084. Hayden Miller & Co	Cuyahoga County Poor Relief.	3/1/34	11	6	00	6,000.00			100.76½	00	6,015.60	36.00			
Do.	R. E. Baker, 20082	do.	do.	11	6			\$2,000.00		100.76				\$2,015.20	12.00	
Do.	do 20083	do.	do.	11	6			2,000.00		100.76				2,015.20	12.00	
Do.	do 20081	do.	do.	11	6			2,000.00	00	do				2,015.20	12.00	Cr 30.00
Do.	20058. Hayden Miller & Co.	Cuyahoga County Poor Relief.	3/1/35	11	6	00	1,000.00			101.20½	Cr 30.00	1,007.00	6.00			
Do.	20076 do	do.	do.	11	6		50,000.00			101.20½		50,350.00	300.00			
Do.	Estates Trust Dept 20075.	do.	do.	11	6			50,000.00		101.20½				50,350.00	300.00	
Do.	Detroit Cook Office. 20057.	do.	do.	11	6			1,000.00	00	101.20				1,012.00	6.00	Cr 35.00
Do.	20078. Hayden Miller & Co.	Cuyahoga County Poor Relief.	3/1/36	11	6	00	10,000.00			101.62½	Cr 35.00	10,112.00	60.00			
Do.	20080. do	do.	do.	11	6		2,000.00			do		2,022.40	12.00			
Do.	G. R. Lamb, 20079	do.	do.	11	6			2,000.00		101.62				2,032.40	12.00	
Do.	Estates Trust Dept., 20077.	do.	do.	11	6			10,000.00	00	do½				10,112.00	60.00	Cr 45.00
Do.	20122. Hayden Miller & Co.	do.	3/1/38	11	6	00	2,000.00		2,000.00	102.38¾	Cr 45.00	2,032.60	12.00			1,987.60
7/22/32	Mrs. Marie Wirte, 20121	Cuyahoga County Poor Relief	3/1/38	11	6	2,000.00		2,000.00	00	102/38	1,987.60			2,047.60	12.33	Cr 60.00
7/23/32	Dr a/c Profit Transf.	Cuyahoga County Poor Relief.	3/1/34 } 35/36/38 }						00		Cr 60.00	60.000				00
8/2/32	20193. Otis & Co.	Cuyahoga County Poor Relief.	3/1/34	11	6	00	2,000.00			100.7416½	00	2,004.83	15.67			
Do.	Sharon Center Bkg., Ohio.	do.	do.	11	6			2,000.00	00	100.7416				2,014.83	15.67	Cr 10.00
8/3/32	Dr a/c Profit Transf.	Cuyahoga County Poor Relief.	3/1/34	11	6	00			00		Cr 10.00	10.00				00
8/30/32	Dr Int A. C Adj I Da on 66M entry of 8/5/32.	Cuyahoga County Poor Relief.	Serially	11	6	00			00		00		11.00			00

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STOCK EXCHANGE PRACTICES

9/7/32	20407. McDonald Callahan Richards Co	Cuyahoga County Poor Relief	3/1/37	11	6	00	2,000 00	102.9606-1	00	2,039.27	2.00			
Do...	E. L. Hilhard, Gdn, 20406	do	do	11	6		2,000.00	102 9606				2,059 21	2.00	Cr 20.00
9/8/32	Dr a/c Profit Transf..	Cuyahoga County Poor Relief	3/1/37	11	6	00			Cr 20.00	20.00				00
9/15/32	20466. Otis & Co.....	Cuyahoga County Poor Relief.	3/1/37	11	6	00	2,000 00	102.946-1%	00	2,038.92	4.67			
Do...	20463. McDonald Callahan Co.	do	do	11	6		5,000 00	do		5,097.31	11.67			
Do...	20465 do	do	do	11	6		2,000.00	do		2,038.92	4.66			
Do...	20447. do	do	do 38	11	6		4,000.00		13,000 00	103 518715-1%				13,275 90
9/15/32	Mr W. L. Barr,	do	3/1/37	11	6	13,000.00	2,000.00	102/946		13,275.90	9.33	2,058.92	4.67	
Do...	20468 John C. Anderson,	do	do	11	6		5,000.00	do				5,147 31	11.67	
Do...	20462 Mr W L. Barr,	do	do	11	6		2,000 00	do				2,058 92	4.66	
Do...	20464 do	do	do 38	11	6		4,000.00	103.518				4,140.75	9.33	Cr 130.00
9/16/32	Dr a/c Profit Transf..	Cuyahoga County Poor Relief	Serially	11	6	00			Cr 130 00	130.00				00
9/20/32	20467. Merrill Hawley Co.	Cuyahoga County Poor Relief.	3/1/37	11	6	00	2,000 00	102 944-1%	00	2,038.92	4.67			
Do...	W L Barr, 20469	do	do	11	6		2,000.00	102.94614				2,058 92	4.67	Cr 20 00
9/22/32	Dr a/c Profit Transf..	Cuyahoga County Poor Relief.	3/1/37	11	6	00			Cr 20.00	20 00				00

## EXHIBIT U-12-32

STATE OF OHIO,  
Cuyahoga County ss:

IN THE MATTER OF THE LIQUIDATION OF THE UNION TRUST  
COMPANY

PROOF OF CLAIM FOR PREFERENCE AGAINST THE UNION TRUST COMPANY

Charles A. Niman and A. C. Knight, being first duly sworn, depose and say; Central United National Bank of Cleveland, Ohio, and Charles A. Niman are the duly appointed qualified and acting Administrators d.b.n.—c.t.a of the Estate of Carrie Baldwin, deceased, having been appointed as such Administrators by the Probate Court of the County of Cuyahoga on the 24th day of August, 1933 following the resignation of the Union Trust Company, of Cleveland, Ohio as Executor of said estate: deponent A. C. Knight is Trust Officer of said Central United National Bank of Cleveland.

Deponents say that said Central United National Bank of Cleveland and Charles N. Niman as such Administrators are the sole, legal and bona fide owners of a certain claim against Ira J. Fulton, Superintendent of Banks of Ohio, as liquidator in charge of The Union Trust Company and against The Union Trust Company, a statement of which claim is hereinafter made.

Affiants further say that funds belonging to said estate were deposited from time to time by said Trust Company as Executor of the last will and testament of Carrie Baldwin, deceased, with itself as a bank; that said funds at the time of the closing of said Trust Company amounted to at least the sum of \$468,862.35; that there has been paid over to or for the account of said estate the sum of \$175,404.14 leaving a balance so deposited and remaining on deposit of at least the sum of \$293,458.17; that said sum so remaining on deposit constitutes a preferred claim against the assets and funds of said Trust Company in preference to the claims of its general creditors.

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Affiants further say that said funds belong to said estate in the total amount of \$468,862.35 were mingled by said Trust Company with its own property, funds and moneys at a time or times when said Trust Company was, to the knowledge of its officers, insolvent, or in such a financial condition that as Executor, having knowledge of its condition, it could not properly deposit said trust funds with itself.

Affiants further say that since and after said mingling by said Trust Company with its own funds of said funds belong to said estate, the cash and money in the vaults of said Trust Company have never been diminished below the amount of \$468,862.35 except by the payment of \$175,404.14 as aforesaid to said estate, and that said moneys of said estate so wrongfully mingled with the funds and money of said Trust Company, or the proceeds thereof, have been at all times since said mingling thereof and are now in the possession of said Trust Company and/or of its Conservator and/or of its Liquidator, the Superintendent of Banks of Ohio.

Affiants further say that by reason of the above facts said estate is entitled to a preferred right against the funds, property and assets of said The Union Trust Company in preference to and in priority over the general creditors of said Trust Company in the amount of \$293,458.17, or for such larger amount as such mingled funds of said estate in fact totalled, and that said Charles A. Niman and Central United National Bank, as Administrators d.b.n.—C.T.A. of said estate, and for and on behalf of said estate, hereby make claim for such preference or preferred right.

Said Administrators for and on behalf of said estate, hereby make further claim for such preference or preferred right on such other grounds as they may be entitled to rely upon, when all of the facts concerning said matter are in their possession.

Said Charles A. Niman and Central United National Bank as such Administrators hereby specifically make claim for preference by reason of any compensation paid by said The Union Trust Company to itself out of free cash after February 25, 1933; and/or for any free cash applied by said Executor to payment of any indebtedness allegedly due from said estate to said The Union Trust Company; and/or for interest, rent or similar items payable to said estate on bonds, land trust certificates and other securities, the amount of which interest,

EXHIBIT U-12-32b

rent and similar items had been paid to said The Union Trust Company as agent or trustee; and/or for drafts, official checks, or similar items issued by said The Union Trust Company and charged against the deposit balance of said estate, which were outstanding on February 25, 1933 and which have not been paid; and/or for checks or other items belonging to said estate and in the course of collection on February 25, 1933, and/or for any and all other acts, matters and transactions on account of which said estate may be entitled to obtain a preference but which by reason of inadequate information cannot now be specifically detailed herein.

CHARLES A. NIMAN,  
A. C. KNIGHT.

SWORN to and subscribed before me by the said Charles A. Niman and by said A. C. Knight, Trust Officer of Central United National Bank of Cleveland, this 19th day of October, 1933.

P. C. STETZELBERGER,  
Notary Public.

My Commission Expires May 16, 1935  
filed 10/19/33.

THE UNION CLEVELAND CORPORATION—J. J. SINNOTT

EXHIBIT U-16-1a

AUG. 20, 1929

*Sales to Union Cleveland Corporation by the Union Trust Co. bond department*

Issue	Maturity	Par	Book	Int	Total
Amer I. G. Chem Corp.	5 1/2% 5/1/49	10,000	12,470 00	166 53	12,636 53
Assoc Gas & Elec	4 1/2% 1/15/49	19,000	17,738 75	83.13	17,821 88
Brand Realty Co., C. W.	6% 6/1/33	500	480 00	6.58	486 58
	6% " 37	100	97 00	1 32	98 32
Central Public Service	5 1/2% 2/1/49	9,000	8,547 50	26 13	8,573 63
Cities Serv. Pr. & Lt.	5 1/2% 6/1/49	4,000	3,600 00	48.28	3,648 28
Cities Service Co. W. W.	5% 3/1/69	6,000	7,767 30	140 83	7,908 13
Cleveland Term Tower	5% Cert	11,000	10,770 00	120 69	10,890 69
Dodge Court Co.	6% 7/1/30	500	500 00	4 08	504 08
" " "	6% " 33	1,000	1,000 00	8 17	1,008 17
" " "	6% " 37	2,000	1,976 00	16 33	1,992 33
" " "	6% " 38	1,000	1,968 00	8 17	976 17
" " "	6% " 39	2,000	1,849 00	16 33	1,865 33
Eastern Util. Inv. Co.	5% 3/15/54	6,000	6,072 50	129 17	6,201 67
Euclid Doan Bldg.	5% Cert	42,000	40,122 47	554 16	40,676 63
Euclid Doan Leasehold	5 3/4% "	1,000	955 00	15 17	970 17
Euclid Sixth Co.	6% 6/1/30	3,000	3,015 00	54 50	3,069 50
Fuller Cleaning & Dyeing	6% 10/1/41	100	93 00	2 32	95 32
Halle Bros. Co.	5 1/2% Cert	10,000	10,257 50	74 86	10,332 36
Kerr Realty Co.	6% 2/1/41	1,000	961 25	3 17	964 42
Higbee Corners	5 3/4% Cert	1,000	990 00	5 59	995 59
Koppers Gas & Coke	5 1/2% 7/1/50	8,000	7,870 00	59 89	7,929 89
Lautaro Nitrate Co.	6% 7/1/54	4,000	4,211 00	32 67	4,243 67
Loew's Ohio Theatres	6% 6/1/30	5,000	4,735 10	65 83	4,800 93
" " "	6% 12/1/35	2,000	1,900 00	26 38	1,926 38
" " "	6% 12/1/36	8,000	7,306 53	105 33	7,411 86
" " "	6% 6/1/37	3,500	3,422 06	46 08	3,472 14
" " "	6% 6/1/38	1,000	940 00	13 17	953 17
McCormick Edith Rdkflr.	6% 7/1/34	1,000	1,600 00	8 17	1,608 17
Missouri Pacific R. R.	5% 3/1/77	2,000	1,940 00	46 94	1,986 94
Northern Pacific R. R.	5% 1/1/2047	23,000	14,718.50	36 42	14,754 92
Northwestern Bldg. Site	5 1/2% Cert	1,000	980 00	.76	980 76
Pringle Barge Line	6% 12/15/36	1,000	858 00	10 83	868 83
" " "	6% " 37	9,000	8,881 50	97 50	8,979 00
" " "	6% " 38	9,000	8,975 00	97 50	9,072 50
" " "	6% " 39	5,600	5,319 00	60 67	5,379 67
Southern Cities Util.	6% 5/1/49	1,000	1,032 50	18 17	1,050 67
Sumatra S. S. Co.	6% 1/1/31	1,000	425 00	18 17	443 17
" " "	6% " 33	1,000	412 50	18 17	430 67
" " "	6% " 34	1,000	400 00	18 17	418 17
" " "	6% " 35	1,000	650 00	18 17	668 17
" " "	6% " 39	8,000	7,401 25	145 33	7,546 58
" " "	6% " 40	1,500	900 00	27 25	927 25
Southern Pacific Rly.	4 1/2% 5/1/69	15,000	6,634 85	227 08	6,861 93
Spencer Kellogg	6% 7/1/38	1,000	996 00	8 17	1,004 17
Trumbull Chffs.	6% 4/15/43	4,000	4,000 00	83 33	4,083 33
University Club Site	5 1/4% Cert	1,000	950 00	2 77	952 77

## Sales to Union Cleveland Corporation by the Union Trust Co. bond department—Con.

Issue		Maturity	Par	Book	Int	Total
Van Sweringen Co.....	6%	8/1/35.....	4,000	3,985 00	12 67	3,997 67
" " ".....	6%	10/1/38.....	8,000	6,396 50	185 33	6,581 83
Wade Park Manor.....	6%	1/1/36.....	2,000	1,870 00	16 33	1,886 33
" " ".....	6%	1/1/48.....	5,000	4,809 55	40 83	4,850 38
" " ".....	6%	" 47.....	2,000	1,760 00	16 33	1,776 33
" " ".....	6%	" 48.....	1,200	282 85	9 80	292 65
Western Reserve Inv. Corp.....	5½%	2/1/44.....	12,000	15,112 28	1 81	15,118 09
Wisconsin Cen. R.R.....	5%	1/1/30.....	3,000	2,974 00	20 42	2,994 42
Standard Investing Corp.....	5½%	8/15/39.....	50,000	50,000 00	38 19	50,038 19
Toledo Paramount Corp.....	6%	2/1/43.....	5,000	4,800 00	15 83	4,815 83
			327,000	299,488.68	3,128 30	302,616 98

<sup>1</sup> Denote short sales.

## EXHIBIT U-16-1b

## Sales to Union Cleveland Corporation by the Union Trust Co. Bond Department

## STOCKS

Issue		Maturity	Par	Book	Div.	Total
General Gas & Electric.....	6%	Pref.....	20 shs	1,880 97	21 67	1,902.65
Hercules Motors Corp.....		Common.....	1100 shs.	13,002.16		13,002.16
Insuranshares of Del. of N Y (Special)		"	1,784 "	39,842.54		39,842.54
McKinney Steel Holding Co.....	6%	Pref.....	92 "	12,570 00	76 67	12,570 00
Newton Steel Co.....	6%	"	28 "	5,419 95		5,496 62
Shell Union Oil Co.....	5½%	"	143 shs.	1,891.72		1,891.72
Shenandoah Corp.....		Common.....	391 "	14,081.60	61 91	14,081.60
			290 "	19,550 00		19,611.91
				5,069.98		5,069.98
			51,612	79,141 40	160 25	79,301.65

## FOREIGN

Austria, Prov. of Upper.....	6%	7/1/30.....	2,000	1,970 00	16 33	1,986.33
Caldas, Dept. of.....	7½%	1/1/46.....	2,000	1,804 00	20.42	1,824.42
Canadian Int. Paper.....	6%	7/1/49.....	1,000	1,867 50	1 8.17	1,873.67
Canadian Natl Rlys.....	5%	7/1/69.....	1,000	1,172 50	6 81	1,179.31
Canadian Pacific Rly.....	5%	7/1/44.....	16,000	15,875 00	108 89	15,983.89
Cent. Bk. for Agr.....	6%	4/15/38.....	500	430 00	10 42	440 42
Chile, Mtge. Bank of.....	6%	5/1/62.....	16,500	15,980 00	116.06	15,096.06
Minas Geraes, State of.....	8½%	3/1/58.....	1,000	1,000 00	30 51	1,030 51
Ruhr Gas Company.....	6½%	10/1/53.....	2,000	1,633 00	50 19	1,683 19
Serbs, Croates & Slovenes.....	7%	5/1/62.....	2,000	1,454 00	42 39	1,496 39
Yokohama, City of.....	6%	12/1/51.....	7,000	6,541 00	92 17	6,633 17
			28,000	25,032 00	251 88	25,283 88
Union Trust Co. Capitol.....		Stock.....	1,416 shs.			407,202.51
" " ".....		"	5 shs.			140,358.37
						530.00

<sup>1</sup> Denote short sales.

This statement obtained from the files of the Union Cleveland Corporation.



## EXHIBIT U-16-2

## COMPARATIVE INCOME AND EXPENSE

## UNION CLEVELAND CORPORATION—CLEVELAND, OHIO

	Four months ending Dec. 31, 1929	Increase, decrease
<b>INCOME</b>		
From Securities		
Interest—Industrial Bonds and Notes.....	3,108.67	
Interest—Public Utility Bonds.....	867.34	
Interest—Railroad Bonds.....	739.28	
Interest—Real Estate Bonds.....	867.80	
Rental—Land and Leasehold Trust Certificates.....	821.69	
Interest—Federal and Joint Stock Land Bank Bonds.....	89.22	
Interest—Foreign Government and Municipal Securities.....	713.18	
Interest—Foreign Corporation Bonds.....	824.53	
Dividends—Preferred Stocks (Domestic).....	11,296.70	
Dividends—Common Stocks (Domestic).....	5,483.87	
Dividends—Foreign Corporation Stocks.....		
Interest—State, County and Municipal Bonds.....	29.90	
Interest—United States Government Securities.....	1,547.92	
Total Income from Securities.....	26,390.10	
Profit from Underwriting and Distributing		
Originating or Purchase Group.....	26,956.66	
Special Group.....	132,432.24	
Banking Group.....	36,487.31	
Syndicate and Distributing Group.....	161,866.95	
Total Profit from Underwriting and Distributing.....	357,743.16	
Profit from Trading.		
Wholesale.....		
Retail.....	7,380.84	
General Market.....	284,954.02	
Total Profit from Trading.....	277,573.18	
Other Income:		
Interest on Bank Deposits.....	2,463.72	
Interest on Notes Receivable.....	850.65	
Interest on Accounts Receivable.....	569.15	
Interest on Call Loans.....	4,494.42	
Miscellaneous.....	50.00	
Total Other Income.....	8,427.94	
Total Income.....	114,988.02	
<b>EXPENSES</b>		
Operating expense—Originating (100).....	4,236.91	
Operating expense—Selling—Wholesale (200).....	2,192.69	
Operating expense—Selling—Retail (300).....	65,310.55	
Operating expense—Trading (400).....	6,732.05	
Operating expense—Clerical—Cashier (500).....	7,068.22	
Operating expense—Clerical—General Office (600).....	9,459.39	
Operating expense—General Administrative (700).....	45,895.51	
Interest on Bills Payable.....	24,383.35	
Other Interest Charges.....		
Taxes—Federal Income.....		
Taxes—Franchise.....		
Taxes—Personal.....		
Total expense.....	165,278.67	
Operating Loss.....	50,290.65	
Other Charges Reserved for Investment Depreciation.....	37,187.05	
Net Loss.....	87,477.70	

## EXHIBIT U-16-3

## Comparative income and expense—Union Cleveland Corporation, Cleveland, Ohio

	Year ended December 31st		Increase Decrease
	1931	1930	
<b>INCOME</b>			
<b>FROM SECURITIES</b>			
Interest—Industrial Bonds and Notes.....	43,828 49	25,844 88	17,983 61
Interest—Public Utility Bonds.....	6,542 75	2,817 27	3,725 48
Interest—Railroad Bonds.....	3,237 50	7,817 04	4,579 54
Interest—Real Estate Bonds.....	3,578 66	4,790 51	1,211 85
Rental—Land and Leasehold Trust Certificates.....	1,032 72	2,123 97	1,091 25
Interest—Federal and Joint Stock Land Bank Bonds.....	48 79	99 54	50 75
Interest—Foreign Government and Municipal Securities.....	71 07	2,978 54	2,907 47
Interest—Foreign Corporation Bonds.....	1,857 99	2,429 91	571 92
Dividends—Preferred Stocks (Domestic).....	82,833 67	111,935 96	29,102 29
Dividends—Common Stocks (Domestic).....	108,374 59	125,433 30	17,058 71
Dividends—Foreign Corporation Stocks.....	00	00	00
Interest—State, County and Municipal Bonds.....	16 55	289 18	272 63
Interest—United States Government Securities.....	2,034 03	2,314 29	280 26
<b>TOTAL INCOME FROM SECURITIES.....</b>	<b>253,456 81</b>	<b>288,874 39</b>	<b>35,417 58</b>
<b>PROFIT FROM UNDERWRITING AND DISTRIBUTING:</b>			
Originating or Purchase Group.....	121,436 70	196,226 20	74,789 50
Special Group.....	9,695 53	22,844 84	13,149 31
Banking Group.....	22,383 54	32,229 74	9,846 20
Syndicate and Distributing Group.....	91,379 10	303,650 84	212,271 74
<b>TOTAL PROFIT FROM UNDERWRITING AND DISTRIBUTING.....</b>	<b>244,894 87</b>	<b>554,951 62</b>	<b>310,056 75</b>
<b>PROFIT FROM TRADING:</b>			
Wholesale.....	3,162 50	125 95	3,036 55
Retail.....	5,580 22	19,380 15	24,960 37
General Market.....	57,397 63	10,408 71	67,806 34
<b>TOTAL PROFIT FROM TRADING.....</b>	<b>48,654 91</b>	<b>8,845 49</b>	<b>39,809 42</b>
<b>OTHER INCOME</b>			
Interest on Bank Deposits.....	135 36	710 90	575 54
Interest on Notes Receivable.....	4,962 19	1,776 53	3,185 66
Interest on Accounts Receivable.....	1,702 08	812 47	889 61
Miscellaneous.....	500 00	1,000 00	500 00
<b>TOTAL OTHER INCOME.....</b>	<b>7,299 63</b>	<b>4,299 90</b>	<b>2,999 73</b>
<b>TOTAL INCOME.....</b>	<b>456,996 40</b>	<b>839,280 42</b>	<b>382,284 02</b>
<b>EXPENSES</b>			
Operating expense—Originating (100).....	13,463 51	13,991 94	528 43
Operating expense—Selling—Wholesale (200).....	5,414 07	5,927 81	513 74
Operating expense—Selling—Retail (300).....	150,225 44	209,496 31	59,270 87
Operating expense—Trading (400).....	18,857 73	20,001 59	1,143 86
Operating expense—Clerical—Cashier (500).....	18,050 17	19,781 40	1,731 23
Operating expense—Clerical—General Office (600).....	14,382 70	17,240 05	2,857 35
Operating expense—General Administrative (700).....	87,291 84	90,034 18	2,742 34
“ “ Acrued (Not Allocated).....	500 00	1,000 00	500 00
Interest on Notes Payable.....	168,970 39	146,957 87	22,012 52
Other Interest Charges.....	1,071 90	936 26	135 64
Taxes—Federal Income.....	0	0	0
Taxes—Franchise.....	2,346 40	2,997 52	148 88
Taxes—Personal.....	1,812 50	27 69	1,784 81
<b>Total Expense.....</b>	<b>482,386 65</b>	<b>527,592 62</b>	<b>45,205 97</b>
<b>Operating Profit.....</b>	<b>25,390 25</b>	<b>311,687 80</b>	<b>337,078 05</b>
<b>Other Charges Reserved for Investment Depreciation.....</b>			
<b>Net Profit.....</b>			

## EXHIBIT U-16-4

## COMPARATIVE INCOME AND EXPENSE

## UNION CLEVELAND CORPORATION—CLEVELAND, OHIO

	Year ending December 31st		Increase decrease
	1932	1931	
<b>INCOME</b>			
From securities			
INTEREST—Industrial Bonds and Notes	43,849 22	43,828 49	20 73
INTEREST—Public Utility Bonds	8,552 30	6,542 75	2,009 55
INTEREST—Railroad Bonds	58 36	3,237 50	3,179 14
INTEREST—Real Estate Bonds	115 17	3,578 06	3,463 49
RENTAL—Land and Leasehold Trust Certificates	635 40	1,032 72	397 32
INTEREST—Federal and Joint Stock Land Bank Bonds	5 53	48 79	43 26
INTEREST—Foreign Government and Municipal Securities	15 10	71 07	55 97
INTEREST—Foreign Corporation Bonds	6,540 56	1,857 99	4,682 57
DIVIDENDS—Preferred Stocks (Domestic)	57,814 99	82,833 67	25,018 68
DIVIDENDS—Common Stocks (Domestic)	43,005 71	108,374 59	65,368 88
DIVIDENDS—Foreign Corporation Stocks			
INTEREST—State, County and Municipal Bonds	21 08	16 55	4 53
INTEREST—United States Government Securities	1,536 65	2,034 03	497 38
Total income from securities	162,150 07	253,456 81	91,306 74
Profit from underwriting and Distributing			
Originating or Purchase Group		121,436 70	121,436 70
Special Group		9,695 53	9,695 53
Banking Group	2,019 08	22,383 54	20,364 46
Syndicate and Distributing Group	1,413 75	91,379 10	89,965 35
Total profit from Underwriting and Distributing	3,432 83	244,894 87	241,462 04
Profit from Trading			
Wholesale	290 00	3,162 50	2,872 50
Retail	7,809 91	5,580 22	2,229 69
General Market	25,118 32	57,397 63	82,515 95
Total Profit from Trading	33,218 23	48,654 91	81,873 14
Other Income			
Interest on Bank Deposits	59 76	135 36	75 60
Interest on Notes Receivable	5,053 56	4,962 19	91 37
Interest on Accounts Receivable	1,994 57	1,702 08	292 49
Miscellaneous	12,018 83	500 00	11,518 83
Total other Income	19,126 72	7,299 63	11,827 09
Total Income	217,927 85	456,996 40	239,068 55
<b>EXPENSES</b>			
Operating Expense	101,239 14	308,185 46	206,946 32
Interest on Notes Payable	153,483 59	168,970 39	15,486 80
Other Interest Charges	53 86	1,071 90	1,018 04
Taxes—Federal Income			
Taxes—Franchise	219 80	2,346 40	2,126 60
Taxes—Personal	1,099 00	1,812 50	713 50
Total Expense	256,095 39	482,386 65	226,291 26
Operating Loss	38,167 54	25,390 25	12,777 29
Other charges			
Reserved for Investment Depreciation			
Profit—Sale of Securities	28,944 38		28,944 38
Losses—Sale of Securities	159,561 83		159,561 83
Net Loss	168,784 99	25,390 25	143,394 74

## EXHIBIT U-16-5

## COMPARATIVE INCOME AND EXPENSE

## UNION CLEVELAND CORPORATION—CLEVELAND, OHIO

	Ten months ended Oct. 31		Increase decrease
	1933	1932	
<b>INCOME</b>			
<b>From Securities:</b>			
Interest—Industrial Bonds and Notes.....	13,632.07	36,667.42	23,035.35
Interest—Public Utility Bonds.....	339.26	7,497.96	7,158.70
Interest—Railroad Bonds.....	8.46	55.28	46.82
Interest—Real Estate Bonds.....	55.56	104.76	49.20
Rental—Land and Leasehold Trust Certificates.....	.64	813.95	813.31
Interest—Federal and Joint Stock Land Bank Bonds.....	1.76	2.34	.58
Interest—Foreign Government and Municipal Securities.....		9.45	9.45
Interest—Foreign Corporation Bonds.....	2.19	1,423.33	1,421.14
Dividends—Preferred Stocks (Domestic).....	40,648.33	52,687.63	11,939.30
Dividends—Common Stocks (Domestic).....	20,361.30	42,958.45	22,607.15
Dividends—Foreign Corporation Stocks.....			
Interest—State, County and Municipal Bonds.....		21.09	21.09
Interest—United States Government Securities.....	192.98	1,445.33	1,252.35
<b>Total Income From Securities.....</b>	<b>75,232.55</b>	<b>143,686.99</b>	<b>68,454.44</b>
<b>Profit from Underwriting and Distributing:</b>			
Originating or Purchase Group.....			
Special Group.....			
Banking Group.....		2,019.08	2,019.08
Syndicate and Distributing Group.....		1,413.75	1,413.75
<b>Total Profit from Underwriting and Distributing.....</b>		<b>3,432.83</b>	<b>3,432.83</b>
<b>Profit from Trading:</b>			
Wholesale.....		290.00	290.00
Retail.....		7,809.91	7,809.91
General Market.....	5,341.25	22,394.07	17,052.82
<b>Total Profit from Trading.....</b>	<b>5,341.25</b>	<b>30,493.98</b>	<b>25,152.73</b>
<b>Other Income:</b>			
Interest on Bank Deposits.....	4.37	59.76	55.39
Interest on Notes Receivable.....	4,873.62	4,157.71	715.91
Interest on Accounts Receivable.....	132.06	1,989.55	1,857.47
Miscellaneous.....	24,743.35	9,655.63	15,087.72
Profit—Sale of Securities.....	24,240.51	28,944.38	4,703.87
<b>Total Other Income.....</b>	<b>53,993.93</b>	<b>44,807.03</b>	<b>9,186.90</b>
<b>Total Income.....</b>	<b>134,567.73</b>	<b>222,420.83</b>	<b>87,853.10</b>
<b>EXPENSES</b>			
Operating Expense.....	27,098.17	87,381.53	60,283.36
Losses—Sale of Securities.....	2,633.65	77,190.89	74,557.24
Losses—Miscellaneous.....	1,342.69		1,342.69
Interest on Bills Payable.....	175,259.41	130,083.89	45,175.52
Other Interest Charges.....		53.86	53.86
Taxes—Federal Income.....			
Taxes—Franchise.....	25.00	183.10	158.10
Taxes—Personal.....	450.18	915.82	465.64
<b>Total Expense.....</b>	<b>206,809.10</b>	<b>295,809.09</b>	<b>88,999.99</b>
Operating Loss.....	72,241.37	73,388.26	1,146.89
Other Charges: Reserved for Investment Depreciation.....			
<b>Net Profit.....</b>			

U-16-7

65

NAME ADDRESS UNION CLEVELAND COOP

BOND DIRECT INDIRECT

COLLATERAL LOANS

FORM NO. O-92-2558-7-25 THE UNION TRUST COMPANY - CLEVELAND

OLD BALANCE	DATE	NO.	MAKER	ENDORSER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
	10-1-29	60264			6 DEM		300 000 00	10-4-29	100 000 00	300 000 00	10-1-29
500 000 00	10-4-29							10-5-29	150 000 00	400 000 00	10-4-29
800 000 00	10-5-29							10-9-29	50 000 00	50 000 00	10-5-29
50 000 00	10-9-29										10-9-29
	10-17-29	61130			6 DEM		300 000 00	11-6-29	300 000 00	300 000 00	10-17-29
300 000 00	10-30-29	61806			6 DEM		2150 000 00	10-31-29	400 000 00	2450 000 00	10-30-29
2450 000 00	11-31-29							11-1-29	100 000 00		
2050 000 00	11-1-29							11-2-29	100 000 00	2050 000 00	10-31-29
1950 000 00	11-2-29							11-4-29	150 000 00	1950 000 00	11-1-29
1850 000 00	11-4-29							11-6-29	1400 000 00	1850 000 00	11-2-29
1700 000 00	11-6-29									1700 000 00	11-4-29
	10-19-31	93253			6 DEM		600 000 00				10-19-31
		93254			5 DEM		400 000 00	12-10-32	5 035 21		
1560 000 00	10-23-31	93262			5 DEM		560 000 00	1-4-33	50 000 00		
		93417			5 DEM		260 000 00	1-13-32	365 000 00	1560 000 00	10-19-31
		93410			5 DEM		500 000 00	2-2-32	120 000 00		
		93409			5 DEM		260 000 00	10-23-31	1 450 00		
2578 550 00	10-26-31							10-26-31	1 200 00		
2577 350 00	10-27-31	93410X						5-16-32	1 386 32	2578 550 00	10-26-31
2576 550 00	10-28-31							9-3-32	100 00		
2576 150 00	10-31-31							9-7-32	400 00	2577 350 00	10-26-31
2575 750 00	11-2-31							10-27-31	500 00	2576 550 00	10-27-31
								10-28-31	400 00	2576 150 00	10-28-31
2575 350 00	11-5-31							10-31-31	400 00		
2575 150 00	11-9-31							11-2-31	400 00	2575 750 00	10-31-31
2574 150 00	11-12-31							11-5-31	1 000 00		
2573 750 00	12-1-31							11-9-31	400 00	2575 350 00	11-2-31
2572 550 00	12-7-31							11-12-31	1 200 00		
2572 150 00	12-15-31							11-19-31	400 00	2574 150 00	11-5-31
2571 350 00	5-5-33							12-1-31	100 00	2573 750 00	11-9-31
2570 950 00								12-7-31	400 00	2572 550 00	11-12-31
2568 890 00	1-13-32	96569			6 DEM		365 000 00	12-15-31	2 050 00	2572 150 00	11-19-31
2568 890 00	2-2-32	97294			5 DEM		120 000 00	5-5-33	7 515 00	2571 350 00	12-7-31
										2570 950 00	12-15-31
								4-5-32	950 00	2568 890 00	1-13-32
								9-14-32	1 760 00	2568 890 00	2-2-32
								12-10-32	12 810 12	2568 890 00	2-2-32

UNION CLEVELAND COOP

EXHIBIT U-16-6

Name, Union Cleveland Corporation. Address, \_\_\_\_\_; bond: direct; indirect unsecured loans:

Old balance	Date	Number	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date
3,075,000.00	1930 4-24	12668			5	DEM	600,000.00	6-27	64,245.00	3,675,000.00	*4-24
3,675,000.00	4-25							7-1	75,000.00		
3,625,000.00	4-28							7-3	50,000.00	3,625,000.00	*4-25
								7-5	25,000.00		
								7-7	75,000.00	3,550,000.00	*4-28
								7-8	140,000.00		
3,550,000.00	4-29							7-9	100,000.00	3,300,000.00	*4-29
3,300,000.00	4-30							7-11	70,755.00	3,250,000.00	*4-30
3,250,000.00	5-1	12985			3	DEM	650,000.00	8-25	650,000.00	3,125,000.00	*5-1
3,225,000.00	5-2									3,225,000.00	*5-2
3,125,000.00	5-3									2,875,000.00	*5-3
2,875,000.00	5-5	13177			5	DEM	50,000.00	7-11	50,000.00	2,925,000.00	*5-5
2,925,000.00	5-6	13223			5	DEM	175,000.00	7-11	29,245.00	3,100,000.00	*5-6
								7-14	100,000.00	2,850,000.00	*5-9
3,100,000.00	5-7							7-18	45,755.00	3,000,000.00	*5-10
2,950,000.00	5-9									2,900,000.00	*5-12
2,850,000.00	5-10	13344			3	DEM	150,000.00	7-17	75,000.00	3,800,000.00	*5-13
3,000,000.00	5-12							7-18	9,245.00		
								7-19	25,000.00	3,650,000.00	*5-15
2,900,000.00	5-13	13517			5	DEM	900,000.00	7-21	40,755.00	3,600,000.00	*5-17
								8-11	25,000.00		
3,800,000.00	5-15							7-21	34,245.00		
3,650,000.00	5-17							7-23	75,000.00		
								7-24	40,000.00	3,550,000.00	*5-19
								7-26	40,000.00	3,650,000.00	*5-20
3,600,000.00	5-19							7-29	25,000.00		
								7-30	50,000.00		
								8-4	100,000.00	3,700,000.00	*5-22
								8-12	50,000.00		
3,550,000.00	5-20	13805			5	DEM	100,000.00	8-5	25,000.00		
								8-6	120,000.00	3,675,000.00	*5-24
								8-7	40,000.00		
3,650,000.00	5-22	13886			5	DEM	50,000.00	8-8	40,000.00		
								8-13	40,000.00	3,950,000.00	*5-27
3,700,000.00	5-24							8-20	100,000.00	3,825,000.00	*5-28
3,675,000.00	5-27	14137			5	DEM	275,000.00	8-20	50,000.00		
3,950,000.00	5-28							9-20	204,245.00	3,650,000.00	*6-2
								8-21	65,000.00	Balance forward.	
3,825,000.00	6-2							8-23	5,755.00		
3,650,000.00	6-5										

(Exhibit U-16-7 faces this page)

STOCK EXCHANGE FRACTIONS

9175

EXHIBIT U-16-8

Old balance	Date	Number	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date
3,340,000.00	1930									3,340,000.00	*10-24
3,390,000.00	10-25	20439			5	DEM	50 000 00	12-31	50,000 00	3,390,000.00	*10-25
3,340,000.00	10-27									3,340,000.00	*10-27
3,340,000.00	10-28									3,275,000.00	*10-28
3,275,000.00	10-29	20586			5	DEM	400 000 00	12-31	400,000 00	3,675,000.00	*10-29
3,675,000.00	10-30									3,275,000.00	*10-30
3,275,000.00	10-31	20674			5	DEM	225 000 00	12-31	225,000 00	3,500,000.00	*10-31
3,500,000.00	11-1	20695			5	DEM	50 000 00	12-31	50,000 00	3,550,000.00	*11-1
3,550,000.00	11-3									3,475,000.00	*11-3
3,475,000.00	11-4									3,430,000.00	*11-4
3,430,000.00	11-5	20907			5	DEM	110 000 00	12-31	110,000 00	3,540,000.00	*11-5
3,540,000.00	11-6									3,440,000.00	*11-6
3,440,000.00	11-7									3,415,000.00	*11-7
3,415,000.00	11-8	20998			5	DEM	25 000 00	12-31	25,000 00	3,440,000.00	*11-8
3,440,000.00	11-10	21081			5	DEM	35 000 00	12-31	35,000 00	3,450,000.00	*11-10
3,450,000.00	11-13									3,420,000.00	*11-13
3,420,000.00	11-19									3,395,000.00	*11-19
3,395,000.00	11-20									3,355,000.00	*11-20
3,355,000.00	11-21									3,335,000.00	*11-21
3,335,000.00	11-29	21717			5	DEM	25 000 00	12-31	25,000 00	3,360,000.00	*11-29
3,360,000.00	12-1	21800			5	DEM	80 000 00	12-31	80,000 00	Balance forward	*12-1

EXHIBIT U-16-9

Old balance	Date	Number	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date
3450 000 00	10-19									3450 000 00	10-16
1775 000 00	10-21	37246			5	DEM	10 000 00	12-1	10 000 00	1775 000 00	10-19
1785 000 00	10-23									1785 000 00	10-21
750 000 00	10-26									750 000 00	10-23
685 000 00	10-27	37484			5	DEM	20 000 00	12-1	20 000 00	685 000 00	10-26
705 000 00	10-28									705 000 00	10-27
660 000 00	10-29	37535			5	DEM	100 000 00	12-8	15 000 00	660 000 00	10-28
								12-5	10 000 00	760 000 00	10-29
								12-1	35 000 00		
								12-3	30 000 00		
760 000 00	10-30	37582			5	DEM	50 000 00	12-4	10 000 00	840 000 00	10-31
								12-15	15 000 00		
								12-16	35 000 00	790 000 00	11-2



U-16-10

NAME  
ADDRESS

BOND DIRECT  
INDIRECT

COLLATERAL LOANS

OLD BALANCE	DATE	NO.	MAKER	ENDORSER OR COLLATERAL	RATE	DUE DATE	DEBIT	DATE PAID	CREDIT	BALANCE	DATE
2568 890 00	4-5-32		96569X					9-12-32	17 430 00	2567 940 00	4-5-32
2567 940 00	5-16-32							9-28-32	71 750 00		
2566 553 68	9-3-32		97294X					11-29-32	31 630 29	2566 553 68	5-16-32
2565 753 68	9-7-32							12-1-32	39 343 11		
2565 353 68	9-12-32							12-2-32	4 481 33	2565 753 68	9-3-32
2547 923 68	9-12-32							9-28-32	23 250 00		
2546 173 68	9-28-32							9-29-32	13 993 20	2565 353 68	9-7-32
2451 173 68	9-29-32							9-30-32	6 023 26		
2437 175 48	9-30-32							9-30-32	20 922 30	2547 923 68	9-12-32
2410 229 92	10-1-32							10-1-32	1 215 33		
2409 014 59	10-4-32							10-4-32	6 116 50	2546 173 68	9-14-32
2401 066 41	10-5-32		96569X					10-4-32	1 831 68	2451 173 68	9-28-32
2399 833 92	10-6-32							10-5-32	1 232 49		
2399 223 13	10-13-32							10-6-32	610 79	2437 175 48	9-29-32
2395 023 48	11-29-32							10-18-32	4 199 65	2410 229 92	9-30-32
2363 393-19	12-1-32							12-9-32	26 039 68		
2324 045 08	12-2-32									2409 014 59	10-1-32
2319 563 75	12-3-32									2401 066 41	10-4-32
2304 462 25	12-6-32										
2257 893 80	12-9-32										
2231 854 12	12-10-32										
2214 008 79	1-4-33										
2164 008 79	2-15	11419			6	DEMAND	40 577 78	2-16-33	40 577 78	2204 586 57	2-15-33
2204 586 57	2-16	11519			Ab	6-16-31	1000 000 00			3164 008 79	2-16-33
3164 008 79	2-23	11677			Ab	6-23	516 000 00				
		11644			Ab	6-22	338 100 00				
4018 108 79	5-5								O. L. COX 4-30-33	4018 108 79	2-23-33
4010 593 79	6-2	93254X								4010 593 79	5-5-33
								6-2-33	18 448 07		
								6-2-33	7 395 20	3984 750 52	6-2-33
								6-3-33	960 15		
								6-5-33	7 397 89		
3984 750 52	6-3							6-5-33	7 421 85	3983 790 37	6-3-33
3933 790 37	6-5							6-5-33	7 421 81		
								6-5-33	7 421 97		
								6-5-33	7 421 97	3945 534 88	6-5-33

Balance Forward



810 000 00	10-31	37621			5	DEM	30 000 00	{ 12-16 12-18	5 000 00 25 000 00	845 000 00	11-3
840 000 00	11-2									830 000 00	11-4
										860 000 00	11-5
790 000 00	11-3	37720			5	DEM	55 000 00	{ 12-18 12-23 12-24	5 000 00 20 000 00 30 000 00	830 000 00	11-6
845 000 00	11-4										
830 000 00	11-5	37790			5	DEM	30 000 00	12-24	30 000 00	{ 840 000 00 780 000 00 805 000 00 855 000 00	11-7 11-9 11-10 11-12
860 000 00	11-6										
830 000 00	11-7	37813			5	DEM	10 000 00	12-24	10 000 00		
840 000 00	11-9										
780 000 00	11-10	37930			5	DEM	25 000 00	12-24	5 000 00		
805 000 00	11-12	37902			5	DEM	50 000 00	{ 12-26 12-29	15 000 00 5 000 00 50 000 00		

(Exhibit U-16-10 faces this page)

## EXHIBIT U-16-11

Old balance	Date	Num-ber	Maker	Endorser or collateral	Rate	Due date	Debit	Date paid	Credit	Balance	Date
775 000 00	12-28	39435		Rate changed to 6% as of 9-1-33	6	DEM	25 000 00			800 000 00	12-2
800 000 00	12-29									735 000 00	12-29
735 000 00	12-30	39584		Rate changed to 6% as of 9-1-33	6	DEM	10 000 00			745 000 00	12-30
745 000 00	12-31	39626		Rate changed to 6% as of 9-1-33	6	DEM	45 000 00			790 000 00	12-31
790 000 00	1932									710 000 00	1-2
	1-2									690 000 00	1-4
710 000 00	1-4									880 000 00	1-5
690 000 00	1-5	39777		Rate changed to 6% as of 9-1-33	6	DEM	190 000 00			910 000 00	1-6
880 000 00	1-6	39803		Rate changed to 6% as of 9-1-33	6	DEM	30 000 00			933 426 64	9-20
910 000 00	9-20	47195			0	DEM	23 426 64	9-27	23 426 64	893 426 64	9-27
933 426 64	9-27									993 426 64	12-29
893 426 64	12-29	49270		Rate changed to 6% as of 9-1-33	6	DEM	100 000 00				
993 426 64	1933									989 763 41	6-30-33
	6-30									989 133 57	8-9-33
989 763 41	8-9									988 683 41	9-26-33
989 133 57	9-26									984 446 36	9-28-33
988 683 41	9-28									984 361 36	10-30-33
984 446 36	10-30									982 033 91	11-20
984 361 36	11-20									981 238 10	11-24
982 033 91	11-24										

Possession of bussiness and property taken June 15, 1933. I. J. Fulton, Supt. of Banks.

## EXHIBIT U-16-12

## EXHIBIT "A"

*Balance sheet Union Cleveland Corporation October 31, 1933*

ASSETS		
Cash:		
On Hand.....	\$192. 09	
On Deposit.....	43, 965. 29	
		\$44, 157. 38
The Union Trust Company:		
Special Deposit Account (Impounded).....	7, 529. 71	
Special Deposit Account (Available).....	262. 02	
		7, 791. 73
Notes and Accounts Receivable:		
Notes Receivable—For Securities Sold.....	2, 025. 82	
Notes Receivable—Special.....	97, 750. 00	
Accounts Receivable—For Securities Sold.....		
Accounts Receivable—Employees Stock Sub.....	475. 06	
		100, 250. 88
Accrued Accounts:		
Interest, Rental and Dividends on Securities.....	11, 834. 97	
Interest—On Notes Receivable.....	5, 516. 18	
		17, 351. 15
Securities and Investments:		
Securities—Purchased for Re-sale.....	347, 008. 75	
Investments.....	4, 256, 176. 88	
		4, 603, 185. 63
Advances: Reorganizations, etc.....		189. 94
		4, 772, 926. 71
Total assets.....		
LIABILITIES		
Notes Payable:		
To Union Trust Co. Cleveland—Secured.....	3, 580, 767. 11	
To Union Trust Co. Cleveland—Unsecured....	984, 361. 36	
		4, 565, 128. 47
Accounts Payable.....		450. 80
Customers' Deposits:		
Special Deposit Account (Impounded).....	7, 529. 71	
Special Deposit Account (Available).....	262. 02	
		7, 791. 73
Accrued Accounts:		
Interest on Notes Payable.....	163, 581. 72	
State Franchise Tax.....		
Personal Property Tax.....	180. 09	
		163, 761. 81
Total Liabilities.....		
Capital: Common Stock—No Par Value—De-		
clared Value.....	2, 000, 000. 00	
Surplus:		
Earned (See Exhibit B).....	3, 206. 96	
Deficit.....	1, 960, 999. 14	
		35, 793.
Total liabilities and capital.....		

EXHIBIT U-16-13

Excerpt from State Banking Report dated January 20, 1933.

\* \* \* \* \*

UNION CLEVELAND CORP., \$3,157,435.43

This company is an investment affiliate of the bank and is also used as a holding company for the capital stock of the Chagrin Falls Banking Co. The loan is collateralized by a large number of listed and unlisted stocks and bonds. The market value of the collateral held is approximately \$1,218,000. No value has been allowed for the capital stock of the Chagrin Falls Bank. All of the assets of the company are pledged to the bank to secure this loan. A number of the securities held are investments in substantial companies whose securities are believed to be selling at prices far under their true value. In making an appraisal of this loan, the examiner has endeavored to make allowances for possible recovery in market value of such securities. The shortage in collateral on date of examination was approximately \$1,939,000. For the purpose of this investigation, loss of \$1,239,000 has been estimated and \$700,000 has been classed doubtful, the latter portion being the amount which the examiner believes has a reasonable possibility of being recovered.

EXHIBIT U-16-14

Issue, Construction Materials Corporation, two year 6% notes; date offered, 4-8-31; house of issue, Union Cleveland Corporation; total issue, \$1,500,000; maturity, 3-15-33; account closes, 6/6/31; extensions 8/6; bankers disc. ———; dealers disc. ———; liability: limited, unlimited; take-up price 99½; offering price 99½; interest or dividend dates ———.

Position						Resales and adjustments				
Group	From	To	Amount	%	Profit	House	Amount	%	Profit	Memo.
Purchase.....	97	97½	625,000	½	3,125	(Less Ex.).....				
Special.....	97½	98	250,000	½	1,250	(Sales to Contractors & Terminal Bank, Chicago @ 98).				
Bankers.....										
Syndicate.....										
Selling com.....	97½	99½	131,000	2	2,620	Ledoyer Clarke & Co.	7,000	2½	175	
Underwriting syndicate.....										
Trading acc't.....										

Additional purchases from dealers

House	Amount	Price	Profit received	House	Amount	Price	Profit received
Totals.....							

Participation record.

Issue, Construction Materials Corporation, two year 6's due 3-16-33; expenses: purchase, ———; special, ———; banking, ———; syndicate selling, ———.

Profits received			Adjustments		Securities purchased by managers		
Date	Group	Amount	House	Amount	Numbers	Amount	Customer
8/6	Take up.....						
	Selling com.....	2,380 00	Ledoyer Clarke & Co.	175			
8/6	Syndicate.....						
	Purchase.....	3,586 80					
	Banking.....						
	Special.....						
	Trading.....						
	Other houses.....						
	Totals.....	5,966 80			Penalty.		
	Less adjustments.....	175 00					
	Total net profit rec'd.....	5,791.80					

Remarks:

EXHIBIT U-16-15

Issue, Dow Chemical Company 10-yr. 6% sinking fund gold notes (\$3,500,000); date, 3-3-30; free market; house of issue, Union Cleveland Corporation. Dated, 2-1-30. Due, 2-1-40; syndicate closes May 3; extensions, ———; bankers disc., ¼; dealers disc., ¼; liability, limited, unlimited; take up price, 100¼; offering price, 100; special terms, ———.

Position						Adjustments				Net estimated profit
Group	From	To	Amount	%	Est profit	House	Amount	%	Est profit	
Purchase.....	97¾	98¼	1,400,000	½	7,000.00					
Bankers.....										
Special.....	98¼	98½	1,240,000	¼	3,100.00					
Selling com.....	98½	100	730,000	1½	10,950.00					
Syndicate.....										
Firm bonds.....										
Trading acc't.....										
Oversales.....										

Repurchases from dealers

House	Amount	Price		Resold to	Amount	Price	

1 Less Ex.

Special.

Participation record.

Bond department, The Union Trust Company, Cleveland, Ohio.

Total net estimated profit, =——; firm bonds, ——; total inside position

Issue; Dow Chemical Company 6's due 2-1-40; syndicate closed ———; syndicate expenses, (1.12 per M).

Profits received			Allotment of profits				Securities repurchased		
Date	Group	Amount	House	Amount	Penalty	Net	Numbers	Amount	
	¼ take up...	1,825 00							
3/28	Selling .....	9,125 00							
4/16	Banking .....	3,100 00							
4/16	Purchase .....	5,435.49							
Totals .....		19,485.49							
Less allotments .....									
Total net profit rec'd .....									

Remarks:

EXHIBIT U-16-16

Issue; Sensibar Transportation Company First Mtge. Marine Equipment 6% S.F. Bonds. Date offered, 3-30-31; House of issue, Union Cleveland Corporation; total issue, \$1,650,000; maturity, 3-15-43; account closes, 5/29/31; extensions, 7/29/31; bankers disc., 1/4; dealers disc., 1/4; liability, limited, unlimited; take up price, 99; offering price, 99; interest or dividend dates.

Group	Position					Resales and adjustments				
	From	To	Amount	%	Profit	House	Amount	%	Profit	Memo.
Purchase .....	93	94½	660,000	1½	9,900					
Special .....	94½	95½	500,000	1	5,000					
Bankers .....	95½	96	250,000	½	1,250					
Syndicate .....										
Selling com .....	96	99	250,000	3	7,500					
Underwriting syndicate .....										
Trading acc't .....										

<sup>1</sup> Less Ex

Union Cleveland Corporation, Cleveland, Ohio.  
Participation record.

Issue, Sensibar Transportation Co. 6's; expenses; purchase, ———; special, ———; banking, ———; syndicate selling, 1.954 per M.

Date	Profits received		Adjustments		Securities purchased by managers		
	Group	Amount	House	Amount	Numbers	Amount	Customer
	Take up .....						
8/6	Selling Com .....	14,401 62					
8/	Syndicate .....						
8/6	Purchase .....	3,900 00					
8/6	Special .....	5,300 00					
8/6	Banking .....	2,600 00					
	Trading .....						
	Other Houses .....						
Totals .....		32,201.62					
Less adjustments .....							
Total net profit rec'd .....							

Remarks:

(Exhibits U-16-17 through U-16-18 face this page)

## EXHIBIT U-16-19

JANUARY 15, 1930.

MISS K. YOUNG: Please advise Mr. Smith that I have already drafted the Minutes for the annual meetings of The Akers Folkman Company and The Union Cleveland Company. The Akers Folkman meeting is scheduled for January 21st at 10:00 A.M. and The Union Cleveland Company meeting January 20th at 11:00 a.m. If Mr. Smith is likely to be away on either of these days, please advise me so that I can procure his Waiver and Proxy in advance.

Very truly yours,

\_\_\_\_\_  
Vice President.

GHH:W

## EXHIBIT U-16-20a

HAYDEN, MILLER AND COMPANY,  
INVESTMENT BONDS,  
Union Trust Building, Cleveland, June 26, 1930.

E. N. WAGLEY,  
Secretary, Union Cleveland Corporation,  
Union Trust Building, Cleveland, Ohio.

DEAR MR. WAGLEY: I enclose with this a memorandum which at your request I have dictated for the purpose of showing what I said at the meeting of the Union Cleveland Corporation Directors of the 24th inst. and something of the circumstances which occasioned my remarks. Of course my report of my own comments is not verbally accurate but I think I have gathered up the substance and effect of what I had to say. I rather think that if I were doing it I would not attempt to report debates in the minutes but that is a matter that as far as I am concerned may be decided by the officers. Even if the story is not put in the minutes it may be useful to have it in the files for future reference if occasion arises.

Very truly yours,

W. S. HAYDEN.

WSH:EL

## EXHIBIT U-16-20b

New business being the order, the President stated that Mr. Baldwin had a matter to present to the Board. Mr. Baldwin then said that prevalent low prices for sound stocks had led the officers to consider purchases for the rise, and orders had been placed to buy shares of American Tel. & Tel., General Electric, U.S. Steel, F. E. Myers & Bro., New York Central and Electric Auto Lite. Execution of all these orders would absorb about \$500,000 and of this sum \$213,000 had to date been absorbed by orders executed. This, however, had not yet appeared on the books because the acquired shares had not yet been delivered. The officers wished to take the opinion of the Board upon the general policy of such operations and upon the particular procedures already under way for the purpose of averaging down the cost of shares purchased before the declines of last fall at prices now showing substantial losses. Mr. Baldwin asked Mr. Coney to read to the Board a memorandum which he had made to bring out clearly the existing status and the points to be discussed.

Mr. Coney then read the following memorandum: [Omitted.]

## EXHIBIT U-16-20c

Speaking to the memorandum Mr. Hayden said that, while it was inevitable that the Corporation at times suffer inventory losses in the course of merchandising and underwriting, he thought that the shareholders of the Trust Company, who of course were identical with the shareholders of the Corporation, would be unhappily affected if it appeared that the Corporation as a matter of customary policy were buying and selling on the board merely as a client of brokers. It would be his inclination to advise against trading of this sort as a part of the regular business of the Corporation. He would not say that such operations should never be engaged in. In fact, in the immediate case, as an example, he would find it difficult to oppose buying some of the sound shares for which orders

NORTON STEEL COMPANY 2-yr 6% GOLD NOTES (\$3,000,000)											
ISSUE:		DATE: Jan. 3, 1930		FIRM MARKED:							
HOUSE OF ISSUE: Midland Corporation		DATED: 1-1-30		DUE: 12-31-31							
SYNDICATE CLOSURE: 2/1/30		EXTENSIONS: Jan 3/1/30		BANKERS DISC: 1/8							
TAKE UP PRICE: 100 - 1/8		OFFERING PRICE: 100 1/2		DEALERS DISC: 1/8							
		SPECIAL TERMS:		LIABILITY: LIMITED							
GROUP	FROM TO	POSITION	AMOUNT	%	EST. PROFIT	HOUSE	ADJUSTMENTS	AMOUNT	%	EST. PROFIT	NET ESTIMATED PROFIT
PURCHASE	4785	1,200,000	12,000	1	12,000	Summit - Dist. Co.	125,000	1 1/2	1875.00	1400 (take up)	
BANKERS	4888 1/2	15,000	250	1 2/3	4,750 (A)	First National Dist. Co.	25,000	1 1/2	75.00		
SPECIAL											
SELLING COM.	8000	8000	130.00	1 1/2	130.00	Sec. Inv. Mfg. Co. A. Co.	100,000	1 1/2	1500.00	1/2 net (take up)	
SYNDICATE		175,000				Alliance Ins. Co. (Bond)	5,000	1 1/2	75.00	" "	
FIRM BONDS						Sec. National Dist. Co.	125,000	1 1/2	1875.00	" "	
TRADING ACCT											
OVERSALES											
* 200,000 - Sold to SPECIAL ACCOUNT FOR CORPORATION. - 2/1/30 -											
REPURCHASES FROM DEALERS											
HOUSE	AMOUNT	PRICE	AMOUNT	PRICE	REMARKS						
WARR. CARTERS & Co.	10,000	100 - 1/4	1/2 ON TAKE UP								
MCDONALD-CALLAHAN	50,000	" "	" "								
EDWIN KELLY & Co.	20,000	" "	" "								
R.S. TALBERT & Co.	15,000	" "	" "								
SUMMIT BRGS & Co.	10,000	100 - 1/4	" "								
SPENCER-HAMBERG & Co.	8,000	100 - 1/4	" "								
HAYDEN-MILNER & Co.	15,000	100 - 1/4	1/2 ON TAKE UP								
TOTAL NET ESTIMATED PROFIT											
FIRM BONDS											
TOTAL INSIDE POSITION											

EXHIBIT U-16-17 (1)

NORTON STEEL CO. 6 1/2									
SYNDICATE CLOSURE:		SYNDICATE EXPENSES: (51 c Jan 14)							
PROFITS RECEIVED					ALLOTMENT OF PROFITS			SECURITIES REPURCHASED	
DATE	GROUP	AMOUNT	HOUSE	AMOUNT	PENALTY	NET	NUMBERS	AMOUNT	
TAKE UP	1/2 TAKE UP	183,000							
	1/2 TAKE UP	177.75	Sec. Inv. Mfg. Co.	125,000	1/2 on take up	156.25			
	HAYDEN-MILNER (4-11)	112.50	Sec. Inv. Mfg. Co.	100,000	" "	135.00			
	MIDLAND - BANKING	62.50	Alliance Ins. Co.	5,000	" "	6.25			
	" (11-1-31)	55.50							
1/1/30	PURCHASE	12,000	Summit Dist. Co.	125,000	1 1/2 R.S.C.	1713.75			
1/1/30	BANKING	348.25	Sec. Inv.	100,000	" "	1395.00			
1/1/30	SELLING	12,141.25	Alliance Ins. Co.	5,000	" "	68.75			
1/1/30	MCDONALD-CALLAHAN	137.50							
1/1/30	EDWIN KELLY	206.25							
1/1/30	MCDONALD-CALLAHAN	477.50							
1/1/30	RUMFORD & Co.	487.50							
1/1/30	SPENCER-HAMBERG	27.50							
1/1/30	SPENCER-HAMBERG	30.	Summit Dist. Co.	25,000	1 1/2 on CB	175.00			
TOTALS		31,493.06							
LESS ALLOTMENTS		34.50							
TOTAL NET PROFIT REC'D		28,523.06							
REMARKS:		183							
		28,398.06							

EXHIBIT U-16-17 (2)





had been placed. Nevertheless he thought that all must recognize the seriousness of the risk; that if there were a rule generally forbidding trading on the board as a recognized policy, and exceptions to that rule were allowed, it would not be too much to say that the rule would almost certainly be drowned by the exceptions.

If the Board had a different view from his he thought that definite restrictions of board trading should be stated and adhered to. For example, the maximum amount to be employed at any time in such operations should never exceed a prescribed part of the Corporation's resources, and purchases should be limited to a carefully studied list of issues of approved quality. When he said "a carefully

## EXHIBIT U-16-20c

studied list" he meant that each item in such a list should be thoroughly studied and its investment merit thereby demonstrated. American Tel. & Tel. stock could be studied in that way but the same would not be true of every market leader. For example, Electric Bond & Share, though often popular and well regarded, is not susceptible to study, not only because of the difficulty of getting data but because of the extremely intricate character of the structure. Everyone knows that Electric Bond & Share is big, controls very important properties and is managed by men of great reputation but it is extremely difficult to know very much more than that.

Within the limits of policy fixed by the restrictions resolved upon, the administration of board trading should lie wholly with one man and not with any group of men. The administrator no doubt would consult others but those consulted would not take part in decision. The decision would be that of the one man. A plural executive is weak and decisions as a whole seldom represent the individual opinion of any one. There is always the tendency on the part of each to yield to others upon one item in expectation that others will yield to him upon other items. In effect this is the sort of log-rolling which produces tariff acts. Moreover in such an important question as that of price, decisions are arrived at by average

## EXHIBIT U-16-20d

of or compromises instead of by the direct reasoning of an informed and responsible man mind. Group decisions about items to be acquired and prices to be paid inevitably produce a portfolio which no one clear-headed man would ever put together. Manifestly the success of the effort is defeated unless the control of the portfolio is such that at any time it satisfies, at least in general, some coherent scheme of testing. In the business of trading no instrument can be as good as a man who concentrates constantly on market data and the actual making of transactions. It is only by such experience that market sense or sense of market is attained and such market sense is the indispensable condition of that promptness and intuitive accuracy which characterize the efficient trader and constitute his distinction in his business. It is this technical fitness which enables him to seize profits and avoid losses.

Mr. Hayden asked whether in the event that the Board approved now putting the suggested \$500,000 into the market for the sake of averaging down, there would be any idea of still further averaging down when, as might happen in the course of a few weeks, the market had fallen substantially below the present level. He might see his way to concur in a proposal to make the relatively small additional commitment now suggested if assurance were given that, irrespective of later conditions, the Corporation would go no further.

## EXHIBIT U-16-20e

Mr. Baldwin said that he would be entirely unwilling to go beyond the additional \$500,000, whatever might happen in future. He was opposed to trading on the board as a customary policy. He merely thought that the Corporation, taking into consideration its present investment and material loss, might reasonably put in this new half million in the hope of earlier getting even and so being the earlier in position to quit the board. Mr. Hayden remarked that this seemed to him to smack a little of the quality of the classic prayer of the sinner,—"O Lord, let me sin just this once more", but he added that as a practical matter he had no serious objection to the course proposed by Mr. Baldwin.

There was a general discussion of the points presented. Mr. Grandin, speaking to Mr. Hayden's remarks, inquired whether the question was not simply that of

going ahead with the pending orders until the additional half million had been invested. Mr. Baldwin replied that the intention was to have the Board discuss not merely the immediate step but also the general questions of policy involved. The President felt that where special and intimate knowledge justified approval the Corporation would be warranted in buying and selling in the market and he used as an example F. E. Myers & Bro., speaking of current operating results

## EXHIBIT U-16-20f

and financial policies now before the management of that company. Mr. Kling was disinclined to buy U. S. Steel and he had a similar attitude as to General Electric, though for a different reason. He considered the dividend yield of General Electric too low to justify acquisition by the Corporation. Mr. Coney here pointed out that, although it was difficult to find accurately the true value of the General Electric share, it was known that there were large values not reflected in the balance sheet and he spoke of one asset carried at \$1.00 which on good authority he understood to be worth \$18,000,000. Mr. W. G. Mather inquired particularly as to the amount already invested on the board, the items held and the loss indicated at present market.

After extended informal discussion the Board voted etc.

Minutes of meeting of the Directors of the Union Cleveland Corporation held at the office of the Corporation, Cleveland, Ohio, on the 24th day of June, 1930, at 9:30 a.m.

In order that the question of policy could be brought before the Directors the Manager presented and read a memorandum, a copy of which is on file with the secretary's records.

The question as brought forth in this memorandum was fully discussed and the following decision was reached:

The Union Cleveland Corporation will continue its present orders to buy stocks until executed, but will not exceed a total investment of \$500,000 over and above the amount shown in the list of Corporation holdings as of June 23, 1930. It is not deemed to be the policy of the Corporation to invest a large portion of its funds for purely speculative purposes.

## EXHIBIT U-16-21

## EXHIBIT "A"

*Balance sheet Union Cleveland Corporation December 31, 1933.*

ASSETS		
Cash:		
On Hand.....	\$10. 00	
On Deposit.....	42, 295. 62	
		\$42, 305. 62
The Union Trust Company: Special Deposit Account—Im-		
pounded.....		3, 850. 59
Notes and Accounts Receivable:		
Notes Receivable—For Securities Sold.....	1, 849. 82	
Notes Receivable—Special.....	94, 500. 00	
Accounts Receivable—Employees' Stock		
Subscription.....	392. 37	
		96, 742. 19
Accrued Accounts:		
Interest, Rental & Dividends on Securities...	11, 862. 60	
Interest—On Notes Receivable.....	6, 305. 34	
		18, 167. 94
Securities and Investments:		
Securities—Purchased for Re-Sale.....	347, 008. 75	
Investments.....	4, 256, 176. 88	
		4, 603, 185. 63
Advances—Reorganizations etc.....		189. 94
		4, 764, 441. 91
Total assets.....		4, 764, 441. 91

**INVENTORY**

UNION CLEVELAND CORPORATION - CLEVELAND, OHIO

AT THE CLOSE OF BUSINESS December 31, 1953. 19

Form No. 100-21 4M 1-53 42128

ISSUE - RATE AND MATURITY  
INVESTMENTS

COMMON STOCKS

Allied General Corp. (W.W. 12-31-55)

American Cyanamid "B"

Baltimore & Ohio R.R.

Bethlehem Steel Corp.

Blue Ridge Corp.

Central Illinois Sec. Corp.

Chagrin Falls Banking Co.

Chesapeake Corp.

Chesapeake & Ohio. R.R. Co.

Chicago Corp.

Corrigan-McKinney Steel Co. Voting

Corrigan-McKinney Steel Co. Non-Voting

Electric Auto Life Co.

Electric Storage Battery Co.

General Electric Co.

Insurancehares & Gen. Management Co.

Kreuger & Toll Co.

Manhattan Dearborn Corp.

Marine Midland Corp.

Marshall-Field & Co.

Monarch Fire Insurance Co.

Monarch Machine Tool Co.

F. E. Myers & Bros.

National City Bank - N.Y.

New York Central R.R. Co.

Pennroad Corp.

Phoenix Securities Corp.

Public Utility Holding Corp. (W.W.)

Radio Corp. of America

Tri-Continental Corp.

Union Trust Co. - Cleveland

Van Sweringen Co. - Rights

Western Reserve Mtge. Co.

PAR-AMOUNT #00 SHARES	BOOK VALUE		MARKET VALUE		REMARKS
	AMOUNT	AVERAGE COST	PRESENT MARKET	Buyer's Bid Seller's Ask Sale Price	

858	104.75	1/8	-	-	-
300	822.70	2 7/8	16 1/8	20	4,837.50
500	7,437.50	14 7/8	23	50	11,500.00
1,500	23,173.26	17.83	36 3/4	60	47,775.00
792	1,089.88	1 3/8	1 7/8	5	1,485.00
300	112.50	3/8	1/4	1	75.00
965	727,286.48	753.66	Cost	-	727,286.48
1,119	18,465.75	16 1/2	34	50 Pl.	38,046.00
4,000	192,856.31	48.21	40 1/4	80 Pl.	161,000.00
1,000	1,625.00	1 5/8	2 1/2	7 1/2	2,500.00
1,643	32,860.26	20	9 7/8	25	16,224.63
1,643	32,860.26	20	9	25	15,787.00
800	23,200.50	29	19 1/2	40	15,600.00
1,000	26,000.00	26	43 1/2	65	45,750.00
300	7,537.50	25.13	19	50	5,700.00
200	2,000.00	10	-	-	-
1,000	4,500.00	4 1/2	-	-	-
2,000	8,000.00	4	2	10	4,000.00
2,368	25,345.80	10.70	5 5/8	20	13,320.00
3,920	38,995.04	9.96	13 1/8	25	61,450.00
3,848	19,239.96	5	3 3/4	20	14,450.00
144	1,152.00	8	4	10	575.00
700	24,680.56	35.26	18	35	10,500.00
300	70,800.00	236	22	40	6,500.00
800	22,600.00	28 1/2	33	75	26,400.00
6,000	15,500.00	2 1/2	2 1/2	7	15,000.00
1,700	425.06	1/4	1 1/8	2 1/2	1,912.50
890	354.25	3/8	-	-	-
50	1.00	-	6 5/8	12	351.25
225	534.38	2 3/8	4 1/2	15	1,012.50
5,730	514,610.83	89.81	-	-	-
750	1.00	-	-	-	-
18,541	1,854,100.00	100	Cost	100	1,854,100.00
TOTAL	64,916	750			
GRAND TOTAL	65,688	3,696,270.52			3,697,188.51 3,113,698.88

EXHIBIT U-16-22a

D-16-22b

## INVENTORY

UNION CLEVELAND CORPORATION - CLEVELAND, OHIO

AT THE CLOSE OF BUSINESS, December 31, 1933.

Form No. UCR-32 (M 3-30 44218)

ISSUE - RATE AND MATURITY	PAR VALUE OR SHARES	BOOK VALUE		MARKET VALUE		REMARKS		
		AMOUNT	AVERAGE COST	PRESENT MARKET	MARKET VALUE			
INVESTMENTS	RATE	MATURITY				MARKET VALUE		
<u>INDUSTRIALS</u>								
American Aggregates	6	2-1-43	50,000	22,500.00	45	22	90	11,000.00
C. & E. Transit Co.	5½	2-1-34	1,000	400.00	40	5	20	50.00
Newton Steel Co.	7	1-1-35	240,000	240,072.50	100.03	62	100	148,200.00
Total			291,000.	262,972.50				159,250.00
<u>PUBLIC UTILITIES</u>								
Associated Gas & El. Co.	5	2-15-2002	5,000	650.69	17.01	1½	4	75.00
International Tel & Tel Co.	4½	1-1-39	5,000	1,788.21	37.76	57½	61½	2,887.50
Total			10,000	2,438.90				2,952.50
<u>REAL ESTATE</u>								
Morgan Properties Co.	6	8-15-41	1,300	520.00	40	8	10	104.00
Van Sweringen Co.	6	10-1-38	2,000	660.00	33	15	15	260.00
Wade Park Manor Co.	6	1-1-42/48	35,000	12,585.75	34.95	10	50	3,600.00
Total			39,300	13,765.75				3,964.00
<u>LAND &amp; LEASEHOLD TRUST CERTS.</u>								
Clark-Randolph	5½	Cert.	1,000	550.00	55	14	95	140.00
Euclid - Dean Co. Land Tr.	5	"	18,000	8,097.50	45	14	60	2,620.00
S. W. Corner Euclid-105th	5½	"	500	275.00	55	-	-	-
Total			19,500.	8,922.50				2,660.00
<u>PREFERRED STOCKS</u>								
Allegheny Corp. (\$40 Warrants)	5½	Shares	245	612.50	2½	5½	30	1,347.50
Allegheny Corp. (Ex-Warrants)	5½	"	2,576	1,777.44	.69	5½	30	14,168.00
Blue Ridge Corp.	6	"	522	2,925.77	5.60	31½	34	16,516.35
Chicago Corp.	"	"	1,000	14,500.00	14½	23	50	23,000.00
Cleveland Cliff's Iron Co.	6	"	204	5,100.35	25	20	60	4,080.00
Cooper-Bessemer Corp.	"	"	1,000	8,750.00	8½	19	30	19,000.00
Firestone Tire & Rubber Co.	6	"	5,595	219,832.12	39.29	71½	75 Pl.	401,441.25
General Gas & El. Co. - Div. Warrants			3/4 Sh.	1.00	-	-	-	-
General Machinery Corp.	7	"	160	17,257.75	111.61	50	80	8,000.00
McKinney Steel Holding Co.	6	"	5	251.74	50.35	34	106	170.00
Total (Sh)			11,307½	271,506.71				487,723.50

EXHIBIT U-16-22b

# INVENTORY

UNION CLEVELAND CORPORATION - CLEVELAND, OHIO

AT THE CLOSE OF BUSINESS December 31, 1935. 14

Form No. UCB-75 SM 1-30 4212

ISSUE - RATE AND MATURITY		PAR VALUE OR SHARES	BOOK VALUE		MARKET VALUE		REMARKS Market Value.
Rate	Maturity		AMOUNT	AVERAGE % COST	PRESENT MARKET	DIFFERENCE BETWEEN SALE PRICE	
<u>SECURITIES PURCHASED FOR RE-SALE.</u>							
<u>INDUSTRIALS</u>							
Construction Materials Corp.	6 3-15-33	98,600	98,061.25	99.56	Cost	50	98,061.25
Sensibar Transportation Co.	6 3-15-43	250,600	247,987.50	99	20	50	50,100.00
	Total	349,000	346,048.75				148,161.25
<u>REAL ESTATE</u>							
Carey Properties Co	6 1-1-33	1,000	900.00	90	25	50	250.00

EXHIBIT U-16-22c

U-16-22d

INVENTORY

UNION CLEVELAND CORPORATION - CLEVELAND, OHIO

AT THE CLOSE OF BUSINESS December 31, 1933. — 19 —

Form No. UCB-25 4M 5-31 4215

ISSUE - RATE AND MATURITY	PAR VALUE OR SHARES	BOOK VALUE		MARKET VALUE		REMARKS Market Value.
		AMOUNT	AVERAGE COST	PRESENT MARKET	PROFIT OR LOSS	
<u>RECAPITULATION</u>						
<u>SECURITIES PURCHASED FOR RE-SALE</u>						
Industrials	549,000	546,049.75				146,161.25
Real Estate	1,000	960.00				250.00
TOTAL	550,000	547,009.75				146,411.25
<u>INVESTMENTS</u>						
Preferred Stocks	Shares	11,507 <sup>1</sup> / <sub>2</sub>	271,606.71			487,725.00
Industrials	Par Value	291,000	262,972.50			169,250.00
Public Utility	Par Value	10,000	2,658.90			2,982.50
Real Estate	Par Value	39,500	13,766.75			3,964.00
Land & Leasehold Trust Cert.		19,500	8,922.50			2,680.00
Common Stocks	Shares	64,916)				0
	Rights	750)	3,686,270.52			3,491,178.16
TOTAL	Shares	76,223 <sup>1</sup> / <sub>2</sub>				
	Rights	750				
	Par Value	359,800	4,256,176.98			3,491,178.16
						3,770,266.56
GRAND TOTAL	Shares	76,223 <sup>1</sup> / <sub>2</sub>				
	Rights	750				
	Par Value	709,800	4,603,185.63			3,491,169.71
						3,018,690.11
<u>OPTION. To Purchase.</u>						
937 1/2 Shares Continental Roll & Steel Foundry Co. Common Stock at \$60 Per Share - Option Expires 6-1-34						
<u>SECURITIES CARRIED AT COST</u>						
Construction Materials Corp.	6	3-15-33	96,500	98,061.25		
Chagrin Falls Banking Co.			965	727,286.48		
Western Reserve Mtge. Co.	"	"	18,541	1,854,100.00		
Total				2,679,447.73		

EXHIBIT U-16-22d

(Exhibits U-16-22a through U-16-22d face this page)

*Balance sheet Union Cleveland Corporation December 31, 1933—Continued*

## LIABILITIES

Notes Payable:		
To Union Trust Company—Secured.....	\$3, 571, 606. 21	
To Union Trust Company—Unsecured.....	981, 238. 10	
		<u>\$4, 552, 844. 31</u>
Accounts Payable.....		450. 80
Customers' Deposits—Special Deposit Account (Impounded)....		3, 850. 59
Accrued Accounts: Interest on Notes Payable.....		212, 056. 65
		<u>4, 769, 202. 35</u>
Total Liabilities.....		
Capital: Common Stock—228,500 Shares—De-		
clared Value.....	2, 000, 000. 00	
Surplus:		
Earned—(See Exhibit B).....	43, 761. 30	
Deficit.....	1, 960, 999. 14	
		<u>4, 760. 44</u>
Total Liabilities and Capital.....		<u>4, 764, 441. 91</u>

## EXHIBIT U-16-23

## SECURITY LEDGER, UNION CLEVELAND CORPORATION, CLEVELAND, OHIO

## Special account

## Security, Chagrin Falls Bkg. Co., Rate, Common; Maturity.

Date	Purchased from or sold to—	Description	Maturity	Classification	Rate %	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest receive
9/26/29.	Chagrin Falls Bkg Co.	Chagrin Falls Bkg Co, Spe A/C.	Stock	10	00	350 Sh			650	00	227,498.50	2,625.00			267,147.98
Do	do	do	do	10		61 Sh		411 Sh	650		39,649.48	457.50			267,147.98
9/27/29.	Chagrin Falls Bkg Co.	Chagrin Falls Bkg. Co., Spe A/C.	do	10	411 Sh	170 Sh			650	267,747.98	110,500.00	1,275.00			
Do	do	do	do	10		99 Sh		680 Sh	650		64,350.00	742.50			441,997.98
9/28/29.	Chagrin Falls Bkg Co.	Chagrin Falls Bkg Co., Spe A/C.	do	10	680 Sh	81 Sh		761 Sh	650	441,997.98	52,650.00	607.50			494,647.98
9/30/29.	Chagrin Falls Bkg. Co.	Chagrin Falls Bkg. Co., Spe. A/C.	do	10	761 Sh	89 Sh			650	494,647.98	57,850.00	667.50			
Do	do	do	do	10		50 Sh		900 Sh	650		32,500.00	375.00			584,997.98
10/1/29.	Chagrin Falls Bkg. Co.	Chagrin Falls Bkg Co., Spe A/C.	do	10	900 Sh	34 Sh		934 Sh	650	584,997.98	22,100.00	255.00			607,097.98
10/3/29.	Chagrin Falls Bkg. Co.	Chagrin Falls Bkg Co., Spe. A/C.	do	10	934 Sh	20 Sh		954 Sh	650	607,097.98	13,000.00	150.00			620,097.98
10/7/29.	Chargin Falls Bkg. Co.	Chagrin Falls Bkg. Co., Spe. A/C.	do	10	954 Sh	5 Sh		959 Sh	650	620,097.98	3,249.90	37.50			623,347.88
10/9/29.	Chagrin Falls Bkg Co.	Chagrin Falls Bkg. Co., Spe. A/C.	do	10	959 Sh	13 Sh		972 Sh	650	623,347.88	8,450.00	97.50			631,797.88
10/14/29.	Chagrin Falls Bkg. Co.	Chagrin Falls Bkg. Co., Spe. A/C.	do	10	972 Sh	10 Sh		982 Sh	650	631,797.88	6,500.00	75.00			638,297.88
10/17/29	Chagrin Falls Bkg Co.	Chagrin Falls Bkg Co., Spe. A/C.	do	10	982 Sh	3 Sh		985 Sh	650	638,297.88	1,950.00	22.50			640,247.88
11/21/29	C P Hoskins	Chagrin Falls Bkg. Co., Spe A/C.	do	10	985 Sh	5 Sh		990 Sh	650	640,247.88	3,250.00				643,497.88
5/9/30...	Chagrin Falls Bkg Co.	Chagrin Falls Bkg Co., Spe. A/C.	do	10	990 Sh	5 Sh		995 Sh	650	643,497.88	3,250.00				646,747.88
5/14/30.	Geo A. Coulton, V P...	Chagrin Falls Bkg Co., Spe. A/C.	do	10	995 Sh		35 Sh	960 Sh	650	646,747.88			22,750.00	13	623,997.88
1/14/31.	11004 Chagrin Falls Bkg Co	Chagrin Falls Bkg Co., Spe. A/C.	do	10	960 Sh	5 Sh		965 Sh	650	623,997.88	3,250.00			350	627,247.88
12/29/32.	Dr Sec A/C Capital contribution for purpose of increasing surplus account.	Chagrin Falls Bkg Co., Spe A/C.	do	10	965 Sh			965 Sh	650	627,247.88	100,000.00			3	727,247.88
12/31/32.	Dr A/C Adj Tax (transfer).	Chagrin Falls Bkg. Co., Spe A/C.	do	10					650	727,247.88	38.60				727,286.48

STOCK EXCHANGE PRACTICES



## EXHIBIT U-16-24

Union Cleveland Corporation—Record of purchases—Chagrin Falls Banking Company stock

Date Purchased	Shares	Price	Principal	Dividend	Total
Sept. 26, 1929	350	650 L.T.	227,498 50	2,625 00	230,123 50
"	61	650 L T	39,649 48	457 50	40,106 98
Sept. 27, 1929	170	650	110,500 00	1,275 00	111,775 00
"	99	650	64,350 00	742 50	65,092 50
Sept. 28, 1929	81	650	52,650 00	607 50	53,257 50
Sept 30, 1929	89	650	57,850 00	667 50	58,517 50
"	50	650	32,500 00	375 00	32,875 00
Oct. 1, 1929	34	650	22,100 00	255 50	22,355 00
Oct. 3, 1929	20	650	13,000 00	150 00	13,150 00
Oct. 7, 1929	5	650 L T	3,249 90	37 50	3,287 40
Oct. 9, 1929	13	650	8,450 00	97 50	8,547 50
Oct. 14, 1929	10	650	6,500 00	75 00	6,575 00
Oct. 17, 1929	3	650	1,950 00	22 50	1,972 50
Nov. 21, 1929	5	650	3,250 00	-----	3,250 00
May 9, 1930	5	650	3,250 00	-----	3,250 00
Nov. 14, 1931	5	650	3,250 00	-----	3,250 00
Dec. 31, 1932. Transfer Tax	-----	-----	38 60	-----	38 60
Dec 29, 1932: Contribution to Surplus Account.	-----	-----	100,000 00	-----	100,000 00
May 14, 1930. Sold to G A Coulton (for Directors)	1,000	-----	750,036 48	7,387 50	757,423 98
	35	-----	22,750 00	-----	22,750 00
	965	-----	727,286 48	-----	734,673 98

The above is a copy of record shown on Security Ledger Sheet of  
 UNION CLEVELAND CORPORATION,  
 By L. J. RORDON.

## EXHIBIT U-16-25

JUNE 30, 1931

The Chagrin Falls Banking Co. hold notes secured by mortgage of B. L. Jenks in the amount of \$269,914.83. These notes and mortgage are being held as collateral to a loan of Maud Peter and Henry Nykamp et al. Interest amounting to \$8,000 on these notes due July 1st will be paid.

One of these notes is for \$50,000.00 on which a payment has been made showing a balance due of \$30,914.83 due July 29, 1931. The balance of the notes are due in 1936. The office of O. P. and M. J. Van Sweringen called today and would like to get an extension of this note of \$30,914.83 and were just at a loss to know how to proceed.

## EXHIBIT U-16-26

## STATEMENT OF CONDITIONS, THE CHAGRIN FALLS BANKING COMPANY, CHAGRIN FALLS, OHIO

(At the close of business September 23, 1929)

Resources		
Cash on hand	-----	\$33,954.78
Due from banks		
The Union Trust Company, Cleveland	\$53,708.38	
Guaranty Trust Co., New York	5,574.90	
Federal Reserve Bank—Cleveland—Legal Reserve	143,825.37	
	-----	203,108.65
Loans		
Bills Receivable	562,191.12	
Mortgage Loans	950,347.80	
Collateral Loans	870,151.42	
	-----	2,382,690.34
Investments		
Bond Account (County and Mun.)	479,635.07	
Other Bonds (Corporation, Foreign, etc)	492,704.24	
U. S. Securities	5,950.00	
	-----	978,289.31

## STATEMENT OF CONDITIONS, THE CHAGRIN FALLS BANKING COMPANY, CHAGRIN FALLS, OHIO—continued

## Resources—Continued

Stock in Federal Reserve bank.....		\$9,000.00
Real estate and buildings.....	\$66,444.00	
Vault & Fixtures.....	8,721.79	
		75,165.79
Other resources		
U. S. Coupons not yet matured.....	386.24	
Geauga County, Tax Advances for Customers.....	243.66	
Items in transit.....	1,077.50	
Deficiency—First National Bank.....	17,379.44	
		19,086.84
Total resources.....		<u>\$3,701,295.71</u>

## Liabilities

Capital Stock Outstanding.....	100,000.00	
Surplus.....	200,000.00	
Undivided Profits.....	\$75,720.01	
<sup>1</sup> Less: Loss 2 months & 23 days ended 9-23-29.....	9,796.75	
	65,923.26	
		365,923.26
Deposits		
Individual Deposits (Includes Public Funds of Approx. \$1,100,000).....	1,689,452.43	
Savings Deposits (Includes Public Funds of \$100,000).....	1,638,307.47	
Certificates of Deposit.....	7,462.28	
		3,335,222.18
Certified checks outstanding.....		150.27
Total liabilities.....		<u>\$3,701,295.71</u>

*Analysis of undivided profits account, the Chagrin Falls Banking Company, Chagrin Falls, Ohio, at the close of business September 23, 1929*

	Debit	Credit
Balance—January 1, 1928.....		120,340.39
Recovery—Mississippi Drainage Coupons.....		175.00
—Bramard Note.....		70.00
—American Commercial Company.....		1,800.00
Dividend 5-1-1928.....	9,000.00	
Loss—Union Square Coupons.....	260.00	
—Crafts Note.....	2,679.72	
—Wolfrum Note.....	205.00	
—Miscellaneous.....	57.90	
—Union Square Coupons.....	130.00	
Dividend 10-27-28.....	9,000.00	
Net Profit—Year 1928.....		61,089.43
Depreciation—Furniture & Fixtures.....	550.00	
—Building.....	1,356.00	
Other Bonds charged off.....	10,100.00	
	33,338.62	183,474.82
		33,338.62
Balance—January 1, 1929.....		150,136.20
Recovery—American Commercial Company.....		1,449.00
—Miscellaneous.....		6.00
Loss—Miscellaneous Notes.....	225.00	
—Huron High—Coupons.....	502.50	
Dividend—4-27-1929.....	9,000.00	
Transferred to Surplus, March 26, 1929.....	100,000.00	
Loss—Ladow Note.....	591.26	
—Huron High Bonds.....	750.00	
Net Profit Six Months ended June 30, 1929.....		34,747.57
	110,618.76	186,338.77
		110,618.76
Balance—Undivided Profits September 23, 1929.....		75,720.01

## Statement of Profit and Loss Chagrin Falls Banking Company, Chagrin Falls, Ohio

	12 Months ended Dec. 31, 1928	6 Months ended June 30, 1929	2 Months, 23 days ended Sept. 23, 1929
<b>Income</b>			
Bond Premium (on sale of bonds).....	9,935.19	15,020.81	1,819.55
Rental.....	600.00	300.00	100.00
Bond Interest.....	47,464.88	22,845.37	9,651.01
Safe Deposit Rental.....	2,683.00	1,515.00	648.00
Interest on Loans.....	148,261.66	72,230.18	27,115.11
Exchange.....	1,506.40	821.29	378.25
Cash over.....		132.67	
<b>Total Income.....</b>	<b>210,451.13</b>	<b>112,865.32</b>	<b>39,712.22</b>
<b>Expense</b>			
General.....	7,235.73	5,272.39	3,713.70
Salaries.....	33,406.00	16,957.00	6,272.00
Interest.....	98,634.00	51,482.12	38,916.47
Taxes.....	9,840.17	4,406.24	600.38
Cash Short.....	245.80		6.42
<b>Total Expenses.....</b>	<b>149,361.70</b>	<b>78,117.75</b>	<b>49,508.97</b>
<b>Net Profit.....</b>	<b>61,089.43</b>	<b>34,747.57</b>	<b>9,796.75</b>
<b>Net Loss<sup>1</sup>.....</b>			<b>9,796.75</b>

<sup>1</sup> The net loss for 2 months and 23 days is due to the large number of coupons maturing October 1, 1929, on County and Municipal bonds held.

The Savings interest periods are February and August 1st at 4% under 3 month rule.  
The Books of the bank have been kept on a strict cash receipt and disbursement basis.

## Public fund account at the close of business September 21, 1929.

Name	Rate	Balance
Auburn Township, A. J. Gilmore, Clerk.....	4.02%	7,373.28
Auburn Township, Bd. of Ed., Eva Veltman, Clerk.....	4.02%	12,300.94
Bainbridge Township, Frank Jaros, Clerk.....	4.02%	32,303.92
Bainbridge Township, Bd. of Ed., Albert Haskins, Clerk.....	4.02%	15,320.10
Bentleyville Village, Florence Estys, Clerk.....	4.02%	2,796.13
Board of Education, Chagrin Falls, H. B. Prigsley, Clerk.....	4.02%	52,532.66
Chagrin Falls Township, Jas. R. Porter, Clerk.....	4.02%	5,285.27
Chagrin Falls Village, Gladys Foster, Clerk.....	4.02%	39,507.75
Chagrin Falls Village, S. F., Gladys Foster, Clerk.....	4.02%	23,145.75
Chester Township, T. D. Blackford, Clerk.....	4.02%	7,113.14
Chester Township, Bd. of Ed., Chas. A. Sweet, Clerk.....	4.02%	9,153.56
City of Cleveland, S. F.....	4.01%	100,000.00
City of East Cleveland.....	4.12%	75,000.00
Glenwillow, W. O. Avery, Clerk.....	4.0%	4,403.27
Hunting Valley Village, H. H. Hill, Clerk.....	4.02%	13,727.02
Newbury Township, Jas. S. Gould, Clerk.....	4.0%	10,083.12
Orange Township, Rollo Kidd, Clerk.....	4.02%	68,407.46
Orange Township, Bd. of Ed., T. W. Taylor, Clerk.....	4.02%	36,887.82
Orange Village, T. W. Taylor, Clerk.....	4.02%	13,069.17
Pepper Pike Village, Maude Nycamp, Clerk.....	4.02%	373,899.96
Russell Township, Ralph Simmons, Clerk.....	4.02%	8,631.27
Russell Township, Bd. of Ed., Flora Nieca, Clerk.....	4.02%	37,460.98
Solon Township, Bd. of Ed., H. E. Gildard, Clerk.....	4.02%	18,599.60
Solon Village, H. E. Gildard, Clerk.....	4.02%	200,642.62
South Russell Village, F. W. Kimball, Clerk.....	4.02%	7,266.65
South Russell Village, S. F., F. W. Kimball, Clerk.....	4.02%	13,271.60
<b>Total.....</b>		<b>1,186,182.94</b>
<b>In Saving Deposits Cuyahoga County, 4.05%.....</b>		<b>100,000.00</b>

## Schedule of salaries—The Chagrin Falls Banking Company

Name	Position	Per annum
S. P. Harris.....	President.....	\$8,000.00
J. A. Church.....	Vice President.....	7,200.00
A. R. Mountjay.....	Cashier.....	3,000.00
E. L. Campbell.....	Comm'l Teller.....	3,000.00
Ruth Hober.....	Ass't Treas.....	2,400.00
L. W. Green.....	Aomm'l Books.....	1,800.00
E. D. Recker.....	General Books.....	1,800.00
C. E. Oberlin.....	Comm'l Books.....	1,800.00
Ethel Jones.....	Savings Teller.....	1,200.00
Laura Sawyer.....	Stenographer.....	1,020.00
Kath. Cole.....	Telephone.....	960.00
E. O. Russ.....	Janitor.....	1,080.00
7 Directors @ 500.00 per annum.....		\$31,260.00
		3,500.00
		\$34,760.00

## EXHIBIT U-16-27

## MINUTES OF MEETING OF DIRECTORS OF THE UNION CLEVELAND CORPORATION HELD AT THE OFFICE OF THE CORPORATION, CLEVELAND, OHIO, ON THE 27TH DAY OF DECEMBER, 1932, AT 9:30 A.M.

The Chairman stated that the Corporation is the owner of all the outstanding capital stock of The Chagrin Falls Banking Company, except directors' qualifying shares. He further stated that due to write-downs in the book value of certain properties of the Banking Company which the Ohio Superintendent of Banks has required, the surplus of such company will be severely depleted and it appears advisable that this surplus be increased. He stated that it appears that this can best be accomplished by having the corporation, as the holder of substantially all of the outstanding capital stock of the Banking Company, make a capital contribution thereto. After a full discussion it was the sense of the meeting that such a contribution in the amount \$100,000 should be made at once.

The Chairman then presented and read to the meeting a proposed form of letter addressed to The Chagrin Falls Banking Company, whereby the Corporation offers to make the capital contribution in question. A copy of such letter is inserted in this record following these minutes.

CLEVELAND, OHIO.  
December 27, 1932.

The CHAGRIN FALLS BANKING COMPANY,  
Chagrin Falls, Ohio.

GENTLEMEN: The undersigned, the owners of all of the outstanding capital stock, except directors' qualifying shares, recognizing the desirability of increasing your surplus accounts, hereby offer to make to you a capital contribution of \$100,000 forthwith upon your approval of this offer. It is understood that the amount of said contribution will be reflected upon your books and balance sheets as surplus.

In the event that such offer is satisfactory to you will you please indicate your acceptance below.

Very truly yours,

By .....

Accepted December —, 1932,  
The Chagrin Falls Banking Company,  
By .....

The Chairman stated that in order to make the desired contribution it would be necessary for the Corporation to borrow the sum of \$100,000 from The Union Trust Company. Thereupon on motion duly made, seconded and unanimously carried, it was—

Resolved that Union Cleveland Corporation borrow from The Union Trust Company, Cleveland, Ohio, the sum of \$100,000 upon such terms as the officers of the corporation may deem proper, and secure the same by the pledge of the securities of the corporation heretofore pledged by it as collateral security to its existing indebtedness to The Union Trust Company.

Further resolved that the proper officers of the corporation are authorized on its behalf to execute and deliver to The Union Trust Company any and all promissory notes of the corporation to evidence such loan, maturing upon such date or dates and providing for such rate of interest as the said officers may deem proper.

Further resolved that the said officers are authorized on behalf of the corporation to execute and deliver to The Union Trust Company any and all assignments and agreements as they may deem necessary to pledge to The Union Trust Company as security to such loan any or all securities of the corporation heretofore pledged to The Union Trust Company as security to existing indebtedness of the corporation to the Union Trust Company.

## EXHIBIT U-16-29a

## THE CHAGRIN FALLS BANKING COMPANY

Officers George A. Coulton, Chairman of the Board, A. C. Brewster, President; A. R. Mountjoy, Vice President & Cashier, J. W. Stoneman, Secretary, Ruth H. Ober, Asst Treasurer  
Capital, \$100,000.00; Surplus, \$200,000.00  
Directors A. C. Brewster, M. F. Brewster, George A. Coulton, John A. Church, Allard Smith, E. H. Baldwin, J. W. Stoneman.

CHAGRIN FALLS, OHIO,  
October 31, 1932.

UNION CLEVELAND CORPORATION,  
Union Trust Building, Cleveland, Ohio.  
(Attention of L. J. Roeder.)

DEAR SIR: After an examination of the accrual records of this bank, we find that you were overcharged \$92.95 at the time you purchased seven Directors' notes for \$3,250.00 each, and in order to adjust, you may use this as your authority to make a charge to our account in the amount of \$92.95 in order that you may be reimbursed.

This difference was caused by making a charge for actual number of days elapsed instead of on a thirty-day-to-the-month basis, and in the case of the loan of M. F. Brewster, interest on the back of the note should be marked as having been paid to May 1st, 1932.

A schedule is enclosed herewith which will help you make the proper adjustments on your records.

Very truly yours,

HENRY KNEPPER,  
Treasurer.

HK:S  
Enc.

## EXHIBIT U-16-29b

*Interest overcharge on loans sold to Union Cleveland Corporation*

No.	Name (7 loans, all \$3,250.00 each, @ 5%)	Interest from	Amount charged	Correct amount	Over-charge	Adjust accrual
3196	E. H. Baldwin.....	3/31/32	78.09	76.74	1.35	1.35
9536	A. C. Brewster.....	5/1/32	64.10	62.75	1.35	1.35
9537	M. F. Brewster.....	5/1/32	146.25	62.75	83.50	1.35
9540	Geo. A. Coulton.....	11/1/31	146.25	144.00	2.25	2.25
3549	A. R. Mountjoy.....	7/12/32	31.60	30.70	.90	.90
9546	Allard Smith.....	11/1/31	146.25	144.00	2.25	2.25
9547	J. W. Stoneman.....	5/1/32	64.10	62.75	1.35	1.35
			676.64	583.69	92.95	10.80

7 @ \$3,250.00..... \$22,750.00  
Interest to 9/20/32..... 676.64

\$23,426.64

Charged to Union Trust Account on 9/20/32, \$23,426.64

## EXHIBIT U-16-30

UNION CLEVELAND CORPORATION, UNION TRUST BUILDING

CLEVELAND, OHIO, *May 3, 1933.*

MR. ALLARD SMITH

## STATEMENT

Interest Due May 15th on your note dated May 1, 1930 for \$3,250-----		\$81. 25	
--	--	----------	--

This is Ch. Falls bank stock and I do not owe any interest.

H. K.

## EXHIBIT U-16-31

CHAGRIN FALLS, OHIO,  
*May 5th, 1930.*The UNION CLEVELAND CORPORATION,  
*Cleveland, Ohio.*

GENTLEMEN: For the sum of \$1.00 and other good and valuable consideration, the receipt of which I hereby acknowledge, I hereby give to you the right and option to purchase all shares of stock owned by me or standing in my name in The Chagrin Falls Banking Company, Chagrin Falls, Ohio, at the price of \$650.00 per share and accrued dividend to date of purchase.

This option shall be available to you up to and including thirty (30) days after my resignation as a Director of the said Chagrin Falls Banking Company.

Very truly yours,

A. C. BREWSTER.

Witness:

NORA E. BREWSTER.

UNION-CLEVELAND CORPORATION: TAX EVASION—FRANK H. ENSIGN

## EXHIBIT U-14-1a

## SECTIONS OF THE GENERAL CODE OF OHIO

SECTION 5369. Each person required to list property for taxation shall take and subscribe an oath or affirmation that all the statements in such list are true, and that such list contains a full disclosure of all property required by law to be listed for taxation, and the true value in money of all such property; and when any person required by law to list and make return of property to the County Auditor, shall wilfully fail or refuse to make such list or return within the time fixed by law, (March 1st), or shall refuse to take and subscribe an oath or affirmation to such list or return, or shall wilfully omit to make a full and complete list and return of all taxable property, or shall wilfully fail to give the true value of any property in such list or return, or shall wilfully fail or refuse to answer all questions contained in the blanks for listing such property, the county auditor shall cause all such property to be listed and assessed and shall add to the amount thereof the penalty (50%) provided in Section 5398 of the General Code; and in case of a false oath to any such list he shall certify the facts to the prosecuting attorney, who shall proceed as in other cases of perjury. This section shall be printed in plain type upon all blanks for the listing of any property.

SECTION 5405. The president, secretary, or principal accounting officer of every incorporated company, except banking or other corporations whose taxation is specifically provided for, for whatever purpose they may have been created, whether incorporated by a law of this State or not, shall list for taxation, verified by the oath of the person so listing, all the personal property thereof, and all real estate necessary to the daily operations of the company, moneys and credits of such company or corporation within the state, at the true value in money.

SECTION 5405-1. All the listing and valuation of the personal property, moneys, credits, investments in stocks, bonds, joint stock companies or otherwise, of incorporated companies, and all the averages of the stocks of merchandise and

material used as a manufacturer, of such incorporated companies, shall be listed, valued and ascertained as of the first day of January annually.

All such listings together with all supplementary forms and all information necessary in the proper fixing of such values for taxation, shall be filed with the county auditor on or before the first day of March, annually

SECTION 5405. Return shall be made to the several auditors, of the respective counties where such property is situated, together with a statement of the amount thereof which is situated in each township, village, city, or taxing district therein. Upon receiving such returns, the auditor shall ascertain and determine the value of the property of such companies, and deduct from the aggregate sum so found of each, the value as assessed for taxation of any real estate included in the return. The value of the property of each of such companies, after so deducting the value of all real estate included in the return, shall be apportioned by the auditor to such cities, villages, townships, or taxing districts, pro rata, in proportion to the value of the real estate and fixed property included in the return, in each of such cities, villages, townships, or taxing districts. The auditor shall place such apportioned valuation on the tax duplicate and taxes shall be levied and collected thereon at the same rate and in the same manner that taxes are levied and collected on other personal property in such township, village, city or taxing district.

#### EXHIBIT U-14-1b

SECTION 5406. The auditor of each county \* \* \* shall furnish the president, secretary, principal accounting officer, or agent as provided in the next two preceding sections, the necessary blanks for the purpose of making such returns, but neglect or failure on the part of the county auditor to furnish such blank shall not excuse such president, secretary, accountant, or agent, from making the returns within the time specified herein. If the county auditor to whom returns are made is of the opinion that false or incorrect valuations have been made, that the property of the corporation or association has not been listed at its full value, or that it has not been listed in the location where it properly belongs, or if no return has been made to the county auditor, he must have the property valued and assessed. This section and the next preceding section shall not tax any stock or interest held by the state in a joint stock company.

SECTION 5387-1. When a company is incorporated after the first day of January and prior to the first day of July in any year, and the personal property employed in such business has not been previously listed for taxation for the then current year, secretary or principal accounting officer of such corporation shall list for taxation with the auditor of the county wherein located the probable average value of the personal property by him intended to be employed until January 1st thereafter.

#### EXHIBIT U-14-2

County Auditor Tax Form No 10 prescribed by the Tax Commission of Ohio. Individuals or public utilities shall not use this form.

#### CORPORATION PERSONAL PROPERTY TAX RETURN FOR 1930

This return with the accompanying balance sheet must be filed not later than March 1, 1930, with John A. Zangerle, County Auditor, room 154, New Court House.

Considerable annoyance will be avoided by reading the letter of instructions carefully before filling out this return. Show Cuyahoga County values only, on this page.

Name, Union Cleveland Corporation; business, dealing in securities; Cuyahoga County address, Union Trust Building; taxing district, Cleveland; organized under the laws of the State of Ohio; date, July 24, 1929; if foreign corporation give date of qualification in the State of Ohio, ———; principal place of business designated in Ohio, ———; authorized capital stock, \$2,000,000.00; subscribed but not paid, \$———; issued and outstanding, \$2,000,000.00; principal office as specified in charter, Union Trust Building; principal accounting office, Same; telephone number, ———; if the name of your corporation has been changed during the preceding year, state below, your former name. Former name, \_\_\_\_\_.

Items	These columns to be used for figures only by		
	Corporation	Auditor	Board of revision
1 All moneys in possession or on deposit..... Credits (see Schedule A), \$133,450 35. Legal bona fide debts, \$135,718 64. *(See Foot Notes.)	1, 020 79		
2 Excess credits.....			
Materials in Cuyahoga County { Raw, \$ ..... In process, \$ ..... Finished, \$ .....			
3 Total materials in Cuyahoga County.....			
4 Merchandise in Cuyahoga County.....			
5 Tools, machinery, and equipment not assessed as real estate See page 4.....			
6 Taxable stocks and bonds (from Schedule C).....			
7 Taxable property converted into non-taxable property (from Schedule D).....			
8 Office, store and shop furniture, fixtures, etc.....			
9 Automobiles.....			
10 Motor trucks.....			
11 Other vehicles.....			
12 Live stock.....			
13 All other personal property not classified above (from Sched- ule F).....			
Do not use this space.....			
Grand total.....	1, 020 79		

*New buildings, additions, improvements*

Have you erected any new buildings in Cuyahoga County since January 1, 1929? no; if so, describe same \_\_\_\_\_; state cost, \$ \_\_\_\_\_; location, \_\_\_\_\_; have you made any additions or improvements to buildings in Cuyahoga County since Jan. 1, 1929? no; if so, describe same, \_\_\_\_\_; location, \_\_\_\_\_; state cost \$ \_\_\_\_\_.

\*Exclusive of taxes and indebtedness incurred in the purchase of non-taxable securities.

\*Debts cannot be deducted from deposits, nor from merchandise or other tangible property.

SCHEDULE A.—Credits

Description of receivables	Face value		
Notes.....	37, 838 27		
Accounts.....	85, 461. 48		
First mortgages.....			
Second mortgages.....			
Third mortgages.....			
Chattel mortgages.....			
Land contracts.....			
Stock subscriptions.....			
Stock or shares in building and loan companies.....			
Time deposits.....			
Collateral loans.....			
Trade acceptances.....			
Other receivables. Accrued interest receivable.....	10, 150. 60		
Total.....	133, 450. 35		

SCHEDULE B.—Merchandise and materials

On what date does your fiscal year close? -----; on what date was your last actual physical inventory taken? -----.



State below the actual amount of your inventory of materials and merchandise in Cuyahoga County at the time of taking inventory for the past three years.

Date	Merchandise	Raw materials	Materials in process	Finished products	Total
	None				

B-1

B-2

Year	State whether inventory was based on cost or "Cost or market?"	Listing day	State whether average or actual inventory basis was used in returns filed
1927	None	1928	
1928		1929	
1929		1930	

Corporations maintaining perpetual inventories covering materials and merchandise, who have in the past listed averages and desire to continue such method, must use supplementary Schedule 10-C, which may be had upon application. No average will be accepted unless form 10-C is properly filled out.

BONDS

No of bonds	Company or authority issuing same	State nature of bonds	Par value	Book value	Market value
Total bonds owned.....					

STOCKS

No. of shares	Company issuing same	State if Ohio or foreign	Par value	Book value	Market value
13275	Preferred and common	Ohio		1,978,784 14	
Total shares of stock.....					

Where no market value prevails, taxable stocks and bonds will be assessed at book value.

U. S. BONDS AND SECURITIES

No. of bonds	Date when purchased	Value
Par value \$231,050	U.S. Govt. Bonds & Treasury Notes.	\$219,985.66
Total bonds and certificates.....		

SCHEDULE D.—Conversion of taxables into non-taxables

Did you at the close of your 1929 fiscal year own or control any non-taxable stocks or bonds which were purchased within the year ending on that date? If so, give date of purchase, the authority issuing same, the amount paid and the number of months the taxable moneys, credits or other effects were held or controlled by you during said year, before converting same into non-taxables.

No. of shares	No. of bonds	Company of authority issuing same	Date non-taxables purchased	Amount paid	No mos. held in taxable form	Portion of value taxable
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
Total amount to carry to page 1 and enter in Item No. 7.....				-----	-----	-----

(To illustrate Schedule D: Property valued at \$10,000 was held in a taxable form for six months during the past year—then invested in non-taxable securities. If this value was still in non-taxable form on listing day, one-half of same, or \$5,000, should be carried to Page 1, Item 7.)

SCHEDULE E.—Automobile depreciation

Owing to the great number of automobiles owned in the county and the great diversity of opinion of the value of a used car it has been found necessary to adopt a uniform scale of percentage of depreciation as follows:

1930 model should be listed at 60% of F. O. B. factory list price. 1929 model should be listed at 40% of F. O. B. factory list price. 1928 model should be listed at 30% of F. O. B. factory list price. 1927 model should be listed at 20% of F. O. B. factory list price. 1926 model should be listed at 10% of F. O. B. factory list price. 1925 model or any other model prior to that date, or any orphan car should be listed to aid the owner in securing a license under the Lipp Bill, but the value fixed by owner will be accepted, but in no case shall it be less than \$25.00.

IMPORTANT

It is absolutely necessary that all automobiles be listed at the schedule of depreciation shown above; any deviation from these figures will be corrected by the department without further notice.

AUTOMOBILES (E-1)

Make	Style	Horse power	Years model	License number	List price	Tax value
-----	-----	-----	-----	-----	-----	-----
-----	None.....	-----	-----	-----	-----	-----
Total.....	-----	-----	-----	-----	-----	-----

MOTOR TRUCKS (E-2)

Make	Tonnage	Horse power	Years model	License number	List price	Tax value
-----	-----	-----	-----	-----	-----	-----
-----	None.....	-----	-----	-----	-----	-----
Total.....	-----	-----	-----	-----	-----	-----

OTHER VEHICLES (E-3)

Description	Number	Value
None.....	-----	-----
Total.....	-----	-----

LIVE STOCK (E-4)

Description	Number	Value
Horses.....	-----	-----
Cattle.....	-----	-----
Sheep.....	-----	-----
Hogs.....	-----	-----
Other Live Stock.....	-----	-----
Total.....	-----	-----

**SCHEDULE F.**—List below all other personal property owned or controlled by you not classified on first page

Description	Amount
None.....	
Total .....	

**CONSIGNED GOODS**

Did you on listing day as official custodian, factor, agent or otherwise hold on consignment in Cuyahoga County, merchandise, manufacturer's stock, machinery or other property at your place of business or in warehouse, not owned by you and not shown on your balance sheet? \_\_\_\_\_; if so, describe same and state value, \$\_\_\_\_\_; (Carry value to Schedule F). Name and principal address of consignor, \_\_\_\_\_; did you on listing day own merchandise, manufacturer's stock, machinery or other property on consignment at points in Ohio outside of Cuyahoga County? \_\_\_\_\_; if so, state location, \_\_\_\_\_; value, \$\_\_\_\_\_; consignee \_\_\_\_\_.

**LEASED MACHINERY AND EQUIPMENT**

Did you on tax listing day have in your possession machinery leased to you and located in Cuyahoga County? \_\_\_\_\_; if so, state value \$\_\_\_\_\_; annual rental, \$\_\_\_\_\_; name and address of lessor, \_\_\_\_\_ (Carry value to Schedule F).  
Is your company dormant, liquidating, a holding company, or actively engaged in business?

STATE OF OHIO,  
*County of Cuyahoga, ss.*

Sworn to before me and subscribed in my presence this 27th day of February A. D. 1930.

FRED N. MILLER,  
*Notary Public.*

I do hereby solemnly swear that I am the Vice President of Union Cleveland Corporation and that to the best of my knowledge and belief all the statements contained in this list are true and that the list contains a full disclosure of all property required by law to be listed for taxation and the true value in money of all such property.

A. C. COUEY,  
*For the said Company.*

Do not fail to make oath to this return. Oath must be made by an officer of the company.

Machinery and equipment assessed as personal property shall include such machinery and equipment affixed to the building, as would not pass between grantor and grantee as a part of the premises if not specifically mentioned or referred to in the deed, or as would be moved, if the building were vacated or sold, or the nature of the work carried on therein were changed.

Fixed machinery, assessed as real estate, shall include—elevators, shafting, traveling cranes and runways, sprinkler-systems, refrigeration machinery and insulation, boilers, piping and radiation, ventilating apparatus and grain elevator equipment.

*Sections of the general code of Ohio*

**SECTION 5369.** Each person required to list property for taxation shall take and subscribe an oath or affirmation that all the statements in such list are true, and that such list contains a full disclosure of all property required by law to be listed for taxation, and the true value in money of all such property; and when any person required by law to list and make return of property to the County Auditor, shall wilfully fail or refuse to make such list or return within the time fixed by law, (March 1st), or shall refuse to take and subscribe an oath or affirmation to such list or return, or shall wilfully omit to make a full and complete list and return of all taxable property, or shall wilfully fail to give the true value of any property in such list or return, or shall wilfully fail or refuse to answer all questions contained in the blanks for listing such property, the county auditor shall cause all

such property to be listed and assessed and shall add to the amount thereof the penalty (50%) provided in Section 5398 of the General Code; and in case of a false oath to any such list, he shall certify the facts to the prosecuting attorney, who shall proceed as in other cases of perjury. This section shall be printed in plain type upon all blanks for the listing of any property.

SECTION 5404. The president, secretary, or principal accounting officer of every incorporated company, except banking or other corporations whose taxation is specifically provided for, for whatever purpose they may have been created, whether incorporated by a law of this State or not, shall list for taxation, verified by the oath of the person so listing, all the personal property thereof, and all real estate necessary to the daily operations of the company, moneys and credits of such company or corporation within the state, as the true value in money.

SECTION 5404-1. All the listing and valuation of the personal property, moneys, credits, investments in stocks, bonds, joint stock companies or otherwise, of incorporated companies, and all the averages of the stocks of merchandise and material used as a manufacturer, of such incorporated companies, shall be listed, valued and ascertained as of the first day of January annually.

All such listings together with all supplementary forms and all information necessary in the proper fixing of such values for taxation, shall be filed with the county auditor on or before the first day of March, annually.

SECTION 5405. Return shall be made to the several auditors, of the respective counties where such property is situated, together with a statement of the amount thereof which is situated in each township, village, city, or taxing district therein. Upon receiving such returns, the auditor shall ascertain and determine the value of the property of such companies, and deduct from the aggregate sum so found of each, the value as assessed for taxation of any real estate included in the return. The value of the property of each of such companies, after so deducting the value of all real estate included in the return, shall be apportioned by the auditor to such cities, villages, townships, or taxing districts, pro rata, in proportion to the value of the real estate and fixed property included in the return, in each of such cities, villages, townships, or taxing districts. The auditor shall place such apportioned valuation on the tax duplicate and taxes shall be levied and collected thereon at the same rate and in the same manner that taxes are levied and collected on other personal property in such township, village, city or taxing district.

SECTION 5406. The auditor of each county \* \* \* shall furnish the president, secretary, principal accounting officer, or agent as provided in the next two preceding sections, the necessary blanks for the purpose of making such returns, but neglect or failure on the part of the county auditor to furnish such blanks shall not excuse such president, secretary, accountant, or agent, from making the returns within the time specified herein. If the county auditor to whom returns are made is of the opinion that false or incorrect valuations have been made, that the property of the corporation or association has not been listed at its full value, or that it has not been listed in the location where it properly belongs, or if no return has been made to the county auditor, he must have the property valued and assessed. This section and the next preceding section shall not tax any stock or interest held by the state in a joint stock company.

SECTION 5387-1. When a company is incorporated after the first day of January and prior to the first day of July in any year, and the personal property employed in such business has not been previously listed for taxation for the then current year, the president, secretary or principal accounting officer of such corporation shall list for taxation with the auditor of the county wherein located the probable average value of the personal property by him intended to be employed until January 1st thereafter.

#### NOTICE

If there is not sufficient space on the Blank to make full and complete return of any property, use additional sheet of paper and attach same to return.

EXHIBIT U-14-2a

TO BE USED BY RESIDENT CORPORATIONS

Considerable annoyance will be avoided by reading letter of instruction carefully before filling out this balance sheet

Co. Aud Form 10a. Form prescribed by the Tax Commission of Ohio

BALANCE SHEET AT CLOSE OF 1929 FISCAL YEAR

(With comparative figures at close of 1928)

This form will not be filed with the tax return of the company but will be used by the County Auditor to verify same. It will be treated as confidential, but must be an exact copy of your books at close of fiscal years. Failure to fill out, sign and swear to this form will necessitate subpoenaing of the Company's books. An audit of your books will be made at a later date, for the purpose of verifying the figures set forth below.

Balance sheet of the Union Cleveland Corporation company as of December 31st, 1929

ASSETS	Please use these columns for figures only	
	Close of 1928	Close of 1929
All moneys in possession or on deposit.....		1,010.79
Notes and accounts receivable (See Schedule A on return).....		133,450.35
Materials in Cuyahoga County		
Raw.....		
In process.....		
Finished.....		
Merchandise in Cuyahoga County.....		
Tools equipment, and machinery in Cuyahoga County not assessed as real estate (See Schedule 2, reverse side).....		
Securities owned (See Schedule C on return).....		2,198,769.80
Office, store and shop furniture, fixtures, etc., in Cuyahoga County.....		
Motors and other vehicles in Cuyahoga County.....		
Land in Cuyahoga County.....		
Buildings in Cuyahoga County.....		
Equipment and fixed machinery assessed as real estate in Cuyahoga County (See Schedule 2, reverse side).....		
Merchandise and materials (Raw, in process and finished) in Ohio outside of Cuyahoga County.....		
Land, buildings, machinery and equipment in Ohio outside of Cuyahoga County.....		
Merchandise and materials (Raw, in process and finished) outside of Ohio.....		
Land, buildings, machinery and equipment outside of Ohio.....		
Trade marks, good will and patents.....		
Prepaid expenses (See Schedule No. 3 reverse side).....		
Other assets (Describe and itemize).....		
<b>Total assets.....</b>		<b>2,333,240.94</b>
<b>LIABILITIES AND CAPITAL</b>		
Accounts payable incurred in the operation of the Company's business.....		85,718.64
Notes payable exclusive of indebtedness incurred in the purchase of non-taxable items.....		50,000.00
Notes and accounts payable incurred in the purchase of non-taxable items.....		
Bonded indebtedness.....		
Mortgage indebtedness.....		
Reserve for taxes (Federal.....)		
State and County.....		
Other reserves (See Schedule No. 4 reverse side).....		
Other liabilities (Describe and itemize).....		
Capital stock, issued and outstanding.....		2,000,000.00
Surplus and undivided profits (See Schedule No. 1, reverse side).....		197,522.30
<b>Total liabilities and capital.....</b>		<b>2,333,240.94</b>

Are the above figures gross as shown by your books, without deduction of reserves? No allowances of any kind will be made unless a gross balance sheet is furnished. Gross figures should be furnished at all times.

STATE OF OHIO,  
County of Cuyahoga, ss.

Sworn to before me and subscribed in my presence this 27th day of February A.D. 1930.

(Signed)

FRED W. MILLER,  
Notary Public.



What amount of Federal, local and other taxes did you owe at the close of your 1929 fiscal year? none; is this amount included in your deduction from credits, on return? -----; did you engage any accountant, attorney, tax expert or others to assist in the preparation of this balance sheet and tax return? no; if so, give name -----; address -----; business -----; phone no. -----; if such assistance was rendered, were the figures herein submitted taken directly from the books of the corporation by above party, or did said party accept them as submitted by the corporation? -----.

NOTE: Attach additional memorandum if there is not sufficient space on this blank.

This Balance Sheet must be signed and sworn to by an officer of the company and forwarded with tax return to John A. Zangerle, County Auditor, Room 154, New Court House, Cleveland, Ohio. It will not be accepted unless the questions listed above are answered.

EXHIBIT U-14-3

County Auditor Tax Form No. 10 prescribed by the Tax Commission of Ohio. Individuals or public utilities shall not use this form

CORPORATION PERSONAL PROPERTY TAX RETURN FOR 1931

This return with the accompanying balance sheet must be filed not later than March 1, 1931, with John A. Zangerle, county auditor, room 154, New Court House.

Considerable annoyance will be avoided by reading the letter of instructions carefully before filling out this return. Show Cuyahoga County values only, on this page.

Name, Union Cleveland Corporation, business, dealing in securities; Cuyahoga County address, Union Trust Building; taxing district, Cleveland; organized under the laws of the State of Ohio; date, July 24, 1929; if foreign corporation give date of qualification in the State of Ohio, -----; principal place of business designated in Ohio, -----; authorized capital stock, \$2,000,000.00; subscribed but not paid, \$-----; issued and outstanding, \$2,000,000 00; principal office as specified in charter, Union Trust Building; principal accounting office, same; telephone number, -----; if the name of your corporation has been changed during the preceding year, state below, your former name. Former name -----.

Items	These columns to be used for figures only by		
	Corporation	Auditor	Board of revision
1. All moneys in possession or on deposit.....	764.18		
Credits (see schedule A).....	\$125,691.56		
Legal bona fide debts.....	927,343.50		
*(See foot notes).			
2. Excess credits.....	0		
Materials in Cuyahoga County: Raw, \$.....			
In process, \$.....			
Finished, \$.....			
3. Total materials in Cuyahoga County.....			
4. Merchandise in Cuyahoga County.....			
5. Tools, machinery, and equipment not assessed as real estate.....			
See page 4.			
6. Taxable stocks and bonds (from schedule C).....			
7. Taxable property converted into non-taxable property (from schedule D).....			
8. Office, store and shop furniture, fixtures, etc.....			
NUMBER			
9. Automobiles.....	}	}	}
10. Motor trucks.....			
11. Other vehicles.....			
12. Livestock.....			
13. All other personal property not classified above (from schedule F).....			
Do not use this space.....			
Grand total.....	764.18		







AUTOMOBILES (E-1)

Make	Style	Horse power	Years model	License number	List price	Tax value
None						
Total						

MOTOR TRUCKS (E-2)

Make	Tonnage	Horse power	Years model	License number	List price	Tax value
None						
Total						

OTHER VEHICLES (E-3)

Description	Number	Value
None		
Total		

LIVE STOCK (E-4)

Description	Number	Value
Horses		
Cattle		
Sheep		
Hogs		
Other live stock		
Total		

SCHEDULE F.—List below all other personal property owned or controlled by you not classified on first page

Description	Amount
None	
Total	

CONSIGNED GOODS

Did you on listing day as official custodian, factor, agent or otherwise hold on consignment in Cuyahoga County, merchandise, manufacturer's stock, machinery or other property at your place of business or in warehouse not owned by you and not shown on your balance sheet? —; if so, describe same and state value, \$—, (Carry value to Schedule F). Name and principal address of consignor, —; did you on listing day own merchandise, manufacturer's stock, machinery or other property on consignment at points in Ohio outside of Cuyahoga County? —; if so, state location, —; Value, \$—; consignee —.

## LEASED MACHINERY AND EQUIPMENT

Did you on tax listing day have in your possession machinery leased to you and located in Cuyahoga County? ———; if so, state value, \$———; annual rental, \$———; name and address of lessor, ———, (Carry value to Schedule F).

Is your company dormant, liquidating, a holding company, or actively engaged in business?

STATE OF OHIO,

*County of Cuyahoga, ss.*

Sworn to before me and subscribed in my presence this 19th day of February A.D. 1931

\_\_\_\_\_  
*Notary Public.*

I do hereby solemnly swear that I am the Vice President of The Union Cleveland Corporation and that to the best of my knowledge and belief all the statements contained in this list are true and that the list contains a full disclosure of all property required by law to be listed for taxation and the true value in money of all such property.

(Signed) A. C. COUEY,  
*For the said Company.*

DO NOT FAIL TO MAKE OATH TO THIS RETURN. OATH MUST BE MADE BY AN OFFICER OF THE COMPANY

Machinery and equipment assessed as personal property shall include such machinery and equipment affixed to the building, as would not pass between grantor and grantee as a part of the premises if not specifically mentioned or referred to in the deed, or as would be moved, if the building were vacated or sold, or the nature of the work carried on therein were changed.

Fixed machinery, assessed as real estate, shall include—Elevators, shafting, traveling cranes and runways, sprinkler-systems, refrigeration machinery and insulation, boilers, piping and radiation, ventilating apparatus and grain elevator equipment.

*Sections of the general code of Ohio*

Section 5369. Each person required to list property for taxation shall take and subscribe an oath or affirmation that all the statements in such list are true, and that such list contains a full disclosure of all property required by law to be listed for taxation, and the true value in money of all such property; and when any person required by law to list and make return of property to the County Auditor, shall wilfully fail or refuse to make such list or return within the time fixed by law, (March 1st), or shall refuse to take and subscribe an oath or affirmation to such list or return, or shall wilfully omit to make a full and complete list and return of all taxable property, or shall wilfully fail to give the true value of any property in such list or return, or shall wilfully fail or refuse to answer all questions contained in the blanks for listing such property, the county auditor shall cause all such property to be listed and assessed and shall add to the amount thereof the penalty (50%) provided in Section 5398 of the General Code; and in case of a false oath to any such list, he shall certify the facts to the prosecuting attorney, who shall proceed as in other cases of perjury. This section shall be printed in plain type upon all blanks for the listing of any property.

Section 5404. The president, secretary, or principal accounting officer of every incorporated company, except banking or other corporations whose taxation is specifically provided for, for whatever purpose they may have been created, whether incorporated by a law of this State or not, shall list for taxation, verified by the oath of the person so listing, all the personal property thereof, and all real estate necessary to the daily operations of the Company, moneys and credits of such company or corporation within the state, at the true value in money.

Section 5404-1. All the listing and valuation of the personal property, moneys, credits, investments in stocks, bonds, joint stock companies or otherwise, of incorporated companies, and all the averages of the stocks of merchandise and material used as a manufacturer, of such incorporated companies, shall be listed, valued and ascertained as of the first day of January annually.

All such listings together with all supplementary forms and all information necessary in the proper fixing of such values for taxation, shall be filed with the county auditor on or before the first day of March, annually.

Section 5405. Return shall be made to the several auditors, of the respective counties where such property is situated, together with a statement of the amount thereof which is situated in each township, village, city, or taxing district therein. Upon receiving such returns, the auditor shall ascertain and determine the value of the property of such companies, and deduct from the aggregate sum so found of each, the value as assessed for taxation of any real estate included in the return. The value of the property of each of such companies, after so deducting the value of all real estate included in the return, shall be apportioned by the auditor to such cities, villages, townships, or taxing districts, pro rata, in proportion to the value of the real estate and fixed property included in the return, in each of such cities, villages, townships, or taxing districts. The auditor shall place such apportioned valuation on the tax duplicate and taxes shall be levied and collected thereon at the same rate and in the same manner that taxes are levied and collected on other personal property in such township, village, city or taxing district.

Section 5406. The auditor of each county \* \* \* shall furnish the president, secretary, principal accounting officer, or agent as provided in the next two preceding sections, the necessary blanks for the purpose of making such returns, but neglect or failure on the part of the county auditor to furnish such blanks shall not excuse such president, secretary, accountant, or agent, from making the returns within the time specified herein. If the county auditor to whom returns are made is of the opinion that false or incorrect valuations have been made, that the property of the corporation or association has not been listed at its full value, or that it has not been listed in the location where it properly belongs, or if no return has been made to the county auditor, he must have the property valued and assessed. This section and the next preceding section shall not tax any stock or interest held by the state in a joint stock company.

Section 5387-1. When a company is incorporated after the first day of January and prior to the first day of July in any year, and the personal property employed in such business has not been previously listed for taxation for the then current year, the president, secretary or principal accounting officer of such corporation shall list for taxation with the auditor of the county wherein located the probable average value of the personal property by him intended to be employed until January 1st thereafter.

#### NOTICE

If there is not sufficient space on the Blank to make full and complete return of any property, use additional sheet of paper and attach same to return.

#### EXHIBIT U-14-3a

##### TO BE USED BY RESIDENT CORPORATIONS

Considerable annoyance will be avoided by reading Letter of Instructions carefully before filling out this Balance Sheet

Co. Aud. Form 10a. Form prescribed by the Tax Commission of Ohio

#### BALANCE SHEET AT CLOSE OF 1930 FISCAL YEAR

(With comparative figures at close of 1929)

This form will not be filed with the tax return of the Company but will be used by the County Auditor to verify same. It will be treated as confidential, but must be an exact copy of your books at close of fiscal years. Failure to fill out, sign and swear to this form will necessitate subpoenaing of the Company's books. An audit of your books will be made at a later date for the purpose of verifying the figures set forth below.

Balance sheet of the Union Cleveland Corporation Company as of December 31st, 1930.

Assets	Please use these columns for figures only	
	Close of 1929	Close of 1930
All moneys in possession or on deposit.....	1,020 79	764. 18
Notes and accounts receivable (See Schedule A on return).....	133,450 35	125,691. 56
Materials in Cuyahoga County (Raw).....		
(Finished).....		
Merchandise in Cuyahoga County.....		
Tools, equipment and machinery in Cuyahoga County not assessed as real estate. (See Schedule 2, Reverse Side).....		
Securities owned (See Schedule C on return).....	2,198,769. 80	3,147,284. 91
Office, store and shop furniture, fixtures, etc., in Cuyahoga County.....		
Motors and other vehicles in Cuyahoga County.....		
Land in Cuyahoga County.....		
Buildings in Cuyahoga County.....		
Equipment and fixed machinery assessed as real estate in Cuyahoga County. (See Schedule 2, Reverse Side).....		
Merchandise and materials (Raw, in process and finished) in Ohio outside of Cuyahoga County.....		
Land, buildings, machinery and equipment in Ohio outside of Cuyahoga County.....		
Merchandise and materials (Raw, in process and finished) outside of Ohio.....		
Land, buildings, machinery and equipment outside of Ohio.....		
Trade marks, good will and patents.....		
Prepaid expenses (See Schedule No 3 reverse side).....		
Other assets (Describe and itemize).....		
<b>Total assets</b> .....	<b>2,333,240. 94</b>	<b>3,273,740. 65</b>
<b>Liabilities and capital</b>		
Accounts payable incurred in the operation of the Company's business.....	85,718. 64	148,943. 50
Notes payable exclusive of Indebtedness Incurred in the purchase of non-taxable items.....	50,000. 00	778,400. 00
Notes and accounts payable incurred in the purchase of non-taxable items.....		
Bonded indebtedness.....		
Mortgage indebtedness.....		
Reserve for taxes (Federal).....		
(State and County).....		
Other reserves (See Schedule No. 4 Reverse Side).....		
Other liabilities (Describe and itemize).....		
Capital stock issued and Outstanding.....	2,000,000. 00	2,000,000. 00
Surplus and undivided profits (See Schedule No 1, Reverse Side).....	197,522 30	346,397. 15
<b>Total liabilities and capital</b> .....	<b>2,333,240. 94</b>	<b>3,273,740. 65</b>

Are the above figures gross as shown by your books, without deduction of reserves? \_\_\_\_\_. No allowances of any kind will be made unless a gross Balance Sheet is furnished. Gross figures should be furnished at all times.

STATE OF OHIO,  
County of Cuyahoga, ss:

Sworn to before me and subscribed in my presence this 19th day of February A.D., 1931.

(Signed) \_\_\_\_\_,  
Notary Public.

I do hereby solemnly swear that I am the Vice President of The Union Cleveland Corporation Company, and that all of the property possessed or held by said Company is fully and correctly shown in the foregoing, that all the items and statements are true and just, as therein set forth, and that the figures given are actual values as shown by the Company's books.

A. C. COREY,  
Address of Company, Union Trust Building, Cleveland Ohio.

EXHIBIT U-14-3b

Analysis of Surplus—Schedule 1

Surplus at Close of 1929.....		197,522.30
Additions		
Net gain year 1930.....	148,874.85	
Total Additions.....		148,874.85
Total.....		346,397.15
Deductions:		
Total Deductions.....		0
Surplus at Close 1930.....		346,397.15

SCHEDULE No. 2

Additions to and deductions from tools, equipment and machinery (Item 5 on return); also buildings, equipment and fixed machinery assessed as real estate in Cuyahoga County during the past fiscal year

Month	Nature of additions and deductions	Additions				Deductions			
		Tools, equipment and machinery		Fixed equipment and fixed machinery		Tools, equipment and machinery		Fixed equipment and fixed machinery	
	None								
Total									

Month	Nature of additions	Additions—Buildings				Deductions—Buildng			
			None						
Total									

Schedule No. 3.—Prepaid expenses

Describe all items included as Prepaid Expenses

Description	Amount
None.....	
Total.....	

Schedule No. 4.—Reserves

Describe all reserves actually carried on books, analyzing those which apply to Buildings, Machinery, Furniture, etc., in Cuyahoga County and separating therefrom those which apply to property outside Cuyahoga County.

Description	Amount
None.....	
Total.....	

What amount of Federal, local and other taxes did you owe at the close of your 1930 fiscal year? None; is this amount included in your deduction from credits on return? —; did you engage any accountant, attorney, tax expert or others to assist in the preparation of this balance sheet and tax return? No; if so, give name, —; address, —; business, —; phone No. —; if such assistance was rendered, were the figures herein submitted taken directly from the books of the corporation by above party, or did said party accept them as submitted by the corporation?—.

Note. Attach additional memorandum if there is not sufficient space on this blank.



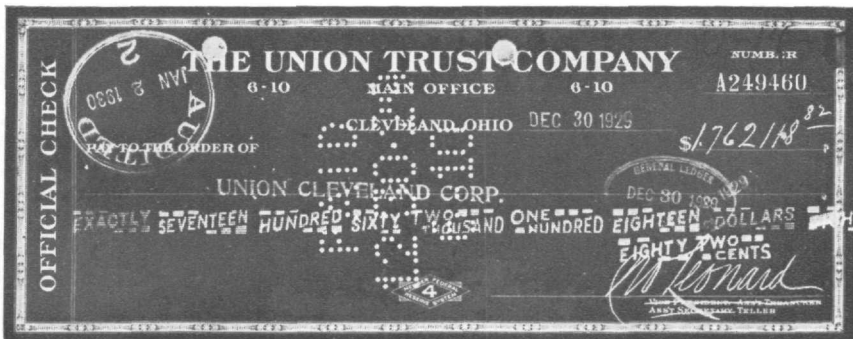


EXHIBIT U-14-5 (1)

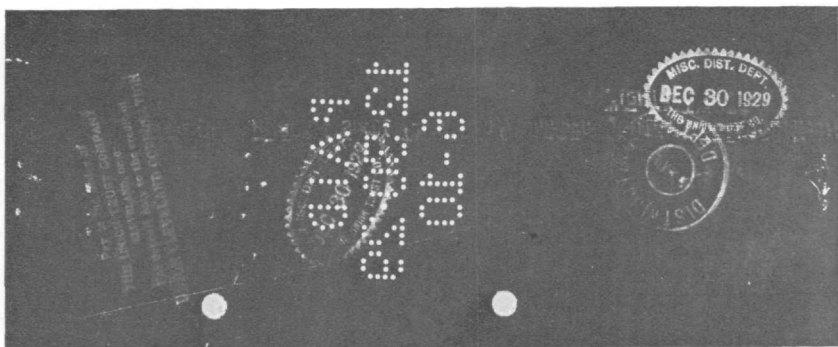


EXHIBIT U-14-5 (2)



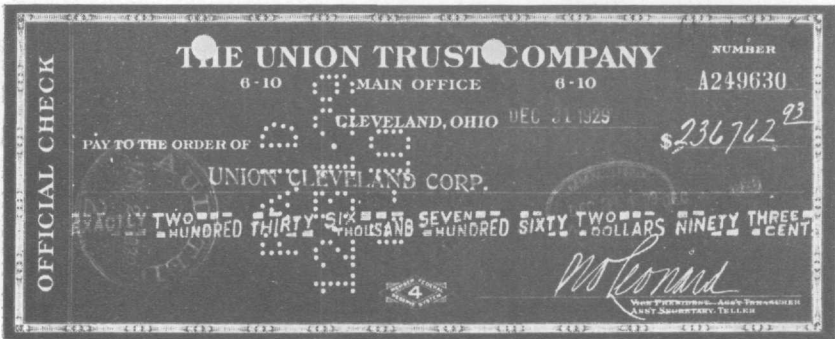


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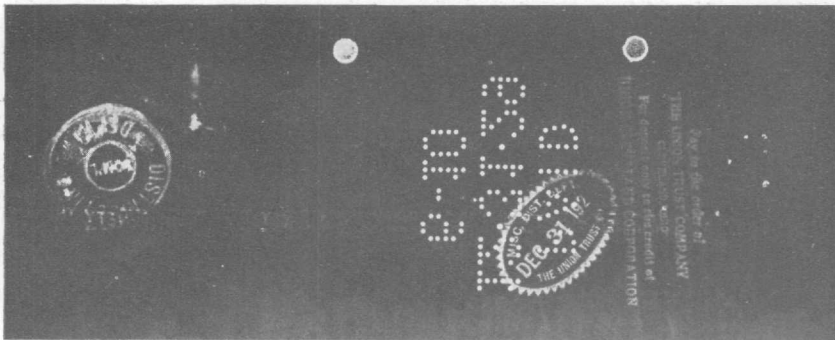


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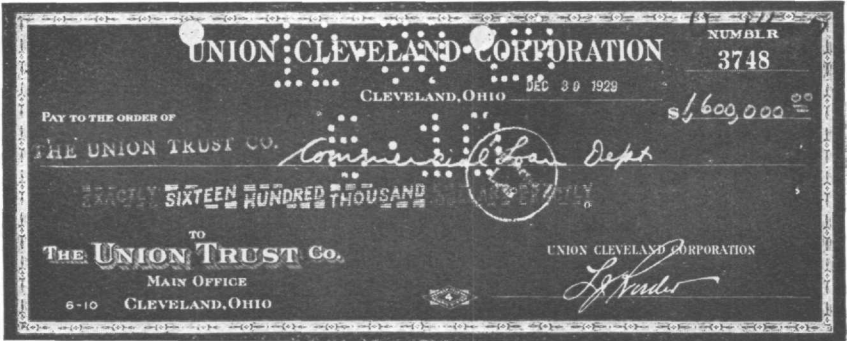


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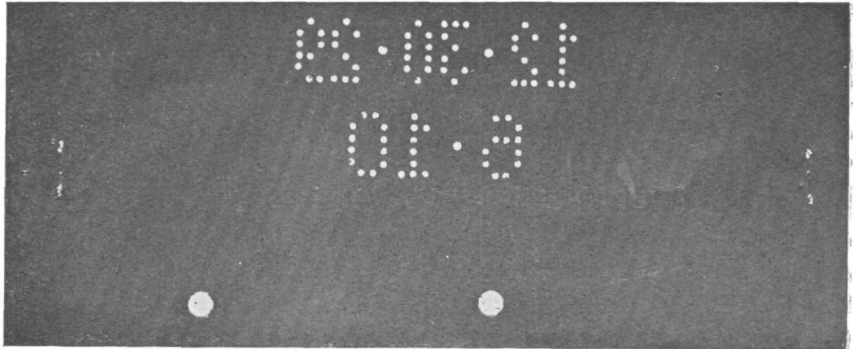


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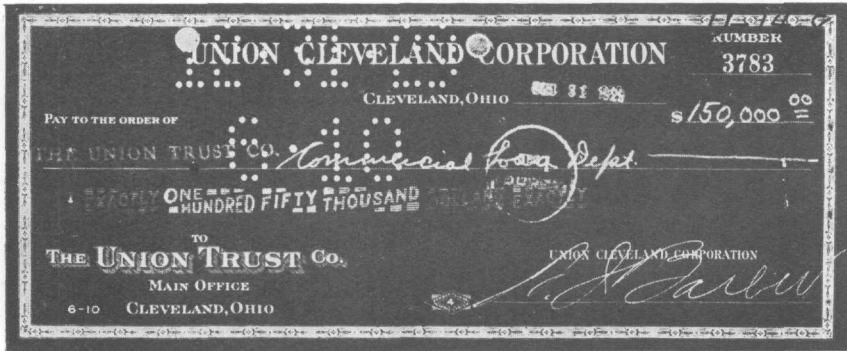


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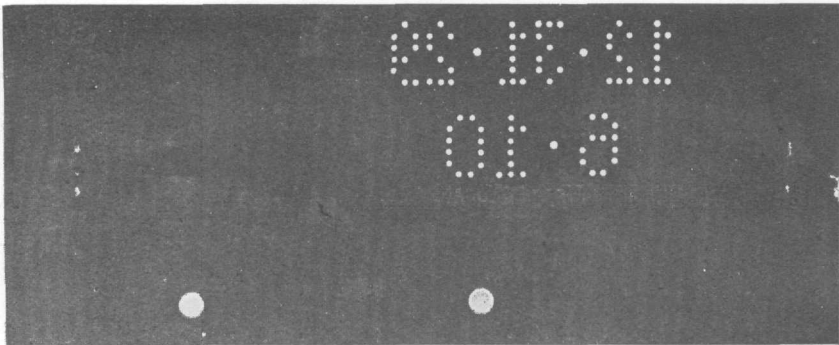


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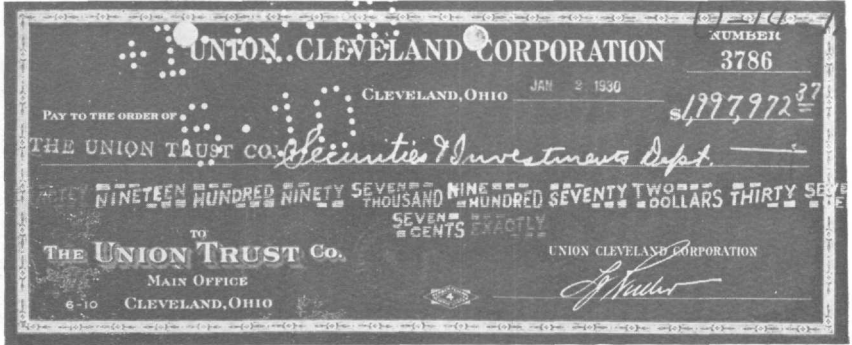


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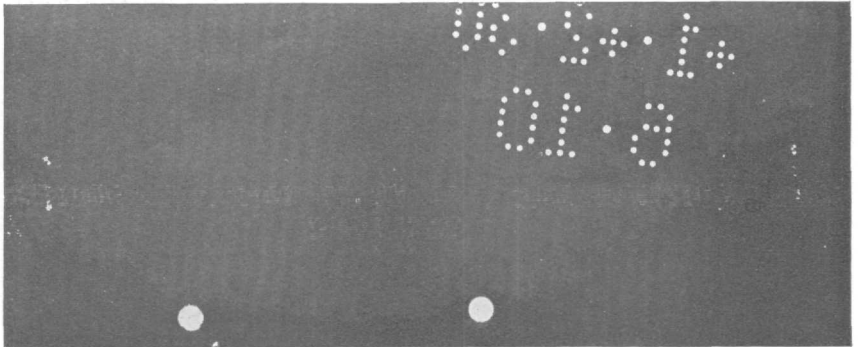


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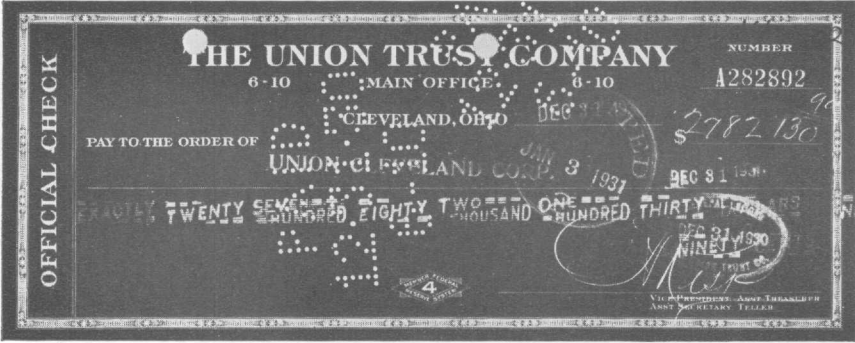


EXHIBIT U-14-12 (1)

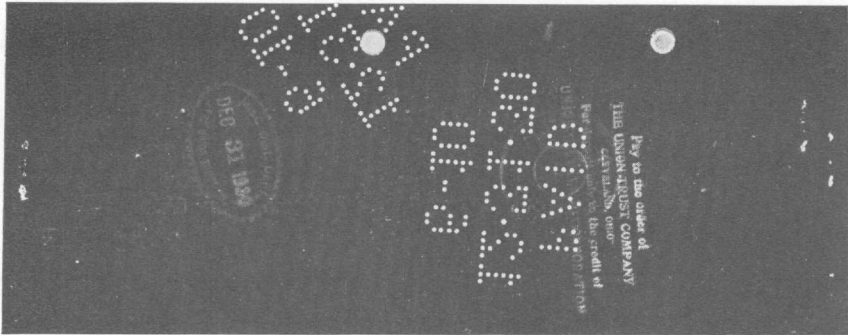


EXHIBIT U-14-12 (2)

This balance sheet must be signed and sworn to by an officer of the company and forwarded with tax return to John A. Zangerle, County Auditor, Room 154, New Court House, Cleveland, Ohio. It will not be accepted unless the questions listed above are answered.

(Exhibits U-14-4 through U-14-8 face this page)

EXHIBIT U-14-9

CLEVELAND, OHIO,  
December 31, 1929.

To Securities & Investment Dept., in account with Union Cleveland Corporation, Union Trust Building.

Form No. UCB 13 5M 8-29

	Sold to you			
\$99,000	Illinois Power & Light 5's.....	94 3/4		\$94,155.50
	Due December 1, 1956.			
\$50,000	Milwaukee Elec. Ry. & Lt. 5's.....	99 1/4		49,625.00
	Due: June 1, 1961.			
\$1,000	New England Gas & Elec 5's.....	87.843		878.43
	Due: December 1, 1948.			
\$1,000	Southern California Edison 5's.....	101.4		1,014.00
	Due: September 1, 1952.			
\$45,000	Union Electric Lt & Pr. 5's.....	100 02		45,012.50
	Due August 1, 1967			
\$6,000	Baltimore & Ohio R R 4 1/2's.....	99.333		5,960.00
	Due: March 1, 1933.			
\$20,000	Great Northern Rly 7's.....	110 20		22,040.00
	Due: July 1, 1963.			
\$1,000	Canadian International Paper 6's.....	89 3/4		897.50
	Due: July 1, 1949			
\$13,000	Canadian Pacific R R 5's.....	99 615		12,950.00
	Due: December 1, 1954			
\$1,000	Lautaro Nitrate Co 6's.....	81		810.00
	Due: July 1, 1954			
\$2,800	Eastern Michigan Ry 6's.....	15		420.00
	Due July 1, 1958			
\$5,000	Maher Collieries 6 1/2's.....	30		1,500.00
	Due: August 1, 1927			
\$5,000	Brady Warder Coal 7's.....	30		1,500.00
	Due April 1, 1942.			
				\$236,762.93

EXHIBIT U-14-10

THE UNION TRUST COMPANY, CLEVELAND

Bonds dated: Securities as per attached.

Maturity: Statements, purchased from Union Cleveland Corporation.

Trustee, \_\_\_\_\_ Interest due \_\_\_\_\_.

Form No. W 18-500-9-29

Numbers	Denomination	Date	Bought or sold	Cost @	Sold @	Par value of bonds	Cost or selling price	Balance in par value of bonds	Balance as shown by general ledger	Profit or loss	Inventory
		1929 Dec 30	bot.....						1,762,118 82		
		31	sold 1 M Denmark 4 1/2				909 38		1,761,209 44		
			bot.....				236,762.93		1,997,972.37		
		1930 Jan 2	sold all above to U C C.				1,997,972 37				

(Exhibits U-14-11 through U-14-12 face this page)

## EXHIBIT U-14-13a

CLEVELAND, OHIO,  
December 31, 1930.To Securities & Investment Department, The Union Trust Company, in account  
with Union Cleveland Corporation, Union Trust Building.

Form No UCB 13 5M 8-20

\$5,000	Sold to you: Alleghany Corporation 5's.....	73 344	\$5,787 50	
	Int. from 8/1 to 12/31 (150 days) @ 5%.....		166 67	
	Due date: February 1, 1944			\$5,954.17
\$50,000	American Aggregates 6's.....	85 23	\$42,615 00	
	Int. from 8/1 to 12/31 (150 days) @ 6%.....		1,250 00	
	Due date: February 1, 1943.			43,865.00
\$2,000	American Agriculture Chemical 7½'s.....	102 50	2,050 00	
	Int. from 8/1 to 12/31 (150 days) @ 7½%.....		62 50	
	Due date: February 1, 1941.			2,112.50
\$4,000	Armour & Company 5½'s.....	74 25	2,970 00	
	(As of 1/1)			2,970.00
	Due date: January 1, 1943.			
\$1,000	Cleveland & Buffalo Transit Co. 5½'s.....	100	1,000 00	
	Int. from 8/1 to 12/31 (150 days) @ 5½%.....		22 92	
	Due date: February 1, 1934.			1,022.92
\$45,000	Gillette Safety Razor Co. 5's.....	110 067	49,530 00	
	Int. from 10/1 to 12/31 (90 days) @ 5%.....		562.50	
	Due date: October 1, 1940.			50,092.50
\$5,000	B. F. Goodrich Co. 6's.....	67.95	3,397 50	
	Int. from 12/1 to 12/31 (30 days) @ 6%.....		25.00	
	Due date: June 1, 1945.			3,422.50
\$5,000	International Paper 6's.....	62 75	3,137.50	
	Int. from 9/1 to 12/31 (120 days) @ 6%.....		100 00	
	Due date: March 1, 1935.			3,237.50
\$200,000	The Newton Steel Co 6's.....	100	200,000 00	
	(As of 1/1)			200,000.00
	Due date: December 31, 1931.			
\$5,000	Ohmer Fare Register Co 6's.....	98	4,900 00	
	Int. from 9/1 to 12/31 (120 days) @ 6%.....		100 00	
	Due date: March 1, 1933.			5,000.00
\$1,000	Pringle Barge Line 6's.....	95	950 00	
	Int. from 12/15 to 12/31 (16 days) @ 6%.....		2 67	
				952.67
				318,629.76

## EXHIBIT U-14-13b

\$39,000	Due date: December 15, 1935. United States Rubber 8's.....	101 347	\$39,525.25	
	Int. from 12/1 to 12/31 (1 month) @ 6%.....		195 00	
	Due date: June 1, 1933.			39,720.25
\$64,000	Van Sweringen Co. 6's.....	91.34	58,458 24	
	Int. from 11/1 to 12/31 (60 days) @ 6%.....		640 00	
	Due date: May 1, 1935.			59,098.24
\$2,000	Youghiogheny & Ohio Coal Col. 6's.....	99.875	1,997.50	
	Int. from 8/1 to 12/31 (150 days) @ 6%.....		50 00	
	Due date: August 1, 1945.			2,047.50
\$2,000	Central States Elec. 6½'s.....	66.23	1,324.60	
	Int. from 9/15 to 12/31 (106 days) @ 5½%.....		32 39	
	Due date: September 15, 1954.			1,356.99
\$11,000	Illinois Power & Light 5's.....	96 75	10,642 50	
	Int. from 12/1 to 12/31 (30 days) @ 5%.....		45 83	
	Due date: December 1, 1936.			10,688.33
\$15,000	International Tel. & Tel. 4½'s.....	127 36	19,104.13	
	Int. As of 1/1.			19,104.13

STOCK EXCHANGE PRACTICES

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EXHIBIT U-14-13b—Continued

\$5,000	Due date: January 1, 1939. Northern Indiana Public Service 4½'s..... Int. from 12/1 to 12/31 (30 days) @ 4½%.....	94.50	4,725.00 18.75	\$1,743.75
\$71,000	Due date: December 1, 1970 Toledo Light & Power Co. 5's..... Int. from 12/1 to 12/31 (30 days) @ 5%.....	99.55	70,677.50 295.83	70,973.33
\$5,000	Due date: December 1, 1932 Chicago Eastern Illinois 5's..... Int. from 11/1 to 12/31 (60 days) @ 5%.....	31.75	1,587.50 41.67	1,629.17
\$1,000	Due date: May 1, 1951 Armour & Co. of Delaware 5½'s... (As of 1/1)	74.25	742.50	742.5
\$5,000	Due date: January 1, 1943 McKesson & Roberts 5½'s..... Int. from 11/1 to 12/31 (60 days) @ 5½%.....	79.25	3,962.50 45.83	4,008.33
	Due date: May 1, 1950			
	Amount forwarded.....			\$532,742.28

EXHIBIT U-14-13c

\$500	Amount forwarded..... Bowman Biltmore 6's..... (Int. as of 1/1)	97.75		\$532,742.28 488.75
\$35,000	Due date: July 1, 1931. S. S. Kresge Co. 5's..... Int. from 11/1 to 12/31 (60 days) @ 5%.....	100.22	35,077.50 291.67	35,369.17 1,897.50
\$2,000	Due date: November 1, 1945. Dodge Court 6's..... (Int. as of 1/1)	94.875		
\$1,000	Due date: July 1, 1931. Halles Bros. Co. 6's..... Int. from 10/1 to 12/31 (90 days) @ 6%.....	95.50	955.00 15.00	970.00
\$1,000	Due date: April 1, 1940. Kerr Realty Co. 6's..... Int. from 8/1 to 12/31 (150 days) @ 6%.....	90.00	900.00 25.00	925.00
\$300	Due date: February 1, 1930. Kerr Realty Co. 6's..... Int. from 8/1 to 12/31 (150 days) @ 6%.....	88.00	264.00 7.50	271.50
\$1,300	Due date: February 1, 1941. Morgan Properties 6's..... Int. from 8/15 to 1/2/31 (136 days) P 6%.....	98.23	1,277.00 29.47	1,306.47
\$53,600	Due date: August 15, 1941. Van Sweringen Co. 6's..... Int. from 10/1 to 12/31 (90 days) @ 6%.....	101.267	54,279.50 804.00	55,083.50 255.00
\$1,000	Due date: October 1, 1938. Wade Park Manor 6's..... (As of 1/1)	25.50	255.00	
\$12,000	Due date: January 1, 1943. Wade Park Manor 6's..... (as of 1/1)	79.00		9,480.00
\$2,000	Due date: January 1, 1944. Wade Park Manor 6's..... (as of 1/1)	63.50		1,270.00
\$14,000	Due date: January 1, 1945. Wade Park Manor 6's..... (as of 1/1)	69.60		9,744.50
	Due date: January 1, 1948			649,803.67

EXHIBIT U-14-13d

\$7,000	Amount forwarded..... Wade Park Manor Co. 6's..... Int. as of 1/1	62.0178		\$649,803.67 4,341.25
\$1,000	\$1,000 due January 1, 1942. \$6,000 " " " " 1, 1946.			
\$1,000	Rio Grande Do Sul 6's..... Int. from 12/1 to 12/31 (1 month) @ 6%.....	44.75	337.50 5.00	452.50
\$5,000	Due date: June 1, 1968. Imperial Japanese Govt. 5½..... Int. from 11/1 to 12/31 (60 days) @ 5½.....	93.125	4,656.25 45.83	4,702.08
\$5,000	Due date: May 1, 1965. North German Lloyd 6's..... Int. from 11/1 to 12/31 (60 days) @ 6%.....	82.50	4,125.00 50.00	4,175.00
	Due date: November 1, 1947.			



## EXHIBIT U-14-13d—Continued

\$5,000	Ontario Power Corp. 5½'s..... Int. as of 1/1).	93.00	4,650.00	\$4,650.00
	Due date: July 1, 1950.			
\$35,000	Saxon Public Works Inc. 5's..... Int. from 7/15 to 12/31 (166 days) @ 5%.....	97.086	33,980.00 806.94	34,786.94
	Due date: July 15, 1932.			500.00
\$3,000	Farmers Mfg. Co. 7's..... Due date: September 1, 1943.	16.667		
300 shs.	American Cyanamid "B" common stock.....	30.174		9,214.20
300 shs.	American Tel. & Tel. Co. common stock.....	204.30		61,290.00
500 shs.	Baltimore & Ohio R. R. Co. common stock.....	125.25		62,625.00
500 shs.	Bankers Trust Co. of New York common stock.....	146.00		73,000.00
3,620 shs.	Bethlehem Steel Corp. common stock.....	91.50		331,230.00
792 shs.	Blue Ridge Corp. common stock.....	22.25		17,621.88
160 shs.	Chemical BK. & Trust Co. common stock.....	68.36		10,938.10
5,000 shs.	Chesapeake & Ohio R. R. Co. common stock.....	47.835		239,175.00
1,000 shs.	Continental Chicago Corp. common stock.....	18.50		18,500.00
				1,527,005.62

## EXHIBIT U-14-13e

	Amount forwarded.....			\$1,527,005.62
1000 shs.	Electric Storage Battery common stock.....	89.90		89,900.00
600 shs.	General Elec. Co. common stock.....	60.675		40,005.00
838 shs.	Insurancshares Corp. of N. Y. common stock.....	15.00		12,570.00
200 shs.	Insurashares Management common stock.....	70.00		14,000.00
1,000 shs.	Kreuger & Toll Co. common stock.....	32.39		32,390.00
500 shs.	Lehman Corporation common stock.....	104.00		52,000.00
2,000 shs.	Manhattan Dearborn Corp. common stock.....	51.00		102,000.00
2,368 shs.	Marine Midland Corp.....	35.274		83,528.80
850 shs.	Marshall Field Co. common stock.....	50.00		42,500.00
300 shs.	National City Bank common stock.....	236.00		70,800.00
1,300 shs.	New York Central R. R. common stock.....	184.423		239,750.00
6,000 shs.	Pennroad Corporation common stock.....	16.50		99,000.00
1,706 shs.	Prince & Whitely Trading Corp. common stock.....	17,852		30,347.05
890 shs.	Public Utility Holding Co. common stock.....	33.39		29,717.50
225 shs.	Tri Continental Corp. common stock.....	33.33		7,500.00
300 shs.	U. S. Steel Corporation common stock.....	158.25		47,475.00
245 shs.	Alleghany Corporation 5¼% pfd. stock.....	90.00		22,050.00
822 shs.	Blue Ridge Corp. preferred stock.....	56.83		46,713.97
300 units	Central Illinois Sec. Corp.....	31.46		9,437.25
1,000 shs.	Continental Chicago Corp.....	50.00		50,000.00
1,600 shs.	Prince & Whitely Trading 6% pfd.....	61.949		99,118.44
50 shs.	General Gas & Elec. preferred stock.....	99.65		4,982.69
				\$2,752,791.32

## EXHIBIT U-14-13f

	Amount forwarded.....			\$2,752,791.32
\$7,000	East Cleveland Corner Co. ctf. of deposit.....	25		1,750.00
200 shs.	Western Reserve Investing Co. 6¼ pfd. stock.....	75		15,000.00
\$5,000.	Toledo Paramount Corp. 8's..... Int. from 8/1 to 12/31 (150 days) @ 6%.....	90	\$4,500.00 125.00	4,625.00
	Due date: February 1, 1943.			
\$5,000.	Western Reserve Inv. 5½'s..... Int. from 8/1 to 12/31 (150 days) @ 5½%.....	80	\$4,000.00 114.58	4,114.58
	Due date: February 1, 1944.			
100 shs.	Alleghany Corporation 5¼% pfd. stock.....	38½	\$3,850.00	3,850.00
				\$2,782,130.90

(Exhibits U-14-14 through U-14-16 face this page)



EXHIBIT U-14-14 (1)

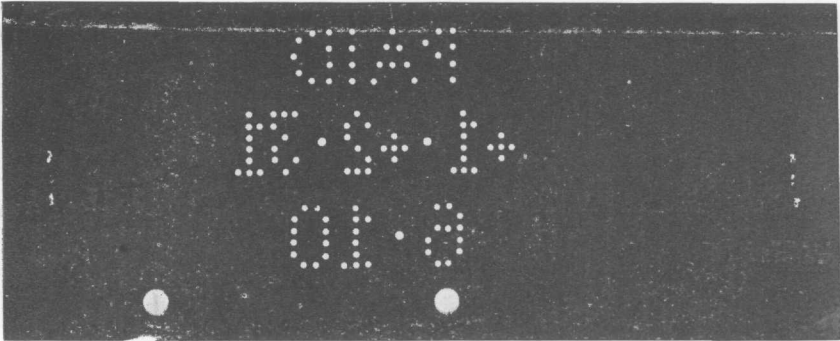


EXHIBIT U-14-14 (2)

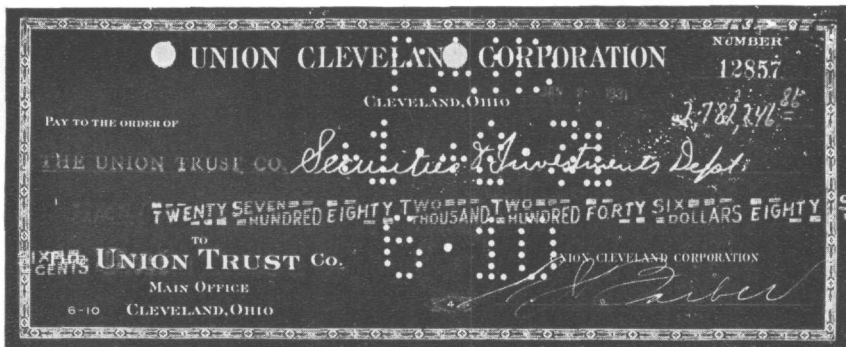


EXHIBIT U-14-15 (1)

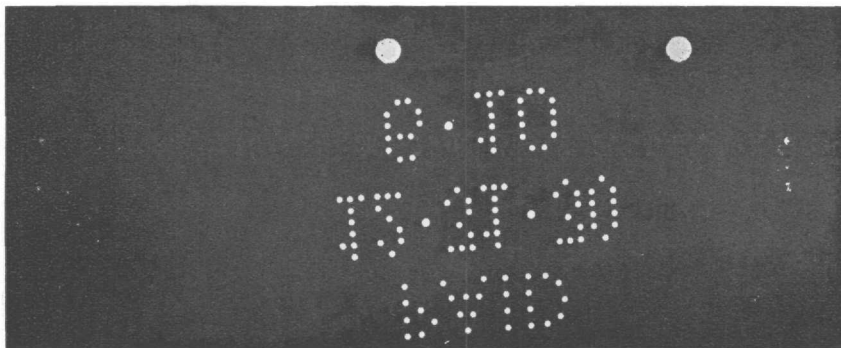


EXHIBIT U-14-15 (2)

STOCK EXCHANGE PRACTICES

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EXHIBIT U-14-16a

CLEVELAND, OHIO,  
December 30, 1929.

To Securities & Investment Dept. The Union Trust Co. In account with  
Union Cleveland Corporation, Union Trust Building.

Form No. UCB 13 5M 8-29

\$5,000	Sold to you: Crowley Milnor 5½'s.....	90	\$4,500.00	\$4,545.07,
	Int. from 11/1 to 12/30 (59 days) @ 5½%.....		45.07	
	Due date. Nov. 1, 1937. Int. dates: May & Nov. 1st.			
10,000	Inland Steel 4½'s.....	91½	9,150.00	9,261.25
	Int. from Oct. 1 to 12/30 (89 days) @ 4½%.....		111.25	
	Due date: April 1, 1978. Int. dates: Apr. & Oct. 1st.			
5,000	Int Sec Corp. of America 5's.....	85½	4,275.00	4,295.14
	Int. from 12/1 to 12/30 (29 days) @ 5%.....		20.14	
	Due date. June 1, 1947. Int. dates: June & Dec. 1st.			
5,000	Lautaro Nitrate Co 6's.....	81	4,050.00	4,050.00
	Due date: July 1, 1954. Int. dates: Jan & July 1st.			
5,000	Libby McNeil & Libby 5's.....	91¾	4,581.25	4,643.06
	Int. from 10/1 to 12/30 (89 da ) @ 5%.....		61.81	
	Due date Oct. 1, 1942. Int. dates: Apr. & Oct. 1st.			
5,000	Pacific Western Oil 6½'s.....	85½	4,275.00	4,328.26
	Int. from 11/1 to 12/30 (59 da.) @ 6½%.....		53.26	
	Due date. Nov. 1, 1943. Int. dates: May & Nov. 1st.			
5,000	E. W Scripps Co. 5½'s.....	87½	4,375.00	4,488.82
	Int. from 8/1 to 12/30 (149 da ) @ 5½%.....		113.82	
	Due date. Feb. 1, 1943 Int. dates: Feb & Aug 1st.			
5,000	New Orleans Public Service 5's.....	83	4,150.00	4,170.14
	Int. from 12/1 to 12/30 (29 da ) @ 5%.....		20.14	
	Due date: June 1, 1955 Int. dates: June & Dec 1st.			
	Total forwarded.....			39,781.74

EXHIBIT U-14-16b

5,000	Sold to you: Interborough Rapid Transit 5's.....	61		3,050.00
	Due date: Jan 1, 1966 Int. dates: Jan & July 1st.			
5,000	City of Brisbane 5's.....	89	4,450.00	4,532.64
	Int. from 9/1 to 12/30 (119 da.) @ 5%.....		82.64	
	Due date: Mar. 1, 1957 Int. dates: March & Sept. 1st.			
20,000	Kingdom of Denmark 4½'s.....	90	18,000.00	18,187.50
	Int. from 10/13 to 12/30 (75 da ) @ 4½%.....		187.50	
	Due date: April 15, 1962. Int. dates: Apr. & Oct 15th			
5,000	Porto Rican American Tobacco 6's.....	92½	4,625.00	4,625.00
	Due date. Jan. 1, 1942 Int. dates: Jan & July 1st			
5,000	Rhine Westphalia Electric 6's.....	86	4,300.00	4,424.17
	Int. from 8/1 to 12/30 (149 da ) @ 6%.....		124.17	
	Due date. Aug. 1, 1953. Int. dates: Feb. & Aug. 1st.			
5,000	United Steel Works 6½'s.....	87½	4,375.00	4,375.00
	Due date July 1, 1947. Int. dates. Jan & July 1st.			
				78,976.05

## EXHIBIT U-14-16c

\$50,000	Sold to You:			
	Lautaro Nitrate 6's.....	97.614	\$48,807.00	\$48,807.00
	Due date: July 1, 1954.			
	Int. dates: Jan. & July 1st.			
500	Pringle Barge Line 6's.....	100	500.00	
	Int. from 12/15 to 12/30 (15 da)		1.25	
	Due date: Dec. 15, 1935.			501.25
500	Pringle Barge Line 6's.....	90	450.00	
	Int. from 12/15 to 12/30 (15 da)		1.25	
	Due date: Dec. 15, 1936.			451.25
2,000	Pringle Barge Line 6's.....	101.825	2,036.50	
	Int. from 12/15 to 12/30 (15 da)		5.00	
	Due date: Dec. 15, 1937.			2,041.60
2,000	Pringle Barge Line 6's.....	110	2,200.00	
	Int. from 12/15 to 12/30 (15 da)		5.00	
	Due date: Dec. 15, 1938.			2,205.00
500	Pringle Barge Line 6's.....	93.80	469.00	
	Int. from 12/15 to 12/30 (15 da)		1.25	
	Due date: Dec. 15, 1939.			470.25
1,000	Remington Rand 5½'s.....	96.325	953.25	
	Int. from 11/1 to 12/30 (59 da)		9.01	
	Due date: May 1, 1947.			962.26
	Int. dates: May & Nov. 1st.			
2,000	Sumatra SS 6's.....	70.062		1,401.25
	Due date: Jan. 1, 1939.			
	Int. dates: Jan. & July 1st.			
10,000	American I G Chemical 6¼'s.....	112.20	11,220.00	
	Int. from 11/1 to 12/30 (59 days)		90.14	
	Due date: May 1, 1949.			11,310.14
	Int. dates: May & Nov. 1st.			
6,000	Cities Service Company 5's.....	83¾	5,025.00	
	Int. from 11/1 to 12/30 (59 da)		49.17	
	Due date: Nov. 1, 1963.			5,074.17
	Int. dates: May & Nov. 1st.			
	Amount forwarded.....			\$73,224.07

## EXHIBIT U-14-16d

\$5,000	Sold to You:			
	Forwarded.....			73,224.07
	International Telephone & Telegraph 4¾'s.....	194.112		\$9,706.63
	Due date: Jan. 1, 1939.			
	Int. dates: Jan. & July 1st.			
4,000	New England Gas & Electric 5's.....	90.162	\$3,606.50	
	Int. from 12/1 to 12/30 (29 da)		16.11	
	Due date: Dec. 1, 1948.			3,622.61
	Int. dates: June & Dec. 1st.			
5,000	Pennsylvania Power & Light 7's.....	105¾	5,287.50	
	Int. from 8/1 to 12/30 (149 da)		144.86	
	Due date: Feb. 1, 1951.			5,432.36
	Int. dates: Aug. & Feb. 1st.			
28,000	Chicago & Northwestern RR 4¾'s.....	100.464	28,130.00	
	Int. from 11/1 to 12/30 (59 da)		217.97	
	Due date: Nov. 1, 1949.			28,347.97
	Int. dates: May & Nov. 1st.			
5,000	Georgia Carolina & Northern Rwy 6's.....	97.80		4,890.00
	Due date: July 1, 1934.			
	Int. dates: Jan. & July 1st.			
3,000	New York, Chicago & St. Louis RR 6's.....	103.33	3,100.00	
	Int. from 10/1 to 12/30 (59 da)		44.50	
	Due date: Oct. 1, 1932.			3,144.50
	Int. dates: Apr. & Oct. 1st.			
18,000	St Paul & Kansas City 4½'s.....	95¾	17,145.00	
	Int. from 8/1 to 12/30 (149 da)		335.25	
	Due date: Feb. 1, 1941.			17,480.25
13,000	Western N. York & Pennsylvania 4's.....	87½	11,375.00	
	Int. from 10/1 to 12/30 (59 da)		128.56	
	Due date: April 1, 1943.			11,503.56
4,000	Baltimore & Ohio RR 4½'s.....	98¾	3,975.00	
	Int. from 9/1 to 12/30 (119 da)		59.50	
	Due March 1, 1933.			4,034.60
	Forward.....			\$161,385.45

EXHIBIT U-14-16c

	Sold to you:			
	Fwded.....			\$161,385.45
\$10,000	Chicago, Milwaukee & St. Paul 5's.....	93 3/4	\$9,375.00	
	Int. from 8/1 to 12/30 (149 da).....		206.94	
	Due date: Feb. 1, 1975.....			9,581.94
1,000	Chicago & Western Indiana 4's.....	90.497	904.97	904.97
	Due date: July 1, 1952.....			
1,000	C. W. Brand Realty 6's.....	99	990.00	
	Int. from 12/1 to 12/30 (29 da).....		4.83	
	Due date: June 1, 1931.....			994.83
500	Dodge Court Co. 6's.....	95	475.00	475.00
	Due July 1, 1930.....			
1,000	Dodge Court Co. 6's.....	86.9	869.00	869.00
	Due July 1, 1939.....			
2,000	Euclid 6th Co 6's.....	99	1,980.00	
	Int. from 11/1 to 12/30 (59 da).....		19.67	
	Due May 1, 1930.....			1,999.67
1,000	Fuller Cleaning Company 6's.....	90	900.00	
	Int. from 10/1 to 12/30 (89 da).....		14.83	
	Due date: Oct. 1, 1941.....			914.83
500	Kerr Realty Co 6's.....	90	450.00	
	Int. from 8/1 to 12/30 (149 da).....		12.42	
	Due date: Feb. 1, 1937.....			462.42
1,000	Loews Ohio Theatres 6's.....	95	950.00	
	Int. from 12/1 to 12/30 (29 da).....		4.83	
	Due: 12/1/30.....			954.83
1,100	Morgan Properties 6's.....	98.954	1,088.50	
	Int. from 8/15 to 12/30 (135 da).....		24.75	
	Due: Aug. 15, 1941.....			1,113.25
22,500	Van Sweringen Co. 6's.....	99.10	22,295.75	
	Int. from 10/1 to 12/30 (89 days).....		333.75	
	Forward.....			22,629.50
				202,285.09

EXHIBIT U-14-16f

	Forwarded.....			202,285.09
500	Wade Park Manor 6's.....	93		465.00
	Due date: January 1, 1945.....			
200	Wade Park Manor 6's.....	90		180.00
	Due date: January 1, 1945.....			
3,000	White Motor Realty 6's.....	95	2,850.00	
	Int. from 12/1 to 12/30 (29 days).....		14.50	
	Due date: December 1, 1932.....			2,864.50
100	C. W. Brand Realty 6's.....	97	97.00	
	Int. from 12/1 to 12/30 (29 days).....		.48	
	Due date: June 1, 1937.....			97.48
40,000	Euclid Doan Ld. Tr. 5% Ctf.....	95.293	38,117.47	
	Rentals from 11/15 to 12/30 (45 days).....		250.00	
	Due dates: May & Nov. 15th.....			38,367.47
1,000	Hippodrome Bldg. Site 5% Ctf.....	96		960.00
6,000	Kdgn. of Denmark 5 1/4's.....	100.883	6,053.00	
	Int. from 8/1 to 12/30 (149 days).....		136.58	
	Due date: August 1, 1955.....			6,189.58
7,000	Canadian National Rlwy's 5's.....	104.857	7,340.00	
	Int. from 10/1 to 12/30 (89 days).....		86.53	
	Due date: October 1, 1969.....			7,426.53
500	Canadian Pacific R. R. Perpetual 4's.....	87.016		435.08
21,000	Gatineau Power Co. 5's.....	93.83	19,705.12	
	Int. from 12/1 to 12/30 (29 days).....		84.58	
	Due date: June 1, 1956.....			19,789.70
40,000	Hansa Steamship Co 6's.....	93.293	37,317.50	
	Int. from 10/1 to 12/30 (89 days).....		593.33	
	Due date: October 1, 1939.....			37,910.83
822 shs	Blue Ridge Corporation 6% Pfd.....	56.826	46,711.17	
	Int. from 12/1 to 12/30 (29 days).....		198.65	
				46,909.82
300 Units	Central Illinois Securities Corp.....	31.458		9,437.25
1000 "	Continental Chicago Corporation.....	68 1/2		68,500.00
	Forward.....			441,818.93

## EXHIBIT U-14-16g

FORWARDED				
80 shs	General Gas & Elec 6% pfd.....	99.377	\$7,950 19	\$441,818.93
	Div. from 12/15 to 12/30 (15 days).....		20.00	
40 shs	International Printing Ink 6% pfd.....	99.98	3,999.20	7,970.19
2230 shs	Prince & Whitley Trading Corporation 6% pfd.....	53.287	118,831.88	3,999.20
150 Units	Tri-Continental Allied Co 6's.....	101½	15,225.00	118,831.88
	Int. from 11/15 to 12/30 (45 days).....		56.25	
	Total.....			15,281.25
				\$587,901.45

## EXHIBIT U-14-16h

SOLD TO YOU.				
1815 shs	American Cyanamid "B" common stock.....	30	\$54,450 00	\$1,095,241.32
500 "	Baltimore & Ohio RR common stock.....	125¼	62,625.00	
792 "	Blue Ridge Corporation common stock.....	22¼	17,621.88	
1150 "	Chemical National Associates common stock.....	27.052	31,110.00	
1000 "	Chesapeake & Ohio RR common stock.....	214 175	214,175.00	
500 "	Electric Auto Lite common stock.....	90 30	45,150.00	
1000 "	Electric Storage Battery common stock.....	81 045	81,045.00	
50 "	Fourth National Investment common stock.....	46 235	2,311.75	
838 "	Insuranshares of New York common stock.....	15	12,570.00	
125 "	Insuranshares of Delaware common stock.....	17.70	2,212.86	
200 "	Insuranshares Management common stock.....	70	14,000.00	
500 "	Lehman Corporation common stock.....	104	52,000.00	
2000 "	Manhattan Dearborn common stock.....	51	102,000.00	
10 "	Marine Midland Corporation common stock.....	60	600.00	
500 "	Missouri Pacific RR common stock.....	72 175	36,087.50	
1000 "	New York Central RR common stock.....	186 851	186,851.58	
6000 "	Penroad Corporation common stock.....	16½	99,000.00	
2990 "	Prince & Whitley common stock.....	12 732	38,068.25	
1390 "	Public Utility Holding Co common stock.....	31.197	43,362.50	

## EXHIBIT U-14-17

Excerpt from pamphlet entitled "Laws of the State of Ohio Relating to Banks and Trust Companies":

## 710-111. INVESTMENTS

Sec. 710-111. (A bank may invest its capital, surplus, undivided profits and deposits in the following securities):

(a) Bonds or other interest-bearing obligations of the United States, the Philippines, Hawaii, Porto Rico, and the District of Columbia, or those for which the faith of the United States is pledged to provide payment of the interest and principal, and in farm loan bonds issued by federal land banks and joint stock land banks.

(b) External bonds or other interest-bearing obligations of any foreign government which has not defaulted in the payment of principal or interest on its external bonds or obligations within a period of twenty years last prior thereto.

(c) Bonds or other interest-bearing obligations of any state or territory of the United States.

(d) Bonds or other interest-bearing obligations of any county, town, township, city, school district, improvement district or sewer district, or other organized or political subdivision in this state.

(e) Bonds or other interest-bearing obligations of any city, town, county or other legally constituted political or taxing subdivision situated in one of the states of the United States, or any cities of the Philippines, Hawaii, or Porto Rico, which city, town, county or taxing subdivision has been in existence ten years and which for a period of ten years previously has not defaulted for a period of more than ninety days in the payment of any part of either principal or interest of any debt contracted by it and whose net indebtedness after deducting the amount of its water bonds and bonds issued for other self-sustaining public utilities and the amount of sinking funds which are available for the payment of its bonds or interest bearing obligations other than water bonds and self-sustaining public utilities, does not exceed ten per cent of the value of taxable property in such city, town, county or political or taxing subdivision to be ascertained by the valuation of property therein for the assessment of taxes next

preceding such investment; provided, that no bonds or other interest bearing obligations of any such county shall be eligible for investment unless such county has a population of not less than ten thousand inhabitants, and provided, that no bonds or other interest bearing obligations of any such city, town or political or taxing subdivision shall be eligible for investment unless such city, town or political or taxing subdivision has a population of not less than one thousand inhabitants as ascertained by United States or state census or by any municipal census taken by authority of the state next preceding such investment, and, provided, further, that there shall be eligible hereunder the bonds or other interest bearing obligations of a political or taxing subdivision which has not been in existence for ten years, but which is erected out of another eligible subdivision or comprises in whole or in part another eligible subdivision or subdivisions or parts of eligible subdivisions if such subdivision shall comply with the other requirements of this paragraph.

But nothing herein contained shall authorize the investment of funds in any special assessment or improvement bonds or other bonds or other interest bearing obligations which are not the direct obligations of the district issuing same and for which the full faith and credit of the entire district are not pledged.

(f) Bonds or debentures of any Province of the Dominion of Canada.

Bonds or debentures of any city or town or district except school district in the Dominion of Canada having a population of not less than ten thousand inhabitants, as ascertained by official census next preceding such investment and which has not since 1900 defaulted for more than ninety days in the payment of any part of principal or interest of any debt authorized to be contracted by it and which has a net indebtedness exclusive of water debt and bonds issued for other self-sustaining public utilities and the amount of sinking funds available for the payment of its bonds other than water bonds and bonds issued for public utilities, which net indebtedness does not exceed seven per cent of the last valuation of its taxable property for the assessment of taxes preceding such investment, and in all other respects such bonds shall conform to the requirements of clause E of this section; and in the bonds or obligations of any city, town or district therein unconditionally guaranteed as to payment of principal and interest by the Dominion of Canada or any province thereof.

(g) Bonds of any governmental subdivision or city of any foreign country, which governmental subdivision or city has a population of not less than one hundred thousand inhabitants and whose net indebtedness does not exceed seven per cent of the last valuation of its taxable property for the assessment of taxes preceding such investment exclusive of bonds issued for public utilities and sinking funds other than for public utilities and which has not defaulted for more than ninety days on any installment of any part of principal or interest of any debt authorized to be contracted by it for twenty-five years preceding such investment.

(h) Bankers' acceptances of the kind and maturity made eligible by law for re-discount with federal reserve banks, provided the same are accepted by a bank incorporated under the laws of this state or any member bank of the federal reserve system.

(i) Mortgage bonds, collateral trust bonds, debenture bonds or notes of any regularly incorporated company which, or the constituent companies comprising which for four years (4) prior to the date of purchase has earned over and above all fixed charges other than interest on indebtedness, an amount equal to at least double the interest charges which it will be required to pay upon its outstanding obligations; or mortgage bonds, collateral trust bonds, debenture bonds or notes of any regularly incorporated company, which bonds or notes plus all prior incumbrances are outstanding in an amount not in excess of 50% of the actual value of the property securing said bonds or notes.

(j) Railroad equipment bonds or car trust certificates issued in the United States or Canada, and bonds secured by first mortgage on steel steamships, in an amount not exceeding 50% of the value of such vessels.

(k) Bonds or notes secured by first mortgage on improved real estate as defined in section 113 hereof of not more than 60% of the value thereof.

Securities shall be charged on books at cost. All securities as enumerated above, having a fixed maturity shall be charged and entered upon the books of the bank at their cost to the bank, and when a premium is paid therefor an annual amortization charge shall be made thereon so as to bring the cost of same to the face value of said bonds at maturity. The superintendent of banks shall have the power to require any security to be charged down to such sum as in his judgment represents its value. The superintendent of banks may order any securities which he deems undesirable removed from the assets of a bank.



UNION-CLEVELAND CORPORATION: MARKET ACTIVITIES IN TRUST COMPANY STOCK—J. J. SINNOTT

EXHIBIT U-18-1a

Security Ledger, Union Cleveland Corporation, Cleveland, Ohio

SPECIAL ACCOUNT

Interest due:  
Trustee or transfer agent:  
Denominations:

Security: Union Trust Company  
Rate: Common  
Maturity:

Date	Purchased from or sold to—	Description	Maturity	Classi- fication	Rate %	Par value				Price	Book value					
						Pre- vious balance	Pur- chases	Sales	New balance		Previous balance	Purchases (prin- cipal)	Inter- est paid	Sales (prin- cipal)	Inter- est received	New balance
8/22/29	Dr. a/c trans from our account.	Union Trust Co., spe. a/c.	Common.	S	---	00	1,416 sh	---	1,416 sh	99.12	140,358.37	00	---	---	---	140,358.37
8/29/29	Chas. M. Borchant....	Union Trust Co., spe. a/c.	Common.	S	---	1,416Sh	---	2 Sh	---	107	140,358.37	---	---	---	214.00	---
Do....	Chas. P. Wright, Jr. ....	do. do. do.	do.	do.	---	---	---	1 Sh	---	107	---	---	---	---	107.00	---
8/30/29	Chas. M. Borchart....	do. a/courstk. spe. a/c.	do.	do.	---	1,413Sh	2 Sh	---	---	107	140,037.37	214.00	---	---	---	140,037.37
Do....	Chas. P. Wright, Jr. ....	do. do. do.	do.	do.	---	---	1 Sh	---	---	do.	---	107.00	---	---	---	140,358.37
10/7/29	Corporate Tr. Dept., Union Trust Co.	Union Trust Co., spe. a/c.	Common.	10	---	1,416 Sh	---	461 Sh	955 Sh	100	140,358.37	---	---	46,100.00	---	94,258.37
10/8/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	955 Sh	24 Sh	931 Sh	---	100	94,258.37	---	---	---	2,400.00	91,858.37
10/11/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	931 Sh	14 Sh	917 Sh	---	100	91,858.37	---	---	1,400.00	---	90,458.37
10/17/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	917 Sh	30 Sh	887 Sh	---	100	90,458.37	---	---	3,000.00	---	87,458.37
10/18/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	887 Sh	4 Sh	883 Sh	---	100	87,458.37	---	---	400.00	---	87,058.37
10/26/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	883 Sh	10 Sh	873 Sh	---	100	87,058.37	---	---	1,000.00	---	86,058.37
10/31/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	873 Sh	5 Sh	868 Sh	---	100	86,058.37	---	---	500.00	---	85,558.37
11/5/29	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	868 Sh	6 Sh	862 Sh	---	100	85,558.37	---	---	600.00	---	84,958.37
3/22/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	862 Sh	64 Sh	798 Sh	---	100	84,958.37	---	---	6,400.00	---	78,558.37
3/25/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	798 Sh	4 Sh	794 Sh	---	100	78,558.37	---	---	400.00	---	78,158.37
4/5/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	794 Sh	15 Sh	---	---	100	78,158.37	---	---	1,500.00	---	76,658.37
Do....	do. do. do.	do. do. do.	do.	do.	---	---	5 Sh	774 Sh	---	do.	---	---	---	500.00	---	75,158.37
4/10/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	774 Sh	4 Sh	770 Sh	---	100	76,158.37	---	---	400.00	---	75,758.37
4/11/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	770 Sh	10 Sh	760 Sh	---	100	75,758.37	---	---	1,000.00	---	74,758.37
4/11/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	760 Sh	6 Sh	754 Sh	---	100	74,758.37	---	---	600.00	---	74,158.37
4/15/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	754 Sh	3 Sh	751 Sh	---	100	74,158.37	---	---	300.00	---	73,858.37
4/29/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	751 Sh	16 Sh	735 Sh	---	100	73,858.37	---	---	1,600.00	---	72,258.37
5/7/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	735 Sh	10 Sh	725 Sh	---	100	72,258.37	---	---	1,000.00	---	71,258.37
6/12/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	---	725 Sh	12 Sh	713 Sh	---	100	71,258.37	---	---	1,200.00	---	70,058.37

5/13/30	Union Trust Co., Corp. Tr. Dept.	Union Trust Co., spe. a/c.	Common.	10	713 Sh	4 Sh	709 Sh	100	70,058.37		400.00	69,659.37
5/31/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	709 Sh	25 Sh		100	69,658.37		2,500.00	
	do	do	do	10		3 Sh	681 Sh	do			300.00	66,858.37
6/9/30	do	Union Trust Co., spe a/c.	Common.	10	681 Sh	1 Sh	680 Sh	100	66,858.37		100.00	66,758.37
6/14/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	680 Sh	2 Sh	678 Sh	100	66,758.37		200.00	66,558.37
6/16/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	678 Sh	12 Sh	666 Sh	100	66,558.37		1,200.00	65,358.37
7/1/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	666 Sh	6 Sh	660 Sh	100	65,358.37		600.00	64,758.37
7/5/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	660 Sh	3 Sh	657 Sh	100	64,758.37		300.00	64,458.37
7/11/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	657 Sh	8 Sh	649 Sh	100	64,458.37		800.00	63,658.37
7/17/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	649 Sh	1 Sh	648 Sh	100	63,658.37		100.00	63,558.37
7/24/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	648 Sh	4 Sh	644 Sh	100	63,558.37		400.00	63,158.37
8/16/30	Corporate Trust Dept.	Union Trust Co., spe. a/c.	Common.	10	644 Sh	15 Sh	629 Sh	100	63,158.37		1,500.00	61,658.37
10/13/30	Union Trust Co. Corp., Tr.	Union Trust Co., spe a/c.	Common.	10	629 Sh	14 Sh	615 Sh	100	61,658.37		1,400.00	60,258.37
10/14/30	Union Trust Co. Corp, Tr.	Union Trust Co., spe a/c.	Common.	10	615 Sh	10 Sh	605 Sh	100	60,258.37		1,000.00	59,258.37
10/29/30	Corporate Trust Dept.	Union Trust Co., spe a/c.	Common.	10	605 Sh	13 Sh	592 Sh	100	59,258.37		1,300.00	57,958.37
11/3/30	Union Trust Corp, Corp., Tr.	Union Trust Co., spe a/c.	Common.	10	592 Sh	14 Sh	578 Sh	100	57,958.37		1,400.00	56,558.37
11/14/30	Corporate Trust Dept., 9623	Union Trust Co., spe. a/c.	Common.	10	578 Sh	3 Sh	575 Sh	100	56,558.37		300.00	56,258.37
11/18/30	The Corporate Trust Co., 9715.	Union Trust Co., spe a/c.	Common.	10	575 Sh	5 Sh	570 Sh	100	56,258.37		500.00	55,758.37
11/24/30	Corporate Trust Co., 9816	Union Trust Co., spe. a/c.	Common.	10	570 Sh	19 Sh	551 Sh	100	55,758.37		1,900.00	53,858.37
12/2/30	The Union Trust Co., 9954.	Union Trust Co., spe. a/c.	Common.	10	551 Sh	21 Sh	530 Sh	100	53,858.37		2,100.00	51,758.37
12/16/30	Corporate Tr. Dept., 10349.	Union Trust Co., spe a/c.	Common.	10	530 Sh	10 Sh	520 Sh	100	51,758.37		1,000.00	50,758.37
12/18/30	Corporate Trust Dept, 10394	Union Trust Co., spe a/c.	Common.	10	520 Sh	3 Sh	517 Sh	100	50,758.37		300.00	50,458.37

EXHIBIT U-18-1b

1/8/31	Corporate Trust Dept., 10815.	Union Trust Co., spe a/c.	Stock	10	517 Sh	10 Sh	507 Sh	100	50,458.37		1,000.00	49,458.37
1/30/31	Corporate Trust Dept., 11480.	Union Trust Co., spe a/c.	Stock	10	507 Sh	2 Sh	505 Sh	100	49,458.37		200.00	49,258.37
1/31/31	Corporate Trust Dept., 11484.	Union Trust Co., spe. a/c.	Stock	10	505 Sh	7 Sh	498 Sh	100	49,258.37		700.00	48,558.37
2/7/31	Corporate Trust Dept., 11639.	Union Trust Co., spe a/c.	Stock	10	498 Sh	21 Sh	477 Sh	100	48,558.37		2,100.00	46,458.37
2/19/31	The Union Trust Co., 11975.	Union Trust Co., spe. a/c.	Stock	10	477 Sh	5 Sh	472 Sh	100	46,458.37		500.00	45,958.37
3/4/31	Corporate Trust Dept., 12292.	Union Trust Co., spe. a/c.	Stock	10	472 Sh	21 Sh	451 Sh	100	45,958.37		2,100.00	43,858.37
3/13/31	Corporate Trust Dept., 12580.	Union Trust Co., spe. a/c.	Stock	10	451 Sh	8 Sh	443 Sh	100	43,858.37		800.00	43,058.37

Security Ledger, Union Cleveland Corporation, Cleveland, Ohio—Continued

SPECIAL ACCOUNT—Continued

Interest due:  
Trustee or transfer agent:  
Denominations:

Security: Union Trust Company  
Rate Common  
Maturity:

9220

Date	Purchased from or sold to—	Description	Maturity	Classi- fication	Rate %	Par value				Price	Book value				
						Pre- vious balance	Pur- chases	Sales	New balance		Previous balance	Purchases (prin- cipal)	Inter- est paid	Sales (prin- cipal)	Inter- est re- ceived
3/19/31	Corporate Trust Dept , 12777	Union Trust Co , spe a/c.	Stock.....	10	443 Sh		3 Sh	440 Sh	100	43,058.37			300.00		42,758.37
3/24/31	Corporate Trust Dept , 12913.	Union Trust Co., spe a/c.	Stock.....	10	440 Sh		5 Sh	435 Sh	100	42,758.37			500.00		42,258.37
4/6/31	Corporate Trust Dept , 13283.	Union Trust Co , spe a/c.	Stock.....	10	435 Sh		420 Sh	15 Sh	100	42,258.37			42,000		258.37
5/9/31	Corporate Trust Dept , 14066	Union Trust Co , spe a/c.	Stock.....	10	15 Sh		5 Sh	10 Sh	100	258.37			500.00		Cr. 241.63
8/11/31	Cr. Div a/c close out Stock Int , a/c on.	Union Trust Co , spe. a/c.	Stock.....	10									158.11		
Do....	Corporate Trust Dept , 15763.	Union Trust Co , spe. a/c.	Stock.....	10	10 Sh		10 Sh	00	100	Cr 241.63			1,000.00		Cr 241.63
8/12/31	Dr a/c profit from Trading General Market.	Union Trust Co., spe a/c.	Stock.....	10	00			00		Cr 1,241.63	1,241.63				00

STOCK EXCHANGE PRACTICES

EXHIBIT U-18-2

Security ledger, Union Cleveland Corporation, Cleveland, Ohio

Interest due:  
Trustee or transfer agent:  
Denominations:

Security: Union Trust Company.  
Rate. Capital %. Maturity.

SPECIAL A/C NO. 2

Date	Purchased from or sold to—	Description	Maturity	Classi- fication	Rate %	Par value				Price	Book value					
						Previous balance	Pur- chases	Sales	New balance		Previous balance	Pur- chases (princi- pal)	In- terest paid	Sales (princi- pal)	Inter- est re- ceived	New balance
5/20/31	Borton & Borton.....	Union Trust Co., Spe. No. 2.	Capital.	10		50 Sh			50 Sh	60+C		3,015 00				3,015 00
5/21/31	14344 Borton & Borton..	Union Trust Co., Spe. No. 2	Capital.	10		50 Sh	260 Sh		310 Sh	60+C	3,015 00	15,678 00				18,693 00
5/22/31	14358 Witt Kraus Co....	Union Trust Co., Spe. No. 2.	Capital.	10		310 Sh	100 Sh		410 Sh	59½+C	18,693 00	5,980.00				24,673 00
5/28/31	14486 Hornblower & Weeks	Union Trust Co., Spe A/C #2	Capital.	10		410 Sh	100 Sh		510 Sh	59½+C	24,673 00	5,980 00				30,653 00
5/29/31	14501 Jackson Curtis & Co	Union Trust Co., Spe A/C #2	Capital.	10		510 Sh	100 Sh		610 Sh	59½+C	30,653 00	5,980 00				36,633 00
6/1/31	14532 Will S. Halle Co...	Union Trust Co., Spe A/C #2.	Capital.	10		610 Sh	100 Sh			59½+C	36,633 00	5,980 00				
Do...	14531 Hornblower & Weeks	do.....	do.....	10			100 Sh		810 Sh	do.		5,980 00				48,593 00
6/2/31	14538 Paine Webber & Co.	Union Trust Co., Spe A/C #2	Capital.	10		810 Sh	100 Sh		910 Sh	59½+C	48,593 00	5,980 00	83			54,573 00
6/2/31	14573 Paine Webber & Co	Union Trust Co., Spe A/C #2	Capital.	10		910 Sh	95 Sh		1,005 Sh	58¾+C	54,573 00	5,609 75				60,182 75
6/5/31	14617 Witt Kraus & Co..	Union Trust Co., Spe. A/C #2	Capital.	10		1,005 Sh	95 Sh		1,100	58¾+C	60,182 75	5,562 25				65,745 00
6/8/31	14666 Will S. Halle & Co.	Union Trust Co., Spe A/C #2	Capital.	10		1,100 Sh	40 Sh		1,140 Sh	58½+C	65,745 00	2,352 00				68,097 00
6/9/31	14693 Paine Webber & Co	Union Trust Co., Spe A/C #2.	Capital.	10		1,140 Sh	100 Sh		1,240 Sh	59¼+C	68,097 00	5,955 00				74,052 00
6/10/31	14719 Will S Halle & Co.	Union Trust Co., Spe. A/C #2.	Capital.	10		1,240 Sh	10 Sh			59½+C	74,052 00	601 75				
Do...	14720 Paine Webber & Co	do.....	do.....	10			28 Sh		1,278 Sh	58¾+C		1,653 40				76,307 15
6/11/31	14736 Witt Kraus & Co..	Union Trust Co., Spe. A/C #2	Capital.	10		1,278 Sh	5 Sh		1,283 Sh	59½+C	76,307 15	299 63				76,606 78
6/15/31	14778 Witt Kraus Co....	Union Trust Co., Spe A/C #2.	Capital.	10		1,283 Sh	30 Sh		1,131 Sh	59½+C	76,606 78	1,794 00				78,400 78
6/20/31	14864 Witt Kraus Co....	Union Trust Co., Spe A/C #2	Capital.	10		1,313 Sh	50 Sh		1,363 Sh	59½+C	78,400 78	2,990 00				81,390 78
7/1/31	Union Trust Employees Subsc.	Union Trust Co., Spe. A/C #2.	Capital.	10		1,363 Sh		1,363 Sh	00	59.7144	81,390 78			81,390 78		.00

STOCK EXCHANGE PRACTICES

9221

EXHIBIT U-18-3a

Security ledger, Union Cleveland Corporation—Cleveland, Ohio

Interest due:  
Trustee or transfer agent:  
Denominations:

Security: Union Trust Company.  
Rate: Common. Maturity:

Date	Purchased from or sold to	Description	Maturity	Classi- fication	Rate	Par value				Price	Book value					
						Previous balance	Pur- chases	Sales	New balance		Previous balance	Purchases (prin- cipal)	Inter- est paid	Sales (prin- cipal)	Inter- est re- ceived	New balance
8/20/29...	Union Trust Co.....	Union Trust Co.....	Common.	8	Per- cent	00	1,416 Sh			99 12	00	140,358 37				
Do	do	do	do	8			5 Sh		1,421 Sh	106						140,888 37
8/23/29.	Cr a/c Transf to Spe a/c	Union Trust Co.....	Common.	8		1,421 Sh		1,416 Sh	5 Sh	99 12	140,888 37	530 00			140,358 37	530 00
8/22/29.	Chas E Williston.....	Union Trust Co.....	Common.	8		5 Sh		2 Sh		106	530 00				212 60	
Do	Evelyn Williston.....	do	do	8				2 Sh	1 Sh	do					212 60	104 80
8/26/29.	R S Crawford.....	Union Trust Co.....	Common.	8		1 Sh	12 Sh		13 Sh	105 81	104 80	1,269 75				1,374 55
8/30/29.	Chas M Borchart.....	Union Trust Co.....	Common.	8		13 Sh		2 Sh		107	1,374 55			214 00		
Do	Chas P Wright.....	do	do	8				1 Sh		107				107 00		1,053 55
9/20/29.	Mrs Geo R Loehr.....	Union Trust Co.....	Common.	10		10 Sh		1 Sh	10 Sh	106½	1,053 55			106 50		
Do	Geo R Loehr.....	do	do	10				1 Sh		do				106 50		
Do	Robt C Loehr.....	do	do	10				1 Sh		do				106 50		
Do	Carl Loehr.....	do	do	10				1 Sh		do				106 50		
Do	Carl Loehr, Jr.....	do	do	10				1 Sh		do				106 50		
Do	Richard Loehr, Jr.....	do	do	10				1 Sh		do				106 50		
Do	Mrs. Carl Loehr.....	do	do	10				1 Sh		do				106 50		
Do	Mrs. O. T. Loehr.....	do	do	10				1 Sh	2 Sh	do				106 50		201 55
12/13/29.	Witt Kraus.....	Union Trust Co.....	Common.	10		2 Sh	100 Sh		102 Sh	96¼ + C	201 55	9,655 00				9,856 55
12/26/29.	W. tt Kraus.....	Union Trust Co.....	Common.	10		102 Sh	20 Sh		122 Sh	94	9,856 55	1,886 00				11,742 55
1/2/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		122 Sh	30 Sh		152 Sh	94 + C	11,742 55	2,829 00				14,571 55
1/7/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		152 Sh	50 Sh		202 Sh	94 + C	14,571 55	4,715 00				19,286 55
1/10/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		202 Sh	10 Sh		212 Sh	94 + C	19,286 55	4,923 00				20,209 55
1/13/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		212 Sh	50 Sh		262 Sh	92 + C	20,209 55	4,615 00				24,824 55
1/27/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		262 Sh	15 Sh		277 Sh	92 + C	24,824 55	1,384 50				26,209 05
2/7/30.	Robert W Woodruff.....	Union Trust Co.....	Common.	10		277 Sh		100 Sh	177 Sh	94¾	26,209 05		9,475 00			16,734 05
2/20/30.	Punce & Wh. tly.....	Union Trust Co.....	Common.	10		177 Sh	250 Sh		427 Sh	92½ + C	16,734 05	23,200 00				39,934 05
2/25/30.	Witt Kraus Co.....	Union Trust Co.....	Common.	10		427 Sh	20 Sh		447 Sh	92 + C	39,934 05	1,846 00				41,780 05
3/5/30.	Helen H Furrer.....	Union Trust Co.....	Common.	10		447 Sh		10 Sh	437 Sh	93½	41,780 05			935 00		40,845 05
3/5/30.	Leogar & Co.....	Union Trust Co.....	Common.	10		437 Sh	70 Sh		507 Sh	92½ + C	40,845 05	6,496 00				47,341 05
3/6/30.	Finley Smith & Gentsch	Union Trust Co.....	Common.	10		507 Sh	100 Sh		607 Sh	92½ + C	47,341 05	9,280 00				56,621 05
3/8/30.	Ralph Williams, V. P.....	Union Trust Co.....	Common.	10		607 Sh	2 Sh		609 Sh	92¼ - C	56,621 05	182 48				56,803 53
Do	do	do	do	10			2 Sh		611 Sh	92		183 98				56,987 51

9222

STOCK EXCHANGE PRACTICES

3/10/30	Prince & Whitely	Union Trust Co.	Common	10	611 Sh	50 Sh			92½+C	56,987 51	4,640 00			
Do	Ledogar & Co.	do	do	10		30 Sh			92½+C	2,784 00				
Do	Ledogar & Co.	do	do	10			2 Sh	689 Sh	92½-C			182.46		64,229 05
3/15/30	Bucyrus City Bk, Ohio	Union Trust Co.	Common	10	689 Sh	44 Sh		733 Sh	92-C	64,229 05	4,034 58			68,263.63
3/18/30	Witt Kraus Co.	Union Trust Co.	Common	10	733 Sh	100 Sh			92+C	68,263 63	9,230 00			
Do	Pullian Emery & Co.	do	do	10		20 Sh			92+C	1,846 00				
Do	Estates Trust Dept	do	do	10			199 Sh	654 Sh	do			18,367.70		60,971.93
3/20/30	Pullian Emery & Co.	Union Trust Co.	Common	10	654 Sh	35 Sh			92+C	60,971 93	3,230.32			
Do	Mrs J. R. Nutt.	do	do	10			6 Sh	683 Sh	90+C			541 80		63,660.45
3/21/30	Finley Smith Gentsch	Union Trust Co.	Common	10	683 Sh	60 Sh			90+C	63,660 45	5,418 00			
Do	Wellstead Macklin Co.	do	do	10		80 Sh			do		7,224 00			
Do	Witt Kraus Co.	do	do	10		100 Sh		623 Sh	do		9,030 00			85,332 45
3/24/30	Finley Smith Gentsch	Union Trust Co.	Common	10	923 Sh	40 Sh			90+C	85,332 45	3,612 00			
Do	Pullman Emery Co.	do	do	10		1 Sh			91+C		91 30			
Do	Wellstead Macklin & Co.	do	do	10		20 Sh		984 Sh	90+C		1,806 00			90,841 75
3/26/30	John H. Watson, Jr.	Union Trust Co.	Common	10	984 Sh		500 Sh	484 Sh	92½	90,841 75		46,250 00		44,591 75
3/28/30	Estates Trust Dept	Union Trust Co.	Common	10	484 Sh		413 Sh	71 Sh	92½	44,591 75		38,303 68		6,288 07
3/29/30	Wellstead Macklin & Co.	Union Trust Co.	Common	10	71 Sh		30 Sh	41 Sh	92½	6,288 07		2,774 70		3,513 37
3/31/30	Wellstead Macklin Co.	Union Trust Co.	Common	10	41 Sh	30 Sh		71 Sh	92½	3,513 37	2,774 70			6,288 07
3/31/30	Borton & Borton	Union Trust Co.	Common	10	71 Sh	154 Sh		225 Sh	91+C	6,288 07	14,060 20			20,348 27
4/2/30	W. M Baldwin	Union Trust Co.	Common	10	225 Sh		40 Sh	185 Sh	91 30	20,348 27		3,652 00		16,696 27
4/4/30	Chas. Gleason	Union Trust Co.	Common	10	185 Sh		185 Sh	00	91½	16,696 27		16,927 50		Cr 231.23

EXHIBIT U-18-3b

4/5/30	Dr a/c profit transf.	Union Trust Co.	Common	10	00			00		Cr231 23	231 23			00
4/11/30	Corporate trust dept	Union Trust Co.	Stock	10	00	6 Sh		6 Sh	100		600 00			600 00
4/15/30	Corporate trust dept	Union Trust Co.	Stock	10	6 Sh	3 Sh		9 Sh	100	600 00	300 00			
Do	Cr a/c adj price 3sh	do	do	10								25 50		
4/16/30	Wm Baldwin, president	Union trust Co.	Stock	10	9 Sh		1 Sh	8 Sh	93	874.50		93 00		874.50
4/23/30	Robert Andrews	Union Trust Co.	Stock	10	8 Sh	2 Sh		10 Sh	92-C	781 50	181 98			781.50
4/23/30	Witt Kraus Co.	Union Trust Co.	Stock	10	10 Sh	20 Sh			91½+C	963.48	1,833 50			963.48
Do	do	do	do	10		100 Sh		130 Sh	91½+C		9,180 00			11,976 98
4/24/30	Wellstead Macklin Co.	Union Trust Co.	Stock	10	130 Sh	35 Sh		165 Sh	93+C	11,976 98	3,265 50			15,242.48
4/25/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	165 Sh	25 Sh			91+C	15,242 48	2,282.50			
Do	do	do	do	10		18 Sh		208 Sh	91½+C		1,632 46			19,177.38
4/25/30	Wellstead Macklin Co.	Union Trust Co.	Stock	10	208 Sh	16 Sh			92½+C	19,177.38	1,483 80			
Do	Liew W Osborn	do	do	10			10 Sh	214 Sh	92+C			923 00		19,743.18
4/29/30	Mrs Sarah Fickinger	Union Trust Co.	Stock	10	214 Sh		20 Sh	194 Sh	93	19,743 18		1,860 00		17,883 18
4/30/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	194 Sh	15 Sh		209 Sh	91½+C	17,883 18	1,377 00			19,260 18
5/2/30	E M Hamlin	Union Trust Co.	Stock	10	209 Sh		100 Sh	109 Sh	91½+C	19,260 18		9,180 00		10,080 18
5/5/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	109 Sh	85 Sh			91½+C	10,030 18	7,803 09			
Do	do	do	do	10		20 Sh			91+C		1,826 09			
Do	Witt Kraus Co.	do	do	10		100 Sh			91½+C		9,180 00			
Do	Wellstead Macklin & Co	do	do	10		100 Sh			do		9,180 00			
Do	Mrs W L Deming	do	do	10			1 Sh	413 Sh	92			94 00		37,975.18
5/6/30	Geo A Obby	Union Trust Co.	Stock	10	413 Sh	10 Sh		423 Sh	91-C	37,975.18	906.90			38,882.08

Security ledger, Union Cleveland Corporation—Cleveland, Ohio—Continued

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Date	Purchased from or sold to	Description	Maturity	Classi- fication	Rate	Par value				Price	Book value				
						Previous balance	Pur- chases	Sales	New balance		Previous balance	Purchases (prin- cipal)	Inter- est paid	Sales (prin- cipal)	Inter- est re- ceived
5/6/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	Per- cent	423 Sh	50 Sh			91+C	38,882 08	4,565 00			
Do	Do	do	do	10			40 Sh			90+C		3,612 00			
Do	do	do	do	10			30 Sh			do		2,709 00			
Do	do	do	do	10			25 Sh			91+C		2,282 50			
Do	Wellsted Macklin & Co	do	do	10			50 Sh			90+C		4,515 00			
Do	Pulliam Emery & Co	do	do	10			50 Sh			90½+C		4,540 00			
Do	Witt Kraus Co	do	do	10			25 Sh			90+C		2,257 50			
Do	do	do	do	10			50 Sh			do		4,515 00			
Do	do	do	do	10			63 Sh		806 Sh	91+C		5,751 90			73,629 98
Do	Collateral loan dept	Union Trust Co	Stock	10		806 Sh	60 Sh		866 Sh	91½-C	73,629 98	5,471 40			79,101 38
5/7/30	Finley Smith Gentsch	Union Trust Co	Stock	10		866 Sh	45 Sh			90+C	79,101 38	4,063 50			
Do	do	do	do	10			50 Sh			do		4,515 00			
Do	do	do	do	10			4 Sh			do		361 20			
Do	Corporate trust dept	do	do	10				10 Sh	955 Sh	do			1,000 00		87,041 08
Do	Corporate trust dept	Union Trust Co a/c spe a/c	do	10		955 Sh	10 Sh		965 Sh	100	87,041 08	1,000 00			88,041 08
5/8/30	Finley Smith & Gentsch	Union Trust Co	Stock	10		965 Sh	25 Sh		990 Sh	90+C	88,041 08	2,257 50			90,298 58
5/8/30	Finley Smith Gentsch	Union Trust Co	Stock	10		990 Sh	42 Sh			90+C	90,298 58	3,792 60			
Do	do	do	do	10			94 Sh			90+C		8,488 20			
Do	do	do	do	10			50 Sh			do		4,515 00			
Do	do	do	do	10			10 Sh			do		903 00			
Do	do	do	do	10			30 Sh			do		2,709 00			
Do	do	do	do	10			20 Sh		1,236 Sh	do		1,806 00			112,512 38
5/8/30	Ledogar & Co	do	do	10		1,236 Sh	100 Sh			91+C	112,512 38	9,130 00			
Do	Witt Kraus Co	do	do	10			50 Sh			90+C		4,515 00			
Do	do	do	do	10			50 Sh			do		4,515 00			
Do	do	do	do	10			50 Sh			91+C		4,565 00			
Do	do	do	do	10			50 Sh			90+C		4,515 00			
Do	do	do	do	10			25 Sh		1,561 Sh	do		2,257 50			142,009 88
5/9/30	Merrill Hawley & Co	Union Trust Co	Stock	10		1,561 Sh	40 Sh			90+C	142,009 88	3,612 00			
Do	do	do	do	10			10 Sh			90+C		903 00			146,524 88
5/9/30	Mrs Nellie K Ferguson	Union Trust Co	Stock	10		1,611 Sh		15 Sh	1,596 Sh	90+C	146,524 88		1,354 50		145,170 38

STOCK EXCHANGE PRACTICES

EXHIBIT U-18-3c

5/9/30	Wellsted Macklin & Co.	Union Trust Co.	Stock	10	1,596 Sh	6 Sh	1,602 Sh	90+C	145,170 38	542.00			145,712.38
5/12/30	Ledogar & Co.	Union Trust Co.	Stock	10	1,602 Sh	30 Sh		90+C	145,712 38	2,709 00			
Do.	do.	do.	do.	10		20 Sh		do.		1,806 00			
Do.	do.	do.	do.	10		2 Sh		do.		180 60			
Do.	Wellsted Macklin & Co.	do.	do.	10		20 Sh		do.		1,806 00			
Do.	do.	do.	do.	10		3 Sh		do.		270 90			
Do.	Finley Smith Gentsch	do.	do.	10		10 Sh	1,677 Sh	90+C	152,484 88	903 00			152,484 88
Do.	Finley Smith Gentsch	do.	do.	10	1,677 Sh	30 Sh		do.		2,709 00			
Do.	do.	do.	do.	10		15 Sh		do.		1,354 50			
Do.	do.	do.	do.	10		10 Sh		do.		903 00			
Do.	Miss Geo Ann Donadue	do.	do.	10			5 Sh	1,737 Sh				452 00	157,902 38
5/13/30	Hord Curtis & Co.	Union Trust Co.	Stock	10	1,737 Sh	25 Sh	1,762 Sh	90+C	157,902 38	2,257 50			160,159 88
5/14/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	1,762 Sh	65 Sh		90+C	160,159 88	5,869 50			
Do.	do.	do.	do.	10		150 Sh		do.		13,545 00			
Do.	do.	do.	do.	10		100 Sh		do.		9,030 00			
Do.	do.	do.	do.	10		100 Sh		do.		9,030 00			
Do.	do.	do.	do.	10		200 Sh		90-C		17,938 00			
Do.	Jerome Benes	do.	do.	10		25 Sh		90+C		2,257 50			
Do.	Hord Curtis Co.	do.	do.	10		100 Sh		do.		9,030 00			
Do.	Borton & Borton	do.	do.	10		15 Sh		do.		1,354 50			
Do.	David G Skall & Co.	do.	do.	10		50 Sh		do.		4,515 00			
Do.	Wellsted Macklin & Co.	do.	do.	10		50 Sh	2,617 Sh	do.		4,515 00			237,244 38
Do.	do.	do.	do.	10		20 Sh		do.		1,829 80			239,074 18
5/15/30	Brenda Stillman Merrill	Union Trust Co.	Stock	10	2,617 Sh	36 Sh		91½	237,244 38	3,250 80			
5/16/30	Ledogar & Co.	Union Trust Co.	Stock	10	2,637 Sh	100 Sh		90+C	239,074 18	9,030 00			
Do.	Hord Curtis Co.	do.	do.	10		3 Sh		do.		270 90			
Do.	Finley Smith Gentsch	do.	do.	10		25 Sh		do.		2,257 50			
Do.	do.	do.	do.	10		100 Sh		do.		9,030 00			
Do.	do.	do.	do.	10		20 Sh	2,921 Sh	do.		1,806 00			264,719 38
5/16/30	Ledogar & Co.	Union Trust Co.	Stock	10	2,921 Sh	5 Sh		90+C	264,719 38	451 50			
Do.	do.	do.	do.	10		25 Sh		do.		2,257 50			
Do.	Wellsted Mackline & C.	do.	do.	10		22 Sh		do.		1,986 60			
Do.	do.	do.	do.	10		50 Sh	3,023 Sh	do.		4,515 00			273,929 98
Do.	Witt Kraus Co.	Union Trust Co.	Stock	10	3,023 Sh	350 Sh		90+C	273,929 98	31,605 00			
Do.	Finley Smith Gentsch	do.	do.	10		50 Sh		do.		4,515 00			
Do.	do.	do.	do.	10		10 Sh		do.		903 00			
Do.	Wellsted Macklin & Co.	do.	do.	10		100 Sh		do.		9,030 00			
Do.	Hord Curtis Co.	do.	do.	10		50		do.		4,515 00			
Do.	Borton & Borton	do.	do.	10		125 Sh	3,708 Sh	do.		11,287 50			335,785 48
Do.	Hord Curtis Co.	do.	do.	10	3,708 Sh	75 Sh		90+C	335,785 48	6,772 50			
Do.	Finley Smith Gentsch	do.	do.	10		5 Sh		do.		451 50			
Do.	Will S Halle & Co	do.	do.	10		200 Sh		do.		18,060 00			
Do.	Finley Smith Gentsch	do.	do.	10		250 Sh		do.		22,575 00			
Do.	Ledogar & Co.	do.	do.	10		6 Sh		do.		541 80			
Do.	Brenda S Merrill	do.	do.	10		46 Sh	4,290 Sh	90		4,139 54			388,325 82

STOCK EXCHANGE PRACTICES

9225



Security ledger, Union Cleveland, Corporation—Cleveland, Ohio—Continued

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Date	Purchased from or sold to	Description	Maturity	Classification	Rate	Par value				Price	Book value				
						Previous balance	Purchases	Sales	New balance		Previous balance	Purchases (principal)	Interest paid	Sales (principal)	Interest received
5/20/30	Witt Kraus Co.....	Union Trust Co...	Stock.....	10	Per-cent	4,290 Sh	100 Sh			90+C	388,325.82	\$9,030.00			
Do.	Finley Smith Gentsch	do	do	10			50 Sh			do.		4,515.00			
Do.	Borton & Borton	do	do	10			25 Sh			do.		2,257.50			
Do.	do	do	do	10			25 Sh			do.		2,257.50			
Do.	Ledogar & Co.	do	do	10			50 Sh			do.		4,515.00			
Do.	Witt Kraus Co.	do	do	10			25 Sh			do.		2,257.50			
Do.	do	do	do	10			100 Sh		4,665 Sh	do.		9,030.00			422,188.32
5/21/30	David G Skall & Co.	Union Trust Co	Stock	10		4,665 Sh	20 Sh		6,095 Sh	90+C	422,188.32	1,806.00			423,994.32
5/21/30	Ledogar & Co.	Union Trust Co	Stock	10		4,685 Sh	3 Sh		4,688 Sh	90+C	423,994.32	270.90			424,265.22
5/21/30	Finley Smith & Gentsch	Union Trust Co	Stock	10		4,688 Sh	5 Sh			90+C	424,265.22	451.50			
Do.	do	do	do	10			15 Sh			do.		1,354.50			
Do.	Ledogar & Co.	do	do	10			40 Sh		4,748 Sh	do.		3,612.00			429,683.22

EXHIBIT U-18-3d

5/21/30	Merrill Hawley & Co...	Union Trust Co...	Stock.....	10		4,748 Sh	15 Sh		4,763 Sh	90+C	429,683.22	\$1,354.50			431,037.72
5/22/30	Borton & Borton	Union Trust Co...	Stock	10		4,763 Sh	50 Sh			90+C	431,037.72	5,327.70			
Do.	do	do	do	10			54 Sh			do.		4,876.20			
Do.	Finley Smith & Gentsch	do	do	10			25 Sh			do.		2,257.50			
Do.	Will S Halle & Co.	do	do	10			40 Sh			do.		3,612.00			
Do.	do	do	do	10			40 Sh			do.		3,612.00			
Do.	Finley Smith Gentsch	do	do	10			20 Sh		4,961 Sh	do.		1,806.00			448,917.12
Do.	Finley Smith & Gentsch	do	do	10		4,961 Sh	50 Sh			90+C	448,917.12	4,515.00			
Do.	Hord Curtis Co.	do	do	10			25 Sh			do.		2,257.50			
Do.	Merrill Hawley & Co.	do	do	10			10 Sh			do.		903.00			
Do.	Ledogar & Co.	do	do	10			35 Sh			do.		3,160.50			
Do.	Wellstead Macklin & Co.	do	do	10			25 Sh			do.		2,257.50			
Do.	Borton & Borton	do	do	10			25 Sh			do.		2,257.50			
Do.	do	do	do	10			30 Sh		5,161 Sh	do.		2,709.00			466,977.12
5/23/30	C W Carlson	Union Trust Co	Stock	10		5,161 Sh	50 Sh		5,211 Sh	90	466,977.12	4,500.00			471,477.12
5/23/30	Ledogar & Co.	Union Trust Co	Stock	10		5,211 Sh	12 Sh			90+C	471,477.12	1,063.60			
Do.	Borton & Borton	do	do	10			1 Sh		5,224 Sh	do.		90.30			
5/24/30	Mrs Gertrude L C Tucker.	Union Trust Co.	Stock	10		5,224 Sh		400 Sh	4,824 Sh	90½	472,651.02		36,200.00		472,651.02
5/26/30	Ledogar & Co.	Union Trust Co.	Stock	10		4,824 Sh	10 Sh		4,834 Sh	90+C	436,451.02	903.00			437,354.02

STOCK EXCHANGE PRACTICES

5/28/30	Hornblower & Weeks	Union Trust Co.	Stock	10	4,834 Sh	100 Sh		90+C	437,354.02	9,030.00			
Do	Ledogar & Co.	do	do	10		20 Sh	4,954 Sh	do		1,806.00			448,190.02
5/29/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	4,954 Sh	25 Sh	4,979 Sh	90+C	448,190.02	2,257.50			450,447.52
5/31/30	Corporate Trust Dept.	Union Trust Co.	Stock	10	4,979 Sh	3 Sh	4,982 Sh	100	450,447.52	300.00			450,747.52
6/2/30	Witt Kraus Co.	Union Trust Co.	Stock	10	4,982 Sh	50 Sh	5,032 Sh	90+C	450,747.52	4,515.00			455,262.52
6/2/30	Ledogar & Co.	Union Trust Co.	Stock	10	5,032 Sh	8 Sh		90+C	455,262.52	722.40			
Do	Wellstead Macklin & Co	do	do	10		25 Sh		do		2,257.50			
Do	do	do	do	10		15 Sh		do		1,354.50			
Do	Borton & Borton	do	do	10		25 Sh	5,105 Sh	do		2,257.50			481,854.42
6/3/30	Ledogar & Co.	Union Trust Co.	Stock	10	5,105 Sh	50 Sh		90	461,854.42	4,515.00			
Do	Witt Kraus & Co.	do	do	10		100 Sh		90		9,030.00			
Do	do	do	do	10		25 Sh		90		2,257.50			
Do	do	do	do	10		25 Sh	5,305 Sh	90		2,257.50			479,914.42
6/6/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	5,305 Sh	100 Sh		90+C	479,914.42	9,030.00			
Do	Wellstead Macklin & Co	do	do	10		35 Sh		do		3,160.50			
Do	Borton & Borton	do	do	10		20 Sh		do		1,806.00			
Do	do	do	do	10		5 Sh	5,465 Sh	do		451.50			494,362.42
6/12/30	Finley Smith Gentsch	Union Trust Co.	Stock	10	5,465 Sh	25 Sh		90+C	494,362.42	2,257.50			
Do	Wellstead Macklin & Co.	do	do	10		28 Sh	5,518 Sh	do		2,528.40			499,148.32
6/14/30	Corp Tr Dept.	Union Trust Co.	Stock	10	5,518 Sh	2 Sh	5,520 Sh	100	499,148.32	200.00			499,348.32
6/16/30	Corporate Trust Dept.	Union Trust Co.	Stock	10	5,520 Sh		12 Sh						
Do	do	do c/spe a/c.	do	10		12 Sh	5,520 Sh		499,348.32				499,348.32
7/5/30	Corporate Trust Dept.	Union Trust Co.	Stock	10	5,520 Sh	3 Sh	5,523 Sh	100	499,348.32	300.00			499,648.32
7/17/30	Corporate Trust Dept.	Union Trust Co.	Stock	10	5,523 Sh	1 Sh	5,524 Sh	100	499,648.32	100.00			499,748.32
9/24/30	Hayden Miller & Co.	Union Trust Co.	Stock	10	5,524 Sh	4 Sh	5,528 Sh	75 1/2	499,748.32	303.20			500,051.52
9/29/30	Hayden Miller & Co.	Union Trust Co.	Stock	10	5,528 Sh	10 Sh		75 3/4 + C	500,051.52	780.50			
Do	do	do	do	10		20 Sh		75 1/2 + C		1,511.00			
Do	do	do	do	10		50 Sh		76 + C		3,815.00			
Do	do	do	do	10		10 Sh		76 + C		763.00			
Do	do	do	do	10		25 Sh	5,643 Sh	75 3/4 + C		1,901.25			508,802.27
10/1/30	Hayden Miller & Co.	Union Trust Co.	Stock	10	5,643 Sh	10 Sh		75 1/2 + C	508,802.27	758.00			
Do	do	do	do	10		10 Sh	5,663 Sh	75 1/2 + C		760.50			510,320.77
10/6/30	Hayden Miller & Co.	Union Trust Co.	Stock	10	5,663 Sh	100 Sh		75 1/2 + C	510,320.77	7,580.00			
Do	do	do	do	10		30 Sh	5,793 Sh	75 3/4 + C		2,281.50			520,182.27
10/9/30	J P Hance	Union Trust Co.	Stock	10	5,793 Sh	100 Sh	5,693 Sh	75 1/2 + C	520,182.27		7,580.00		512,602.27

EXHIBIT U-18-3e

4/12/32	19637 A I Moler	Union Trust Co.	Common	10	5,693 Sh	5 Sh		53.23	512,602.27	\$266.13			
Do	19638 E M Cosen	do	do	10		5 Sh		59.22		296.21			
Do	19639 T P Henkel	do	do	10		2 Sh		59.71		119.42			
Do	19640 C G Stark	do	do	10		2 Sh	5,707 Sh	do		119.42			513,403.45
4/18/32	19663 S C Mesker	Union Trust Co.	Common	10	5,707 Sh	3 Sh		47.55	513,403.45	142.04			
Do	19664 J W McHaffie	do	do	10		5 Sh		53.24		286.19			513,812.28
4/26/32	19728 L O Carr, Jr	Union Trust Co.	Common	10	5,715 Sh	11 Sh		59,553 1/2	513,812.28	655.11			514,467.39
6/16/32	20015 J P Reddy	Union Trust Co.	Common	10	5,728 Sh	2 Sh		27.26	514,467.39	64.52			514,521.91
7/21/32	20146 E A Cheadle	Union Trust Co.	Common	10	5,728 Sh	2 Sh		5,730 Sh	44.46	514,521.91	88.92		514,610.83

## EXHIBIT U-18-4

## THE UNION TRUST COMPANY

(J. R. Nutt, Chairman of Board; George A. Coulton, Chairman of Board; J. R. Kraus, Vice Chairman of Board; W. M. Baldwin, President; Allard Smith, Executive Vice President)

CLEVELAND, OHIO

Office of Executive Vice President

JUNE 22, 1931.

PAUL GLOVE,  
Asst. Treasurer, Broadway Office.

DEAR MR. GLOVE: We have received subscriptions for a total of 1,363 shares of the Union Trust Company capital stock under the partial payment plan and wish to advise that we have purchased this stock from time to time at an average cost of \$59.71 per share. You have subscribed for 5 shares, and under this plan the payment of \$6.00 per share will be payable on or before July 1, 1931, at the cashier's office of the Union Cleveland Corporation. The remainder of the purchase price is to be paid for at the rate of \$3.00 per share per month, deducted the last of each month from your salary.

Employees may pay for the stock at a more rapid rate than above provided if they so desire, all stock purchased to be held in trust until fully paid for and then transferred and delivered to the purchaser.

Interest at the rate of six per cent per annum (6%) will be charged quarterly on the deferred payments, and dividends paid on the stock on and after October 1, 1931, will be credited first toward interest and the balance toward principal.

Until the stock is fully paid for and delivered no employee shall pledge his stock subscription in any manner, or use this subscription for any purpose not contemplated under this plan.

If an employee shall terminate his purchase agreement before it is fully paid on account of leaving the service of the bank or for other reasons, the purchase agreement will be cancelled and the balance due on account of the purchase price will become payable at once; otherwise, the stock will be sold at the market and the proceeds used toward payment of the balance due, and the remainder remitted to the purchaser.

It is our wish that you continue to hold the stock as an investment and not purchase with the idea of selling it again in the immediate future.

Yours very truly,

ALLARD SMITH, Executive Vice President.

## EXHIBIT U-18-5a

## Union Trust—Corporation account

## PURCHASES

4/11/30	6 shs	Corporate Trust Dept.....	100 fl. net.
4/15	3	Special Account.....	100
4/21	25	Finley Smith Gentsch, City.....	91 Plus com
	18	" " " ".....	91½ " "
4/22	2	Robt. Andrews, ".....	92 Less com
"	20	Witt Kraus ".....	91¾ P C.
"	100	" " " ".....	91½ " "
4/23	16	Wellsted Macklin ".....	92¾ " "
	35	" " " ".....	93 P C.
4/29	15	Finley Smith Gentsch, ".....	91½ P C
4/28	20	Brenda S Merrill, Andover, O.....	91½
5/2	85	Finley Smith Gentsch, City.....	91½ P C.
5/2	100	Wellsted Macklin ".....	91½ P C.
"	100	Witt Kraus ".....	91½ P C.
"	60	Coll Loan (Acct Bennett).....	91½ L C.
"	20	Finley Smith Gentsch, City.....	91 P C.
"	100	Ledogar & Co.....	91 P C.
"	10	George A Obby, St Clair 140 Office.....	91 L C
"	25	Finley Smith Gentsch, City.....	91 P C.
5/5	30	" " " ".....	90 P C.
"	50	" " " ".....	91 P C.
"	63	Witt Kraus ".....	91 P C.
"	50	" " " ".....	91 P C.

## Union Trust—Corporation account—Continued

## PURCHASES—Continued

5/5	50 shs.	Pulham Emery,	City	90½ P. C.
"	25	Witt Kraus	"	90 P. C.
"	50	"	"	90 P. C.
"	94	Finley Smith Gentsch	"	90 P. C.
"	25	"	"	90 P. C.
"	25	Witt Kraus	"	90 P. C.
"	40	Finley Smith Gentsch	"	90 P. C.
"	50	Wellsted Macklin	"	90 P. C.
"	50	Witt Kraus	"	90 P. C.
"	50	"	"	90 P. C.
"	50	Finley Smith Gentsch	"	90 P. C.
"	50	Witt Kraus	"	90 P. C.
5/6	50	Finley Smith Gentsch	"	90 P. C.
"	42	Witt Kraus	"	90 P. C.
"	50	Finley Smith Gentsch	"	90 P. C.
"	4	"	"	90 P. C.
"	20	"	"	90 P. C.
"	10	Merrill Hawley	"	90 P. C.
"	40	"	"	90 P. C.
"	45	Finley Smith Gentsch	"	90 P. C.
"	30	"	"	90 P. C.
5/7	30	"	"	90 P. C.
"	15	"	"	90 P. C.
"	10	"	"	90 P. C.
"	20	Ledogar & Co	"	90 P. C.
"	30	"	"	90 P. C.
"	6	Wellsted Macklin	"	90 P. C.
5/8	20	"	"	90 P. C.
"	2	"	"	90 P. C.
"	25	Ledogar & Co.	"	90 P. C.
"	22	Wellsted Macklin	"	90 P. C.
"	25	Hord Curtiss	"	90 P. C.
"	28	Finley Smith Gentsch	"	90 P. C.
"	160	Hord Curtiss	"	90 P. C.
"	100	Finley Smith Gentsch	"	90 P. C.
5/9	10	"	"	90 P. C.
"	10	"	"	90 P. C.
5/10	50	Wellsted Macklin	"	90 P. C.
"	25	Hord Curtiss	"	90 P. C.
"	150	Finley Smith Gentsch	"	90 P. C.
"	100	Borton & Borton	"	90 P. C.
"	100	Finley Smith Gentsch	"	90 P. C.
"	50	Wellsted Macklin	"	90 P. C.
"	65	Finley Smith Gentsch	"	90 P. C.
"	8	"	"	90 P. C.
5/12	36	Ledogar & Co	"	90 P. C.
"	50	Wellsted Macklin	"	90 P. C.

## EXHIBIT U-18-5b

5/12/30	20 shs.	David Skall & Co.	City	90 P. C.
"	6	Ledogar & Co	"	90 P. C.
"	25	Borton & Borton	"	90 P. C.
"	10	Finley Smith Gentsch	"	90 P. C.
"	20	"	"	90 P. C.
5/13	15	David Skall & Co.	"	90 P. C.
"	100	Finley Smith Gentsch	"	90 P. C.
5/14	5	Ledogar & Co	"	90 P. C.
5/12	46	Brenda S Merrill	"	90
5/11	200	Jerome Benes, Sec & Inv	"	90 L. C.
5/15	125	Borton & Borton	City	90 P. C.
"	125	Hord Curtiss	"	90 P. C.
"	200	Vill S Halle	"	90 P. C.
"	350	Witt Kraus	"	90 P. C.
"	100	Wellsted Macklin	"	90 P. C.
"	300	Finley Smith Gentsch	"	90 P. C.
5/16	100	Witt Kraus	"	90 P. C.
"	50	Ledogar & Co	"	90 P. C.
"	50	Finley Smith Gentsch	"	90 P. C.
5/17	5	"	"	90 P. C.
"	3	Ledogar & Co	"	90 P. C.
5/19	100	Witt Kraus	"	90 P. C.
"	56	Borton & Borton	"	90 P. C.
"	25	Witt Kraus	"	90 P. C.
"	20	Finley Smith Gentsch	"	90 P. C.
"	15	"	"	90 P. C.
"	40	Ledogar & Co	"	90 P. C.
5/20	15	Merrill Hawley	"	90 P. C.
"	25	Borton & Borton	"	90 P. C.
"	35	Ledogar & Co	"	90 P. C.
"	40	Finley Smith Gentsch	"	90 P. C.
"	40	Will S Halle	"	90 P. C.
"	25	Wellsted Macklin	"	90 P. C.

## Union Trust—Corporation account—Continued

## PURCHASES—Continued

5/20	25	Hord Curtiss	City	90 P. C.
5/21	10	Merrill Hawley	"	90 P. C.
"	59	Borton & Borton	"	90 P. C.
"	25	Will S. Halle	"	90 P. C.
"	54	Finley Smith Gentsch	"	90 P. C.
"	10	Ledogar & Co.	"	90 P. C.
5/22	12	Ledogar & Co.	"	90 P. C.
5/23	50	C. W. Carlson, V.P.	"	90 Net.
5/27	100	Hornblower Weeks,	City	90 P. C.
"	20	Ledogar & Co.	"	90 P. C.
5/28	15	Wellsted Macklin	"	90 P. C.
"	25	Finley Smith Gentsch	"	90 P. C.
"	8	Ledogar & Co.	"	90 P. C.
5/29	50	Witt Kraus & Co.	"	90 P. C.
"	20	Borton & Borton	"	90 P. C.
"	5	"	"	90 P. C.
"	100	Finley Smith Gentsch	"	90 P. C.
"	60	Wellsted Macklin	"	90 P. C.
"	25	Borton & Borton	"	90 P. C.
5/31	3	Union Tr. Co.	"	100
6/2	25	Borton & Borton	"	90 P. C.
"	53	Wellsted Macklin	"	90 P. C.
"	50	Ledogar & Co.	"	90 P. C.
"	100	Witt Kraus	"	90 P. C.
"	25	Finley Smith Gentsch	"	90 P. C.
6/13	2	Special Acct.	"	100
	6 072			
	552	Less sales.		
	5 520			
	14	Less special %.		
	5 506			

## EXHIBIT U-18-5c

## SALES

4/16/30	1 shs.	Mr. W. M. Baldwin, Pres.	93
4/24	10	Lieu W. Osborn, Jefferson, O.	92 P. C.
4/25	20	Sarah Fickinger, % Mr. Carlson	93 Net
5/2	1	Mrs. W. L. Deming, Salem, O.	92 P. C.
"	100	E. M. Hamlin, % Mr Baldwin	91½ P. C.
5/8	15	Nellie K. Ferguson, City	90 P. C.
5/10	5	Miss George A. Donahue, Cedar Rap.	90 P. C.
5/24	400	Mrs. Gertrude L. C. Tucker	90½
	552		

EXHIBIT U-18-6

The Union Trust Company—Stock ownership

Name	Holdings U.T. Co. stock Dec. 31, 1923	Holdings U.T. Co. stock Dec. 31, 1929	Holdings U.T. Co. stock Dec. 31, 1930	Holdings U.T. Co. stock Dec. 31, 1931	Holdings U.T. Co. stock Dec. 31, 1932	Value—par Dec 31, 1923 \$100 00	Value—par Dec 31, 1929 \$25 00	Value—par Dec. 31, 1930 \$25.00	Value—par Dec 31, 1931 \$25.00	Value—par Dec 31, 1932 \$25 00
W. M. Baldwin.....	155	620	1,000	1,000	1,000	\$15,500 00	\$15,500 00	\$25,000 00	\$25,000 00	\$25,000 00
Geo. A. Coulton.....	525	2,100	2,500	2,500	2,500	52,500 00	52,500 00	62,500 00	62,500 00	62,500 00
Robert S. Crawford.....	0	80	100	110	200	0	2,000 00	2,500 00	2,750 00	5,000 00
Chas. E. Farnsworth.....	20	180	380	380	380	2,000 00	4,500 00	9,500 00	9,500 00	9,500 00
Chas. B. Gleason.....	1,500	0	0	0	0	150,000 00	0	0	0	0
Jos. R. Kraus.....	300	1,200	1,200	1,200	1,200	30,000 00	30,000 00	30,000 00	30,000 00	30,000 00
H. D. Messick.....	30	120	120	120	120	3,000 00	3,000 00	3,000 00	3,000 00	3,000 00
J. R. Nutt.....	1,600	6,400	5,400	4,000	6,700	160,000 00	160,000 00	135,000 00	100,000 00	167,500 00
K. V. Painter.....	2,004	8,016	10,557	23,440	23,440	200,400 00	200,400 00	263,925 00	586,000 00	586,000 00
Alard Smith.....	40	160	310	360	360	4,000 00	4,000 00	7,750 00	9,000 00	9,000 00
O. M. Stafford.....	0	6,000	6,000	6,000	6,000	0	150,000 00	150,000 00	150,000 00	150,000 00
F. H. Gunn.....	200	800	1,000	1,100	1,100	20,000 00	20,000 00	25,000 00	27,500 00	27,500 00
	6,374 ×4	25,676	28,567	40,210	43,000					
	25,496									

175541-34-PR 20-32

STOCK EXCHANGE PRACTICES

9231

## EXHIBIT U-18-7a

## UNION TRUST COMPANY—STOCK

Following are the market quotations on the Cleveland Stock Exchange of the stock of the Union Trust Company taken from the Commercial and Financial Chronicle for the period from January 1928 to October 1931, and from the records of the Cleveland Stock Exchange from October 1931 to December 1932.

Date week ending	High	Low	Volume trading actual shares	Date week ending	High	Low	Volume trading actual shares
1/7/28.....	291	286	66	7/6/28.....	298	298	30
1/13/28.....	288	285	348	7/13/28.....	297	297	29
1/20/28.....	289	288	50	7/20/28.....	290	290	51
1/27/28.....	290	288	111	7/27/28.....	287	285	40
2/3/28.....	296	290	129	8/3/28.....	287	285	53
2/10/28.....	298 $\frac{5}{8}$	295	245	8/10/28.....	287 $\frac{1}{2}$	287	13
2/17/28.....	299	296	171	8/17/28.....	290	287 $\frac{1}{2}$	45
2/24/28.....	298 $\frac{1}{2}$	298 $\frac{1}{2}$	60	8/24/28.....	287 $\frac{1}{2}$	285	100
3/2/28.....	300	299	193	8/31/28.....	285 $\frac{1}{2}$	285	62
3/9/28.....	300	300	125	9/7/28.....	290	289	50
3/16/28.....	300	299 $\frac{3}{4}$	119	9/14/28.....	—	—	—
3/23/28.....	300	300	51	9/21/28.....	295	291	18
3/30/28.....	300	299	36	9/28/28.....	295	295	200
4/5/28.....	298	298	76	10/5/28.....	—	—	—
4/13/28.....	300	298	88	10/11/28.....	295	290	218
4/20/28.....	300 $\frac{7}{8}$	299 $\frac{5}{8}$	398	10/19/28.....	295 $\frac{1}{4}$	295	77
4/27/28.....	301	300	75	10/26/28.....	300	296	236
5/4/28.....	301	—	12	11/2/28.....	304	300	386
5/11/28.....	298	297	25	11/9/28.....	315	306	642
5/18/28.....	300	297	55	11/16/28.....	315	314	57
5/25/28.....	305	297	316	11/23/28.....	320	313	512
6/1/28.....	—	—	—	11/30/28.....	341	330	104
6/8/28.....	304	301	157	12/7/28.....	340	325	67
6/15/28.....	303	300	82	12/14/28.....	330	320	220
6/22/28.....	298	297 $\frac{1}{4}$	53	12/21/28.....	320	315	357
6/29/28.....	298	298	39	12/28/28.....	315	315	210

## EXHIBIT U-18-7b

1/4/29.....	312	307	43	7/12/29.....	390	390	3 $\frac{3}{4}$
1/11/29.....	315	312	255	7/19/29.....	390	388	118
1/18/29.....	320	315 $\frac{1}{2}$	114	7/26/29.....	390	389 $\frac{1}{2}$	52
1/25/29.....	325	321	146	8/2/29.....	405	400	247
2/1/29.....	327	321	443	8/3/29 (Split 4 to 1)	—	—	—
2/8/29.....	335	330	221	8/9/29 (New \$25 par)	106 $\frac{1}{2}$	104 $\frac{3}{4}$	2,679
2/15/29.....	337	330	300	8/9/29 (Old \$100 par)	405	403	495
2/22/29.....	340	337	205	8/16/29 (\$25 par)	106 $\frac{1}{2}$	105 $\frac{1}{2}$	1,727
3/1/29.....	347	346	225	8/23/29 (\$25 par)	106 $\frac{1}{2}$	105 $\frac{1}{2}$	2,215
3/8/29.....	347	346 $\frac{3}{4}$	192	8/30/29 (\$25 par)	130	107	1,922
3/15/29.....	348	346	173	9/6/29 (\$25 par)	124 $\frac{1}{4}$	124	863
3/22/29.....	360	358	192	9/13/29 (\$25 par)	124 $\frac{3}{4}$	122	414
3/29/29.....	350	345	277	9/20/29.....	127	119	2,573
4/5/29.....	348	345	62	9/27/29.....	137	127 $\frac{1}{4}$	3,736
4/12/29.....	348	345	436	10/4/29.....	134	127	1,343
4/19/29.....	348	345	110	10/11/29.....	139	134 $\frac{1}{4}$	2,930
4/26/29.....	360	340	1,617	10/18/29.....	136	134	442
5/3/29.....	396	364	2,132	10/25/29.....	132	120	1,577
5/10/29.....	424	392	696	11/1/29.....	122	110	2,545
5/17/29.....	400	395	454	11/8/29.....	113	105	1,449
5/24/29.....	397	395	157	11/15/29.....	106	96	2,082
5/31/29.....	396	392	125	11/22/29.....	100 $\frac{1}{8}$	97	948
6/7/29.....	392	390	304	11/29/29.....	98	95	643
6/14/29.....	391	390	380	12/6/29.....	95 $\frac{1}{2}$	92	613
6/21/29.....	390	385	92	12/13/29.....	97	95	532
6/28/29.....	392	390	291	12/20/29.....	96	95	276
7/5/29.....	390	388	172	12/27/29.....	95	94	197

Changed Aug. 5, 1929 from \$100 par to \$25 par value.

EXHIBIT U-18-7c

EXHIBIT U-18-7d

Date week ending	High	Low	Volume trading actual shares	Date week ending	High	Low	Volume trading actual shares
1/3/30	95 $\frac{1}{2}$	92 $\frac{1}{2}$	1,023	1/9/31 (\$25 par)	75	72	623
1/10/30	94 $\frac{1}{2}$	92	250	1/16/31	75	70	908
1/17/30	95	94 $\frac{1}{4}$	57	1/23/31	72	70	701
1/24/30	93	92	183	1/30/31	71	70	1,231
1/31/30	93	92 $\frac{1}{2}$	520	2/6/31	71	70	722
2/7/30	95	93	815	2/13/31	71	70 $\frac{3}{4}$	242
2/14/30	94	92	111	2/20/31	74	71	333
2/21/30	94	92 $\frac{1}{2}$	780	2/27/31	73	71 $\frac{1}{2}$	298
2/28/30	93 $\frac{1}{2}$	92 $\frac{3}{4}$	464	3/6/31	72 $\frac{1}{2}$	72	220
3/7/30	92 $\frac{3}{4}$	92	493	3/13/31	73	72	341
3/14/30	92	92	40	3/20/31	72	71	350
3/21/30	92	90 $\frac{3}{8}$	475	3/27/31	71	70	658
3/28/30	93	91	339	4/3/31	70 $\frac{1}{4}$	69 $\frac{1}{2}$	353
4/4/30	93 $\frac{1}{2}$	93	186	4/10/31	70	68	727
4/11/30	93 $\frac{3}{4}$	91 $\frac{1}{2}$	1,220	4/17/31	68	64 $\frac{1}{4}$	431
4/17/30	92	91	150	4/24/31	66 $\frac{1}{2}$	62	1,215
4/25/30	93	91 $\frac{3}{8}$	474	5/1/31	63	61	1,073
5/2/30 (\$25 par)	92	91	440	5/8/31	61 $\frac{1}{2}$	59 $\frac{1}{2}$	1,360
5/9/30	91	90	1,671	5/15/31	62	59 $\frac{1}{2}$	787
5/16/30 (\$25 par)	90	90	2,120	5/22/31	60	59 $\frac{1}{2}$	961
5/23/30 (\$25 par)	90	90	656	5/29/31	60	58 $\frac{3}{4}$	1,685
5/29/30 (\$25 par)	90	90	450	6/5/31	59 $\frac{1}{2}$	58	705
6/6/30 (\$25 par)	90	90	263	6/12/31	60	59	668
6/13/30 (\$25 par)	85	80	366	6/19/31	59 $\frac{1}{2}$	57 $\frac{1}{4}$	1,058
6/20/30 (\$25 par)	83	80	555	6/26/31	60	59	1,039
6/27/30 (\$25 par)	80	75	368	7/3/31	63	59 $\frac{1}{2}$	1,230
7/3/30 (\$25 par)	76	75	114	7/10/31	63	60 $\frac{3}{4}$	515
7/11/30 (\$25 par)	77	76	253	7/17/31	62	60	975
7/18/30 (\$25 par)	80	77	280	7/24/31	61	60	571
7/25/30 (\$25 par)	80	80	112	7/31/31	61	59	411
8/1/30 (\$25 par)	83	82 $\frac{1}{2}$	194	8/7/31	59	58 $\frac{1}{8}$	182
8/8/30 (\$25 par)	82 $\frac{1}{2}$	81	52	8/14/31	59	59	43
8/15/30 (\$25 par)	81	80	420	8/21/31	59 $\frac{1}{2}$	57 $\frac{3}{4}$	2,392
8/22/30 (\$25 par)	80	79	227	8/28/31	57 $\frac{1}{2}$	50	1,467
8/29/30 (\$25 par)	80	80	63	9/4/31	54	50	1,707
9/5/30 (\$25 par)	80	79 $\frac{1}{4}$	42	9/11/31	54 $\frac{1}{8}$	52 $\frac{1}{2}$	307
9/12/30 (\$25 par)	80	79 $\frac{1}{2}$	148	9/18/31	53	51 $\frac{1}{8}$	1,231
9/19/30 (\$25 par)	79	77 $\frac{1}{4}$	125	9/25/31	51 $\frac{1}{4}$	49 $\frac{1}{4}$	1,635
9/26/30 (\$25 par)	76 $\frac{3}{4}$	75 $\frac{1}{4}$	636	10/2/31			
10/3/30 (\$25 par)	75 $\frac{1}{2}$	75	601	10/9/31	46 $\frac{1}{2}$	38	2,148
10/10/30 (\$25 par)	75 $\frac{1}{4}$	73	1,395	10/16/31	45 $\frac{1}{4}$	44	206
10/17/30 (\$25 par)	73 $\frac{1}{2}$	73	80	10/23/31	44	37 $\frac{1}{2}$	449
10/24/30 (\$25 par)	73 $\frac{1}{2}$	69 $\frac{3}{4}$	1,069	10/30/31	40	37 $\frac{1}{4}$	377
10/31/30 (\$25 par)	70 $\frac{1}{4}$	69	392	11/6/31	37 $\frac{1}{2}$	35	760
11/7/30 (\$25 par)	71 $\frac{1}{2}$	68 $\frac{1}{8}$	110	11/13/31	39	36 $\frac{1}{4}$	735
11/14/30 (\$25 par)	68 $\frac{1}{2}$	57 $\frac{3}{4}$	659	11/20/31	37	36	650
11/21/30 (\$25 par)	70 $\frac{1}{2}$	70 $\frac{1}{2}$	894	11/27/31	36 $\frac{1}{2}$	35 $\frac{1}{2}$	610
11/28/30 (\$25 par)	71	70	1,181	12/4/31	36	35	785
12/5/30 (\$25 par)	72	70	478	12/11/31	35	32	602
12/12/30 (\$25 par)	72 $\frac{1}{4}$	72	445	12/18/31	31 $\frac{1}{2}$	28	2,248
12/19/30 (\$25 par)	72	70	1,188	12/24/31	28	24	889
12/26/30 (\$25 par)	71 $\frac{1}{2}$	70 $\frac{1}{2}$	207	12/31/31	24 $\frac{1}{4}$	23	1,522

EXHIBIT U-18-7e

1/8/32 (\$25 par)	24	22 $\frac{1}{2}$	1,225	5/20/32	15	14	1,231
1/15/32	24	21 $\frac{3}{4}$	1,758	5/27/32	14	13	700
1/22/32	25 $\frac{1}{2}$	23 $\frac{1}{8}$	731	6/3/32	11	10	1,779
1/29/32	24 $\frac{1}{4}$	23	953	6/10/32	11	10 $\frac{1}{4}$	919
2/5/32	23	22	994	6/17/32	11	10 $\frac{1}{4}$	929
2/11/32	22 $\frac{1}{2}$	20	1,447	6/24/32	14	10 $\frac{3}{8}$	663
2/19/32	23	20 $\frac{7}{8}$	2,198	7/8/32	12 $\frac{1}{2}$	10 $\frac{1}{2}$	1,099
2/26/32	23 $\frac{1}{2}$	23	310	7/15/32	12	11	337
3/4/32	24	23	950	7/22/32	11 $\frac{1}{2}$	10 $\frac{1}{2}$	581
3/11/32	26	22 $\frac{1}{2}$	414	7/29/32	12 $\frac{1}{2}$	10 $\frac{7}{8}$	256
3/18/32	28 $\frac{1}{2}$	26 $\frac{1}{2}$	260	8/5/32	13	12 $\frac{1}{4}$	589
3/24/32	26 $\frac{1}{2}$	25	60	8/12/32	15 $\frac{1}{2}$	12	1,604
4/1/32	25	24	541	8/19/32	16 $\frac{1}{2}$	14 $\frac{1}{2}$	607
4/8/32	24	20 $\frac{1}{8}$	593	8/26/32	18	16 $\frac{1}{2}$	537
4/15/32	20 $\frac{1}{2}$	19	885	9/2/32	19 $\frac{1}{2}$	18 $\frac{1}{2}$	86
4/22/32	19 $\frac{1}{2}$	17	923	9/9/32	20	19	278
4/29/32	17 $\frac{3}{8}$	17	764	9/16/32	19 $\frac{1}{2}$	17	154
5/6/32	17	16	250	9/23/32	15 $\frac{1}{4}$	18	665
5/13/32	17	15	589	9/30/32	17 $\frac{3}{8}$	16	262



Date week ending	High	Low	Volume trading actual shares	Date week ending	High	Low	Volume trading actual shares
10/7/32 (\$25 par)-----	18 $\frac{7}{8}$	15 $\frac{1}{4}$	721	11/25/32 (\$25 par)-----	12	11 $\frac{1}{4}$	133
10/14/32 "-----	16	14	415	12/2/32 "-----	11 $\frac{1}{2}$	10 $\frac{3}{8}$	193
10/21/32 "-----	16	15	35	12/9/32 "-----	11	10	445
10/28/32 "-----	15	14	206	12/16/32 "-----	11	10	572
11/4/32 "-----	15	13	289	12/23/32 "-----	10	9	870
11/10/32 "-----	14	12	468	12/30/32 "-----	10	9 $\frac{1}{2}$	3,625
11/18/32 "-----	13 $\frac{3}{8}$	11	1,057				

(Exhibits U-18-8a through G-12-8e face this page.)

## EXHIBIT U-18-9

OCTOBER 5, 1929.

THE UNION TRUST COMPANY,  
Corporate Trust Department, Cleveland, Ohio.

GENTLEMEN: We have placed with the Stock Transfer Department of The Union Trust Company certificates for 1416 shares of stock of The Union Trust Company registered in the name of Charles W. Carlson and endorsed in blank.

This stock is appropriated to the allotments made for employee subscriptions of said stock in accordance with the plan outlined in the letter of Mr. Nutt to certain of said employees. You are now receiving payments on said subscriptions which are being transferred daily to our account.

This will authorize you, as particular subscriptions are paid in full, to requisition transfers for the paid-up shares out of the certificates so lodged with said stock Transfer Department.

You are further authorized to procure from Mr. Carlson an irrevocable dividend order making dividends on all untransferred stock payable to your department, you being accountable for adjustments of dividends and interest with the subscribing employees.

Very truly yours,

UNION CLEVELAND CORPORATION,  
By ACCOUEY, V. P.

## EXHIBIT U-18-10

THE UNION TRUST COMPANY,  
CLEVELAND, OHIO,  
Broadway, Columbia Office, September 28th, 1929.

THE UNION TRUST Co.,  
Corporate Trust Dept., Main Office.

GENTLEMEN: Enclosed find my check No. 2480 for \$40.00, being initial payment on my allotment of 4 shares of The Union Trust Stock as per circular letter of Mr. Nutt, of August 24th, 1929.

Kindly make the proper notation and oblige.

Yours very truly,

A. L. BLOMEYER.

## EXHIBIT U-18-11

THE UNION TRUST COMPANY,  
CLEVELAND, OHIO,  
September 20, 1929.

MISS EDITH BOMBERGER,  
Stenographic Dep't.

This is to advise you that under the plan outlined in my letter of August 24, 1929, I am glad to allot to you for purchase 2 shares of stock of The Union Trust Company. The amount of stock available was greatly oversubscribed, so I very much regret that it is necessary to reduce all subscriptions. This has been done after very thorough consideration and as fairly as possible.

Please make the initial payment on your subscriptions on or before October 1, 1929 at our Corporate Trust Department.

Sincerely yours,

J. R. NUTT, President.





DEPARTMENT MANAGERS

W. J. Ademaon	Accounting	5
R. R. Johnson	Accrual	5
Mac Donnally	Addressograph	5
Otto Morton	Bank examiners	5
C. E. Knight	Building	5
Minnie Deebart	Cafeteria	2
H. J. Huttenbeck	Collateral Loans	4
C. E. Smith, Jr.	Collection	4
John J. Asana	Distributing-Clearance	8
H. E. Mickey	Estates Trust	8
Frank Hamilton	General Books	5
Geo. Cramer	Individual Books	8
F. W. Hood	Maintenance of Equipment	4
Mildred Dankey	Medical	3
Laura Odgers	Reference	4
Edith Bomberger	Stenographic	2
E. C. Beardley	Check Transfer	1
F. W. Cook	Telegraph	2
Elizabeth Albaugh	Telephones	4
C. J. Herringer	Tellers, Commercial	5
S. C. Sturm	Transit	6
Lauren Winette	Vaults	4
Frank O'Brien	✓ Building	10
A. H. Talcott	✓ Tellers, Savings	6
A. M. Forsythe	✓ Estates Securities	9

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EMPLOYEES IN SERVICE 10 YEARS





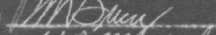

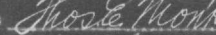
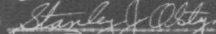




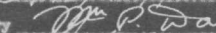

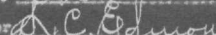




Stephen Gary	Accrual	4
John J. Hawkins	Auditing	6
Ralph E. Johnson	Auditing	5
Vernon Smith	Auditing	4
Chas. W. Oldroyd	Auditing	3
Blanche Beville	Bank Depositors	1
Stella Fritchard	Bank Depositors	2
Anetta Weiss	Bank Depositors	2
Fat Russell	Building	4
Ralph Russell	Building	4
David Lloyd	Building	4
Esther John	Business extension	4
C. H. Kunsen	Business Extension	4
F. P. Henkel	Business Extension	6
D. J. Haley	Collateral Loans	4
Clark Fullerton	Collateral Loans	4
John P. Reddy	Collateral Loans	2
Lawrence Boushine	Collection	3
Harold Haws	Collection	3
Fred Johnson	Collection	2
Wendelin A. Koshl	Collection	1
Carol Back	Collection	3
John Begus	Comptroller	5
Ray W. Fritchard	Corporate Trust	5
F. H. Tubbs	Corporate Trust	5
H. E. Bell	Estates Trust	3
Anthony Miller	Estates Trust	5
J. H. O'Donnor	Estates Trust	5
Julius Bahr	Foreign	5
Ida Masch	Foreign	3
Ellis Moore	Foreign	3
John Moran	Foreign	2
Geo. S. Lockwood	Individual Books	3
Emma Hogan	Information	5
Amanda Ventker	Information	2
Paul Jelley	Mail	2
Otto Wendelburgh	Mail	4

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Howard Dille	Miscellaneous - M. C.	177	1
Harry Stuart	Miscellaneous - M. C.		3
Carrie Crossotte	Purchasing -		2
R. A. Anipier	Real Estate Loans		5
Martin Latsch	Real Estate Loans		5
A. F. Link	Safe Deposit		2
Holmes Marshall	Safe Deposit		3
Geo. Wetzel	Savings Depositors		2
H. B. Randall	Savings Depositors		3
Genevieve Brannan	Secretaries		5
J. D. Grigor	Securities Deposit		5
Jerome S. Jones	Securities & Investments		10
Virgil Cunningham	Stock Transfer		2
Sadie Dautelbaum	Stock Transfer		5
W. K. Hayes	Stock Transfer		4
Bettie Gray	Telegraph		3
Jennie Hartorn	Telegraph		2
A. G. Collings	Tellers - Commercial		3
Abc Crumer	Do		4
Lewis Bagleston	Do		4
H. A. Foster	Do		4
Frank Hamelford	Do		4
Wm. Hinz	Do		6
Clarence Hitzron	Do		4
Mina Leonard	Do		2
Stephen Mesker	Do		4
John Loftus	Do		4
Carl Meyer	Do		3
Glenn Nelson	Do		4
Carl Phillips	Do		4
Paul Fressel	Do		4
Don Raymond	Do		4
C. A. Risk	Do		4
H. J. Robertson	Do		4
Clifford L. Rothgery	Do		4
Ernest Rudolph	Do		4
John F. Schneider	Do		2
Otto Stupka	Do		4
Walter Lyke	Do		4
Arthur Geekes	Tellers - Savings		5
Alvin Boehl	Do		4
Labelle Twining	Transit		4
A. L. Elmeyer	Broadway		4
C. J. Krajci	Broadway		4
Mary Machart	Broadway		2
Isro Svare	Broadway		4
Edward Horvayk	Buckeye-89th		4
Chas. Vlk	Buckeye-89th		4
B. E. Lehnell	Euclid-101st		4
B. E. Kentgraf	Euclid-101st		4
H. W. Minear	Euclid-101st		5
Max Ackerman	Kinsman-140th		4
Arthur Holmes	Presidents		4
Albert Graf	Terminal Square		4
John Szorbacki	Woodland		4
Fred Vopalesky	Woodland		2
A. Lesker	Auditing		4
Clinton Neville	Auditing		4
Nelson Barber	M. C. C. Bond Office		4
Warren Wick	Bond Sales		4
A. E. Gillies	Corporate Trust		3
Frank Lehut	Estates Trust		5
Frank DeClair	Mail		3
Carl E. Adams	Woodland		2
Wm. Ralph	Woodland		2
H. C. Haber	Woodland		2
Joe Shasha	Building		4

EXHIBIT C  
CERTIFICATEDate April 12, 1932

I, R. P. Sears, secretary of the Guardian Trust Company, Cleveland, Ohio do hereby certify that the following are the persons authorized to execute documents and papers in connection with applications to and loans by the Reconstruction Finance Corporation; that said persons have been duly elected to the respective offices set after their respective names, and that they are the duly authorized and present incumbents of said offices; and that the signatures set opposite their respective names are true and genuine specimens of their respective signatures:

<u>J. A. HOUSE</u>	President	
<u>H. C. BOHNSON</u>	Vice President	
<u>ALLAN B. COCK</u>	Vice President	
<u>JOHN FISH</u>	Vice President	
<u>W. B. CREEP</u>	Vice President	
<u>H. F. MC TRUDEL, JR.</u>	Vice President	
<u>THOS. E. MORNO</u>	Vice President	
<u>STANLEY J. CLITTY</u>	Vice President	
<u>E. T. SHANNON</u>	Vice President	
<u>H. I. SHEPHERD</u>	Vice President	
<u>R. P. SEARS</u>	Secretary	
<u>C. F. BRUGGEMEIER</u>	Treasurer	
<u>WM. P. DAVIS</u>	Asst. Secretary	
<u>H. W. MC KEE</u>	Asst. Secretary	
<u>T. C. EDWARDS</u>	Asst. Treasurer	
<u>E. L. REUTHAUSEN</u>	Asst. Treasurer	
<u>J. A. PURCELL</u>	Asst. Treasurer	
<u>JOHN R. BINGHAM</u>	Asst. Treasurer	
<u>E. B. HIGGINS</u>	Asst. Treasurer	

W. B. L. 7

EXHIBIT C  
CERTIFICATE

Date November 1, 1932

I, E. P. Sears, secretary of the Guardian Trust Company, Clave, do hereby certify that the following are the persons authorized to execute documents and papers in connection with applications to and loans by the Reconstruction Finance Corporation; that said persons have been duly elected to the respective offices set after their respective names; and that they are the duly authorized and present incumbents of said offices; and that the signatures set opposite their respective names are true and genuine specimens of their respective signatures:

J. A. HOUSE	<i>J. A. House</i>	President
H. C. ROBINSON	<i>H. C. Robinson</i>	Vice President
ALLAN B. COOK	<i>Allan B. Cook</i>	Vice President
JOHN FISH	<i>John Fish</i>	Vice President
W. R. GREEN	<i>W. R. Green</i>	Vice President
GEO. B. JOHNSON	<i>Geo. B. Johnson</i>	Vice President
H. P. MCINTOSH, JR.	<i>H. P. McIntosh, Jr.</i>	Vice President
THOS. E. MONKS	<i>Thos. E. Monks</i>	Vice President
STANLEY J. OLSTIN	<i>Stanley J. Olstin</i>	Vice President
W. D. PURDON	<i>W. D. Purdon</i>	Vice President
E. T. SHANNON	<i>E. T. Shannon</i>	Vice President
R. F. SEALS	<i>R. F. Sears</i>	Secretary
C. F. BRUGGEMEYER	<i>C. F. Bruggemeyer</i>	Treasurer
J. A. PURCELL	<i>J. A. Purcell</i>	Asst. Vice Pres.
WM. F. DAVIS	<i>Wm. F. Davis</i>	Asst. Secretary
H. H. MC KEE	<i>H. H. McKee</i>	Asst. Secretary
JOHN B. HUGGLES	<i>John B. Huggles</i>	Asst. Secretary
K. B. HIGGINS	<i>K. B. Higgins</i>	Asst. Secretary
T. C. EDWARDS	<i>T. C. Edwards</i>	Asst. Treasurer



727  
190  
128  
276  

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1415

EXHIBIT G-12-8e



## EXHIBIT U-18-12

THIS IS CIRCULAR LETTER OFFERING UNION TRUST COMPANY STOCK TO EMPLOYEES

August 24th, 1929.

*To Officers and Employees:*

I have purchased 1,400 shares of Union Trust Company stock, which is here-with offered for sale to officers and employes as follows:

- (a) Junior Officers.
- (b) Department Heads.
- (c) Assistant Department Heads.
- (d) Employes not included in the above, who have had fourteen or more years of service.

This stock may be purchased by you at the price of \$100.00 per share, as of October 1, 1929, \$10.00 per share to be paid on or before October 1, 1929, and \$5.00 per share to be deducted each month from your salary and applied as an installment payment upon the balance of \$90.00 per share.

Interest at the rate of 6% per annum will be charged quarterly on the deferred payments, and dividends paid upon the stock will be credited toward the deferred interest.

Employes may pay for the stock at a more rapid rate than above provided if they so desire, all stock purchased to be held in trust until fully paid, and then transferred and delivered to the purchaser.

Written application (below attached) for the purchase of this stock will be received up to September 15th; at that time the allotment will be made and you should be advised of the amount of your participation by September 20th. The maximum subscription of any officer or employe shall not exceed one share for each \$200.00 of his annual salary, and no officer or employe shall subscribe for more than 20 shares. In the event of an over-subscription, the allotment will be pro rated.

The executive officers of the bank join me in the hope that this plan will permit considerable number of our junior officers and employes who feel they can afford to do so, to purchase some of the stock of this bank upon the monthly payment plan, and we sincerely believe that in addition to the stock itself being a high-grade investment, you as a stockholder will thus become even more interested in your bank.

Until the stock is fully paid for and delivered, no employe shall pledge his stock subscription, or in any manner use this subscription for any purpose, not contemplated under this plan.

If an employe shall terminate his purchase agreement before it is fully paid, account of leaving the service, or for other reasons, the purchase agreement will be cancelled and he will be reimbursed the amount that he paid, unless terminated through death, in which event his estate may elect to continue to carry out the purchase.

It is our wish that you will continue to hold this stock as an investment and not purchase, with the idea of selling it again in the immediate future.

Sincerely yours,

J. R. NUTT, *President.*

Tear off here

Retain

J. R. NUTT,  
*President, Union Trust Company, Cleveland, Ohio.*

----- 1929  
I desire to purchase ----- shares of Union Trust stock, in accordance with the provisions of your letter of August 24, 1929.  
(Send at once to C. W. Carlson, Vice President)-----

THE GUARDIAN TRUST COMPANY: DIRECTORATE'S REPRESENTATION IN OTHER CONCERNS—CHARLES H. HORTON

THE GUARDIAN TRUST COMPANY: LOANS FROM RECONSTRUCTION FINANCE CORPORATION

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EXHIBIT G-12-1

STATE OF OHIO,  
DIVISION OF BANKS,  
Columbus, November 7, 1932.

I. J. FULTON, *Superintendent of Banks.*  
A. C. KRUG, *Deputy Superintendent.*

Mr. R. P. SEARS,  
*Secretary, Guardian Trust Co., Cleveland, Ohio.*

DEAR MR. SEARS: We wish to acknowledge receipt of yours of the fourth wherein is a request to borrow from the R.F.C. a sum of money up to \$11,000,000 in excess of the bank's combined capital and surplus. The permit for this same amount or \$11,000,000 was approved as of April 11th last based upon the resolution adopted March 15th and copy of which signed by your president and secretary is part of our files and has not expired.

Your present request we understand is a renewal of the permit of April 11th last. Therefore all previous permits for the Guardian Trust Co. to borrow are hereby canceled and the said Guardian Trust Co. is authorized to borrow a sum of money up to \$11,000,000 in excess of its combined capital and surplus for a period of nine months from date.

We are enclosing a duplicate to be used by you in completing this transaction with the R.F.C.

Very truly yours,

I. J. FULTON,  
*Superintendent of Banks.*

DAF:OM

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EXHIBIT G-12-2

STATE OF OHIO,  
DIVISION OF BANKS,  
Columbus, April 11, 1932.

I. J. FULTON, *Superintendent of Banks.*  
A. C. KRUG, *Deputy Superintendent.*

Mr. R. P. SEARS,  
*Secretary, The Guardian Trust Co., Cleveland, Ohio.*

DEAR MR. SEARS: Please be advised the permit dated March 23, 1932, for The Guardian Trust Company to borrow \$11,000,000 in excess of its combined capital and surplus for a period of six months is hereby canceled and in lieu thereof you will please substitute the following—

The Guardian Trust Company of Cleveland, Ohio, is hereby authorized to borrow a sum of money up to \$11,000,000 in excess of the combined capital and surplus for a period of nine months from April 11, 1932.

We will appreciate your advising this Department when the excess has been reduced to or below \$16,000,000.

Very truly yours,

I. J. FULTON,  
*Superintendent of Banks.*

DAF:OM

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EXHIBIT G-12-3

STATE OF OHIO,  
DIVISION OF BANKS,  
Columbus, November 30, 1932.

I. J. FULTON, *Superintendent of Banks*  
A. C. KRUG, *Deputy Superintendent*

Mr. R. P. SEARS,  
*Secretary, The Guardian Trust Co.,  
Cleveland, Ohio.*

DEAR MR. SEARS: We hereby acknowledge receipt of your favor under date of the 28th enclosing copy of resolution as adopted by the executive committee

during meeting held November 25, 1932, requesting permission to borrow \$13,000,000 in excess of the combined capital and surplus.

You may consider this our approval of your request to borrow a sum of money up to \$13,000,000 in excess of the combined capital and surplus of The Guardian Trust Company for a period of nine months from this date. In granting this request please be advised all permits previously issued for your bank to borrow in excess are hereby canceled.

You will find enclosed herewith a copy of this letter for use with your application made to the R.F.C.

Very truly yours,

I. J. FULTON,  
*Superintendent of Banks.*

DAF:OM

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EXHIBIT G-12-4a

THE GUARDIAN TRUST COMPANY,  
*Cleveland, Ohio.*

W-115

APPLICATION OF—

(Name) The Guardian Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.

Date March 14, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

EXHIBIT G-12-4b

APPLICATION FOR LOAN

The Guardian Trust Company (hereinafter called the applicant), a Trust Company organized and existing under the laws of Ohio and having its principal place of business at Cleveland, Ohio, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$5,100,000.00, to mature on or before September 14, 1932, and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

(1) The loan herein applied for is desired for the purpose of providing funds for unusual demands made on us by our depositors and to liquidate temporary loans made for that purpose.

[NOTE—The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it may

#### EXHIBIT G-12-4c

deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to

the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant.

EXHIBIT H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE.—The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 14th day of March, 1932.

THE GUARDIAN TRUST COMPANY,  
By J. A. HOUSE, *President*.

[SEAL.]

Attest:

R. P. SEARS,  
*Secretary*.

## EXHIBIT G-12-4d

## EXHIBIT B

## RESOLUTION OF BOARD OF DIRECTORS OF APPLICANT

*Resolved*, That J. A. House, President, H. C. Robinson, Vice President, H. P. McIntosh, Jr., Vice President, E. T. Shannon, Vice President, John Fish, Vice President, T. E. Monks, Vice President, H. I. Shepherd, Vice President, R. P. Sears, Secy., C. F. Bruggemeier, Treas., John R. Ruggles, Asst. Treas., K. B. Wiggins, Asst. Treas. of this corporation, or either of them, be, and they are hereby, authorized and empowered for and in the name and on behalf of this corporation to execute and deliver to the Reconstruction Finance Corporation the following papers and documents, to wit:

1. Application for a loan in an amount not to exceed Ten Million (\$10,000,000.00) dollars, to mature on or before such date and to bear interest at such rate as may be prescribed by the board of directors of the Reconstruction Finance Corporation and to be made on form prescribed or approved by the said Corporation, which form has been submitted to this board.

2. If such application receive the favorable consideration of the Reconstruction Finance Corporation said officers, or either of them, are authorized to execute and deliver to said Corporation or to any fiscal agent or custodian designated by it the promissory note or notes of this corporation in form prescribed by said Reconstruction Finance Corporation. Any advance, in the discretion of said officers, may be accepted in installments and may be evidenced by one or more notes maturing as directed by said Reconstruction Finance Corporation on or before the date specified.

*Be it further resolved*, That in order to secure the payment of any such note or notes of this corporation evidencing loans made to it by the said Reconstruction Finance Corporation and to guarantee the faithful performance of any contract entered into with the said Reconstruction Finance Corporation, the said officers of this corporation be, and each of them is hereby, authorized and empowered in their discretion to pledge and hypothecate with the said Reconstruction Finance Corporation any collateral belonging to this corporation and any collateral which they may in their discretion, from time to time, substitute therefor, and any collateral which may be required from time to time as additional security for said note or notes. And such officers and each of them are further authorized and empowered to do such acts and to execute such additional agreements or instruments under the corporate seal of this corporation or otherwise as may be necessary or desirable to meet the requirements of said Reconstruction Finance Corporation.

*Be it further resolved*, That any of the above named officers-----  
(Name of officers)

-----  
(Offices)

of this corporation, and each of them, be, and is hereby, authorized and empowered to receive and to indorse in the name of this corporation any checks or drafts representing the proceeds of such note or notes.

## CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a resolution regularly presented and adopted by the board of directors of the Guardian Trust Company-----at a regular meeting duly called and

(Name of applicant)

held at Cleveland, Ohio, on the 8th day of March, 1932, at which meeting a quorum was present and voted.

[CORPORATE SEAL.]

R. P. SEARS,  
Secretary.

(Exhibit G-12-4e faces this page)

EXHIBIT C  
CERTIFICATE

Date ----- March 3, -----, 1932.

I, R. P. SEARS, secretary of the GUARDIAN TRUST COMPANY, Clevel., O., do hereby certify that the following are the persons authorized to execute documents and papers in connection with applications to and loans by the Reconstruction Finance Corporation; that said persons have been duly elected to the respective offices set after their respective names, and that they are the duly authorized and present incumbents of said offices; and that the signatures set opposite their respective names are true and genuine specimens of their respective signatures:

<u>J. A. ROUSE</u>	President	<i>J. A. Rouse</i>	
<u>H. C. ROBINSON</u>	Vice President	<i>H. C. Robinson</i>	
<u>H. P. McINTOSH, JR.</u>	Vice President	<i>H. P. McIntosh, Jr.</i>	
<u>JOHN FISH</u>	Vice President	<i>John Fish</i>	
<u>THOMAS H. MONKS</u>	Vice President	<i>Thos. H. Monks</i>	
<u>H. I. SHEPHERD</u>	Vice President	<i>H. I. Shepherd</i>	
<u>E. T. SHANNON</u>	Vice President	<i>E. T. Shannon</i>	
<u>R. P. SEARS</u>	Secretary	<i>R. P. Sears</i>	
<u>C. F. BRUGGEMIER</u>	Treasurer	<i>C. F. Bruggemier</i>	
<u>JOHN R. RUGGLES</u>	Asst. Treasurer	<i>John R. Ruggles</i>	
<u>K. B. WIGGINS</u>	Asst. Treasurer	<i>K. B. Wiggins</i>	gales officers as

In witness whereof I have hereunto set my hand and affixed my notarial seal this.....  
8<sup>th</sup> day of March, 1932.

*Howard E. Pope*  
HOWARD E. POPE Notary Public.

[SEAL]

My commission expires May 1, 1934

## EXHIBIT G-12-4f

[NOTE:—Applicants other than banks will furnish equivalent information in form adapted to their requirements.]

*Comparative statement of condition of the Guardian Trust Company Bank of Cleveland*

(000 omitted)

Resources	Date March 14, 1932		Amount Pledged	Resources	
				Dec 31, 1931	June 30, 1931
1. Cash on hand.....	1,209			1,259	1,330
2. Due from banks.....	4,035			4,969	9,477
3. Reserve with Federal Reserve Bank.....	5,236			5,843	6,622
4. Exchange checks and cash items.....	679	11,159		3,999	1,931
5. United States Government securities owned.....		18,385	18,070	18,536	18,227
6. State, county, and municipal securities.....	4,389		3,754	4,413	5,699
7. All other bonds except foreign bonds.....	9,073		3,304	8,405	9,546
8. Foreign securities.....	395		276	538	547
9. Stocks and miscellaneous securities.....	6,515		20,372	5,871	5,410
10. Loans and discounts (see Schedule 2).....			93,369	99,372	109,416
11. Banking house and furniture and fixtures.....			5,096	5,096	5,096
12. Other real estate owned.....			1,900	1,603	1,358
13. Other assets (Schedule 3).....			10,013	7,567	6,425
Total.....		160,394	44,703	167,471	181,084

Liabilities			Amount of security	Liabilities	
14. Deposits.....		102,399	7,690	123,104	158,067
15. Bills payable and rediscounts—					
16. With Federal Reserve Bank.....	24,535		24,657	9,156	
17. With National Credit Corporation.....	2,944		4,588		
18. With.....		27,479			
19. Circulation.....					
20. Other liabilities (Schedule 4).....	12,290				
21. ....		12,290	7,768	17,153	4,835
22. Capital.....	7,000			7,000	7,000
23. Surplus and undivided profits.....	10,226			10,056	10,408
24. Reserves for contingencies.....	1,000		18,226	1,002	374
Total.....		160,394	44,703	167,471	181,084

NOTE.—Surety Bonds covering Deposits, 4,665,500.

## CERTIFICATE

I hereby certify that the above statement is true and correct to the best of my knowledge and belief.

R. P. SEARS,  
Secretary.

*Schedule of earnings, dividends, etc., for the years ended December 31*

(000 omitted)

	Date Mar. 14, 1931		1930	1929	1928	1927
Capital.....	7,000	7,000	7,000	7,000	4,000	4,000
Surplus, profits and reserves.....	11,226	11,058	11,036	10,678	6,916	6,723
Total.....	18,226	18,058	18,036	17,678	10,916	10,723
Net earnings before charge-offs.....	303	2,354	2,208	2,170	1,494	1,630
Charge-offs and recoveries (net).....	5	1,492	800	278	701	221
Dividends paid.....	140	840	1,050	930	600	600
Balance after charge-offs and dividends... ..	168	22	358	962	193	809



Show the following information taken from the report of the most recent examination dated -----, 193

	Excessive Loans	Slow	Doubtful	Loss on Loans	Total Depreciation on Securities	Total Capital, Surplus, Profits, and Reserves
At date of examination.....	Report not yet received on Examination made as of the close of business February 29, 1932. A special reserve of \$1,000,000.00 has been set aside for losses, of which amount \$99,942.45 remains unused.					
Charged-off since examination.....						
Recoveries, if any, since examination.....						

## EXHIBIT G-12-4g

## FORM E

## ORIGINAL NOTE

(Place) CLEVELAND, OHIO,  
(Date) March 14, 1932.

\$5,100,000.00.

On or before September 14, 1932 for value received, the undersigned promises to pay to the order of the Reconstruction Finance Corporation at the Federal Reserve Bank of Cleveland in the city of Cleveland, Five Million, One hundred thousand & no/100 dollars (\$5,100,000.00), with interest from the date thereof until paid at the rate of 5½ per cent per annum payable at maturity and has pledged to the Payee, as collateral security for the payment of this and of any and all other indebtedness of the undersigned to the Payee, due or to become due, heretofore or hereafter contracted or existing, the collateral listed in Exhibit F, attached hereto.

Upon default in the payment of interest upon this note according to its terms, or in case a receiver or liquidator is appointed for the undersigned, or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors by the undersigned, the Payee or holder hereof, is authorized to declare the principal hereof and of any other liabilities of the undersigned held by it, to be due and payable and thereupon the same shall become so due and payable.

In case of nonpayment when due of the principal of this note either at maturity or by such declaration, the Payee or holder hereof is authorized to sell, assign, and deliver the whole or any part of the above-mentioned collateral and any substitutes therefor or additions thereto, at any public or private sale, without demand, advertisement, or notice of the time or place of sale or adjournments thereof, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale the Payee or holder hereof may become the purchaser of the whole or any part of the said collateral, free from any such right or equity of redemption. In case of such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment hereof and of any or all of the indebtedness of the undersigned to such Payee or holder, as it shall deem proper, returning the overplus, if any, to the undersigned.

Without limiting or affecting such rights of the Payee or holder to sell part or all of such collateral at such times as it may select, such Payee or holder is further authorized, in case of such default, at its option and in its discretion, to collect or cause to be collected or otherwise converted into money any part of the said pledged, substituted, or additional collateral, by suit or otherwise, and is hereby authorized in such case to surrender, compromise, release, renew, extend or exchange any item of such collateral without prior notice to or consent of the undersigned. And in case of such collection or conversion into money of such collateral or part thereof, the Payee or holder, after first deducting the costs, attorneys' fees and expenses of collection, shall apply the balance of such proceeds to the payment of this note or any other indebtedness of the undersigned whether due or not in such manner as it shall choose.

All indorsers and guarantors hereby waive presentment, protest, and notice of dishonor, and agree to remain bound for the payment of this note and all interest and charges thereon, and that the lien hereof and the pledge hereunder shall remain undisturbed notwithstanding any extension of time, substitution of col-

lateral, or other indulgence granted by any holder of this note, hereby waiving all notice of such extension, substitution, or other indulgence.

In the event this note or any part thereof is collected by an attorney, either with or without suit, the undersigned agrees to pay a reasonable attorney's fee and costs of collection.

In Witness Whereof the undersigned has caused this note to be executed by its president or vice president and its corporate seal to be hereunto affixed by its secretary or assistant secretary, this 14th day of March, 1932.

THE GUARDIAN TRUST COMPANY,  
By H. A. H., *President.*

ATTEST:

R. P. S.,  
*Secretary.*

Copy.

EXHIBIT G-12-4h

EXHIBIT F—SCHEDULE OF COLLATERAL

Offered by The Guardian Trust Company as security for a loan from the Reconstruction Finance Corporation.

*Summary*

- 1. Bonds and other securities, Schedule F (1)..... 0
- 2. Secured notes, Schedule F (2)..... 0
- 3. Unsecured notes, Schedule F (3)..... 0
- 4. Real estate mortgages, Schedule F (4)..... \$10, 484, 285. 64
- 5. Other collateral (Schedule 5, to be supplied by applicant):

-----  
-----  
-----

Total..... 10, 484, 285. 64

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

J. A. HOUSE, *President.*  
R. P. SEARS, *Secretary.*

EXHIBIT F (J)—BONDS AND OTHER SECURITIES

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					

EXHIBIT G-12-5a

BILLS PAYABLE—R.F.C.

	Memoran- dum	Debits	Debit bal.	Date 1932	Credit bal.	Credits	Memoran- dum
				Apr. 16	4,857,789.18	4,857,789.18	18
				20	5,947,344.55	189,555.37	18
101	-----	7,999.93	-----	23	5,039,344.62		
				28	5,039,377.96	33.34	101
103	-----	10,750.00	-----	May 13	8,509,099.42	3,480,471.46	80
101	-----	19,112.53	-----	16	8,489,986.89		
				18	8,488,082.90		
103	-----	26,638.56	-----	19	8,861,444.34	400,000.00	80
101	-----	17,219.80	-----	20			
103	-----	6,944.80	-----	"	8,837,279.74		
101	-----	292.65	-----	21	8,836,987.06		
101	-----	250.49	-----	23	9,098,008.23	261,271.66	80
101	-----	461.89	-----	24	9,097,546.34		
101	-----	6,693.09	-----	25	9,103,638.25	12,785.00	80
103	-----	1,025.00	-----	26			
101	-----	455.66	-----	"	9,102,157.59		
101	-----	209.44	-----	27	9,101,948.15		
101	-----	5,752.89	-----	28	9,099,195.26		
103	-----	11,095.20	-----	31			
101	-----	4,964.33	-----	"	9,080,225.73		
101	-----	21.42	-----	June 1	9,080,204.31		
103	-----	2,000.00	-----	2			
101	-----	2,202.49	-----	"	9,076,001.82		
101	-----	540.52	-----	3	9,075,461.30		
101	-----	168.53	-----	4	9,075,294.77		
103	-----	50,000.00	-----	6			
101	-----	3,656.72	-----	"	9,021,638.05		
101	-----	545.71	-----	7			
80	-----	3,934.98	-----	"	9,017,157.36		
103	-----	11,788.86	-----	8			
101	-----	808.04	-----	"	9,004,582.46		
103	-----	10,200.00	-----	9			
101	-----	1,106.91	-----	"	8,993,255.52		
101	-----	733.68	-----	10	8,992,521.84		
101	-----	951.19	-----	11	8,991,570.65		
101	-----	2,186.06	-----	13	8,989,384.59		
103	-----	16,359.00	-----	14			
101	-----	1,789.61	-----	"	8,971,244.98		
101	-----	2,345.56	-----	15	8,968,899.42		
101	-----	3,272.28	-----	16	8,965,627.14		
103	-----	7,339.35	-----	17			
101	-----	5,966.58	-----	"	8,952,321.21		
101	-----	1,507.29	-----	18	8,950,813.92		
101	-----	1,937.14	-----	20			
103	-----	2,750.00	-----	"	8,916,126.78		
101	-----	5,289.49	-----	21	8,910,837.29		
101	-----	2,092.55	-----	22	8,938,744.74		
101	-----	2,362.64	-----	23	8,936,382.10		
103	-----	312.50	-----	"	8,936,069.60		
101	-----	990.01	-----	24			
103	-----	25.00	-----	"	8,935,054.59		
101	-----	562.31	-----	25			
103	-----	2,350.00	-----	"	8,932,142.28		

EXHIBIT G-12-5b

				1932		
				June 25	8,932,142.28	Bro't forward
				27	8,931,743.33	
101	-----	398.53	-----	28		
103	-----	28,918.75	-----	"	8,901,685.66	
101	-----	1,138.92	-----	29	8,900,758.68	
101	-----	926.98	-----	30	11,613,801.85	2,714,090.00
101	-----	1,046.83	-----	"	11,611,301.85	
103	-----	2,500.00	-----	July 1		
101	-----	16,770.68	-----	"	11,592,756.17	
103	-----	1,775.00	-----	2	11,592,070.02	
101	-----	686.15	-----	5		
103	-----	5,567.50	-----	"	11,584,861.42	
101	-----	1,641.10	-----	6		
101	-----	17,392.10	-----	"	11,566,784.32	
18	-----	685.00	-----	7		
18	-----	1,000.00	-----	"		
103	-----	6,621.00	-----	8		
101	-----	768.32	-----	"	11,558,395.00	
101	-----	233.27	-----	8		
80	-----	3,000.00	-----	"	11,555,161.73	

BILLS PAYABLE—R.F.C.—continued

	Memoran- dum	Debits	Debit bal.	Date 1932	Credit bal.	Credits	Memoran- dum
				1932			
80	-----	1,020 00	-----	July 9			
103	-----	3,350 00	-----	" "			
101	-----	946 67	-----	" "	11,549,845.06		
101	-----	592 98	-----	11	11,549,252.08		
101	-----	2,368 01	-----	12			
103	-----	1,355.30	-----	" "	11,545,528.77		
101	-----	4,425.60	-----	13			
103	-----	90.00	-----	" "	11,541,013.17		
101	-----	198.48	-----	14	11,540,814.69		
101	-----	314 48	-----	15			
103	-----	1,600 00	-----	" "	11,538,900.21		
101	-----	388 55	-----	16	11,538,511.66		
101	-----	231 53	-----	18	11,538,280.13		
103	-----	25,500 00	-----	19			
101	-----	557 60	-----	" "	11,512,222.53		
103	-----	2,175 81	-----	20			
101	-----	608 20	-----	" "	11,509,438.52		
101	-----	196 28	-----	21	11,509,242.24		
101	-----	169 47	-----	22			
103	-----	372 00	-----	" "	11,508,700.77		
101	-----	297 07	-----	23	11,508,403.70		
101	-----	323 74	-----	25	11,508,079.96		
80	-----	275,585 22	-----	26			
101	-----	3,659 22	-----	" "	11,278,835.52		
101	-----	1,412 15	-----	27			
103	-----	9,785 33	-----	" "	11,217,638.04		
101	-----	281 97	-----	28	11,217,356.07		
103	-----	1,337 50	-----	" "	11,216,018.57		
101	-----	188.22	-----	29	11,215,830.35		
101	-----	399 53	-----	30	11,215,430.82		
103	-----	10,000 00	-----	Aug 1			
101	-----	1,474 23	-----	" "	11,203,956.59		
101	-----	1,319 97	-----	2	11,203,136.62	500.00	103
101	-----	500 12	-----	3	11,202,636.50		

EXHIBIT G-12-5c

	Debit items	Total debits	Debit balance	Date	Credit balance	Total credits	Credit items
				1932			
103	1,020 00	-----	-----	Aug 3	11,202,636 50	Bro't forward	
103	1,750 00	-----	-----	" 4			
101	256 80	3,026 80	-----	" "	11,199,609 70		
103	1,500 00	-----	-----	5			
101	355 21	1,855 21	-----	" "	11,197,754 49		
101	326 46	-----	-----	6	11,197,428 03		
101	308 65	-----	-----	8	11,197,119.38		
101	2,150 32	-----	-----	9			
103	5,000 00	7,150.32	-----	" "	11,189,969.06		
101	688.66	-----	-----	10	11,189,280.40		
101	421 77	-----	-----	11	11,188,858.63		
101	271.34	-----	-----	12			
101	4,099 47	4,370 81	-----	" "	11,184,487.82		
101	253 13	-----	-----	13	11,184,234.69		
101	423 74	-----	-----	15	11,183,810.95		
103	1,000 00	-----	-----	" "	11,182,810.95		
103	2,200 00	-----	-----	16			
101	246 54	2,446 59	-----	" "	11,180,364.36		
101	363 84	-----	-----	17			
103	1,968 00	2,331.84	-----	" "	11,178,032.52		
101	310.93	-----	-----	18			
103	1,050 00	1,360 93	-----	" "	11,176,671.59		
101	114 54	-----	-----	19	11,176,557.05		
101	3,737 52	-----	-----	20	11,172,819.53		
101	1,563.67	-----	-----	22	11,171,255.86		
103	15,000.00	-----	-----	23			
101	12,378.42	27,378.42	-----	" "	11,143,877.44		
101	5,207 06	-----	-----	24	11,138,670.38		
103	3,310 00	-----	-----	" "	11,135,360.38		
101	4,961 32	-----	-----	25			
103	11,559 63	16,510 95	-----	" "	11,118,849.43		
103	25 00	-----	-----	26			
101	154 39	179 39	-----	" "	11,118,670.04		
101	409 18	-----	-----	27	11,118,260.86		
101	223 84	-----	-----	29	11,118,037.02		

BILLS PAYABLE—R.F.C.—continued

	Debit items	Total debits	Debit balance	Date	Credit balance	Total credits	Credit items
				1932			
101	209.52	-----	-----	Aug. 30	11,117,827.50		
103	250.00	-----	-----	31			
101	501.16	751.16	-----	"	11,117,076.34		
101	324.84	-----	-----	Sept. 1			
103	10,000.00	10,324.84	-----	"	11,106,751.50		
101	1,152.74	-----	-----	2	11,105,598.76		
101	1,435.53	-----	-----	3	11,105,163.23		
103	1,250.00	-----	-----	6			
101	3,754.73	5,004.73	-----	"	11,100,158.50		
80	6,000.00	-----	-----	7			
101	1,285.66	7,285.66	-----	"	11,092,872.84		
80	4,500.00	-----	-----	8			
103	1,300.00	-----	-----	"			
101	6,266.02	12,066.02	-----	"	11,080,806.82		
101	728.63	-----	-----	9	11,080,078.19		
101	354.27	-----	-----	10			
103	1,500.00	1,854.27	-----	"	11,078,223.92		

EXHIBIT G-12-5d

				1932			
				Sept. 10	11,078,223.92	Bro't forward.	
80	1,500.00	-----	-----	12			
101	1,412.44	2,912.44	-----	"	11,075,311.48		
101	1,415.29	-----	-----	13	11,073,896.19		
101	592.73	-----	-----	14	11,073,303.46		
101	1,998.90	-----	-----	15	11,071,304.56		
103	373.50	-----	-----	16			
101	2,344.47	2,717.97	-----	"	11,068,586.59		
101	3,373.36	-----	-----	17	11,065,213.23		
101	5,266.55	-----	-----	19	11,059,946.68		
81	7,125.00	-----	-----	20			
101	2,189.80	-----	-----	"			
103	1,600.00	10,914.80	-----	"	11,049,031.88		
103	750.00	-----	-----	21			
101	1,512.46	2,262.46	-----	"	11,046,769.42		
80	600.00	-----	-----	22			
103	6,050.00	-----	-----	"			
101	679.04	7,329.04	-----	"	11,039,440.38		
101	258.12	-----	-----	23			
103	4,850.00	6,108.12	-----	"	11,034,332.26		
101	911.97	-----	-----	24	11,033,420.29		
103	600.00	-----	-----	26			
101	1,571.16	2,071.16	-----	"	11,031,349.13		
103	2,500.00	-----	-----	27			
101	1,574.40	4,074.40	-----	"	11,027,274.73		
103	25.00	-----	-----	28			
101	1,445.28	1,470.28	-----	"	11,025,804.45		
101	459.37	-----	-----	29	11,025,345.08		
103	600.00	-----	-----	30			
101	98.83	598.83	-----	"	11,024,746.25		
101	551.83	-----	-----	Oct. 1	11,024,194.42		
80	12,550.00	-----	-----	3			
101	389.29	12,919.29	-----	"	11,011,275.13		
80	1,000.00	-----	-----	4			
103	3,900.00	-----	-----	"			
101	4,312.84	9,212.84	-----	"	11,002,062.29		
80	5,000.00	-----	-----	5			
103	8,043.49	-----	-----	"			
101	1,148.60	14,192.09	-----	"	10,987,870.20		
80	7,000.00	-----	-----	6			
101	228.64	-----	-----	"			
103	2,000.00	9,226.64	-----	"	10,978,643.56		
80	12,300.00	-----	-----	7			
101	182.80	-----	-----	"			
103	3,500.00	15,982.80	-----	"	10,962,660.76		
101	1,328.73	-----	-----	8	10,961,332.03		
103	1,483.00	-----	-----	"	10,959,849.03		
101	913.90	-----	-----	10	10,958,935.13		
103	12,167.30	-----	-----	11			
101	1,338.13	13,505.43	-----	"	10,945,429.70		
80	1,000.00	-----	-----	13			
101	8,972.45	-----	-----				
103	750.00	10,722.45	-----		10,934,707.25		

EXHIBIT G-12-5e

BILLS PAYABLE—R.F.C.—continued

	Debit items	Total debits	Debit balance	Date	Credit balance	Total credits	Credit items
				1932			
				Oct. 13	10,934,707.25	Bro't forward.	
101	2,883.98	-----	-----	14	10,931,823.27		
101	881.31	-----	-----	15	10,930,941.96		
101	241.21	-----	-----	17	10,930,700.75		
101	807.46	-----	-----	18	10,929,893.29		
101	3,403.05	-----	-----	19	10,926,490.24		
103	1,020.00	-----	-----	20			
101	861.85	1,881.85	-----	"	10,924,608.39		
101	2,997.79	-----	-----	21	10,292,410.60	-----	800.00 103
101	778.25	-----	-----	22	10,921,632.35		
101	531.31	-----	-----	24	10,921,101.04		
101	5,838.46	-----	-----	25			
103	3,593.67	9,432.13	-----	"	10,911,668.91		
101	3,523.89	-----	-----	26	10,908,145.02		
101	459.83	-----	-----	27	10,907,685.19		
101	273.72	-----	-----	28	10,907,411.47		
101	528.29	-----	-----	29	10,906,883.18		
101	230.81	-----	-----	31	10,906,652.37		
101	394.17	-----	-----	Nov. 1	10,906,258.20		
103	1,200.00	-----	-----	2			
101	333.26	1,533.26	-----	"	10,904,724.94		
101	1,907.08	-----	-----	3	10,902,817.86		
102	435.00	-----	-----	4			
103	462.70	-----	-----	"			
101	359.69	1,257.39	-----	"	10,901,560.47		
101	5,388.30	-----	-----	5	10,896,172.17		
101	433.78	-----	-----	7	10,895,738.39		
101	323.02	-----	-----	8	10,895,415.37		
103	61,525.90	-----	-----	9			
101	621.47	62,147.37	-----	"	10,833,268.00		
101	3,094.32	-----	-----	10	10,830,173.68		
101	314.11	-----	-----	12	10,829,859.57		
101	283.85	-----	-----	14			
103	21,863.84	22,147.69	-----	"	10,807,711.88		
103	140.37	-----	-----	15			
101	449.38	589.75	-----	"	10,807,122.13		
101	566.66	-----	-----	16			
103	13,556.00	14,122.66	-----	"	10,792,999.47		
101	485.44	-----	-----	17	10,792,514.03		
103	3,020.00	-----	-----	18			
101	365.99	3,385.99	-----	"	10,789,128.13		
101	177.68	-----	-----	19	10,788,950.45		
101	900.69	-----	-----	21	10,788,049.76		
101	3,051.98	-----	-----	22	10,784,997.78		
101	50,427.52	-----	-----	23			
103	384.25	50,811.77	-----	"	10,734,186.01		
101	327.54	-----	-----	25			
103	55.00	392.54	-----	"	10,733,793.47		
101	467.25	-----	-----	26	10,733,324.22		
103	6,864.72	-----	-----	28			
101	6,547.17	13,411.89	-----	"	10,719,912.33		
101	660.75	-----	-----	29	10,719,251.58		
102	650.00	-----	-----	"	10,718,601.58		

EXHIBIT G-12-5f

				Nov. 29	10,718,601.58	Bro't forward	
103	500.00	-----	-----	30			
101	443.54	943.54	-----	"	10,717,658.04		
101	406.04	-----	-----	Dec 1			
80	25,000.00	-----	-----	"			
103	1,538.93	26,944.97	-----	"	10,690,713.07		
101	553.23	-----	-----	2	10,690,159.84		
101	1,079.42	-----	-----	3	10,689,080.42		
101	401.38	-----	-----	5			
103	2,500.00	2,901.38	-----	"	10,686,179.04		
101	1,720.23	-----	-----	6			
103	11,103.15	12,823.38	-----	"	14,655,643.69	-----	3,982,288.03 80
103	14,500.00	-----	-----	7			
101	1,035.26	-----	-----	"			
105	525.00	16,060.26	-----	"	14,639,583.43		
101	3,957.22	-----	-----	8			
103	4,700.00	-----	-----	"			
105	3,060.00	11,717.22	-----	"	14,678,606.21	-----	50,800.00 80
101	688.17	-----	-----	9			

BILLS PAYABLE—R.F.C.—continued

	Debit items	Total debits	Debit balance	Date	Credit balance	Total credits	Credit items	
				1932				
105	13,590.09	14,278.26	-----	Dec. 9	14,664,387.95			
103	250.00		-----	" 10			1,525.00	105
101	12,294.20	12,544.20	-----	" 11	14,653,368.75			
101	811.10		-----	" 12	15,295,759.60		643,201.95	105
101	2,100.43		-----	" 13				
103	4,496.00		-----	" 14				
105	615.00	7,211.43	-----	" 15	15,288,548.17			
101	1,513.63		-----	" 16	15,287,034.54			
103	8,120.00		-----	" 17				
105	2,950.84		-----	" 18	15,273,220.45			
101	2,743.25	13,814.09	-----	" 19	15,270,701.29			
101	1,662.16		-----	" 20	15,270,701.29			
105	857.00	2,519.16	-----	" 21	15,270,701.29			
105	63,074.84		-----	" 22	15,270,701.29			
101	26,832.63	89,906.97	-----	" 23	15,375,315.82		194,521.50	80
105	3,309.23		-----	" 24				
103	2,670.00		-----	" 25				
101	7,930.56	13,909.79	-----	" 26	15,361,406.03			
101	3,158.16		-----	" 27	15,358,247.87			
101	5,986.63		-----	" 28				
103	5,200.00		-----	" 29				
105	3,884.50	15,071.13	-----	" 30	15,343,176.74			
101	1,102.07		-----	" 31				
103	37,540.00		-----	" 1				
105	15,830.00	54,472.07	-----	" 2	15,288,704.67			
103	7,288.58		-----	" 3				
101	432.66		-----	" 4				
105	1,227.16	8,948.40	-----	" 5	15,279,756.27			
101	976.92		-----	" 6	15,278,779.35			
101	237.09		-----	" 7				
103	1,960.85		-----	" 8				
105	250.00	2,447.94	-----	" 9	15,276,331.41			
101	464.05		-----	" 10	15,275,867.36			

EXHIBIT G-12-5g

				Dec. 28	15,275,867.36	Bro't forward..		
101	348.60		-----	" 29				
103	2,325.00		-----	" 30	15,271,148.76			
105	2,045.00	4,718.60	-----	" 31				
101	229.13		-----	" 1	15,241,389.61		500.00	105
103	19,000.00		-----	" 2	15,225,674.98			
105	11,030.02	30,259.15	-----	" 3				
101	14,464.63		-----	" 4				
103	1,250.00	15,714.63	-----	" 5				
				1933				
101	756.45		-----	Jan. 3	15,211,308.44			
103	10,500.00		-----	" 4	15,209,140.94			
105	3,110.09	14,366.54	-----	" 5				
80	1,399.55		-----	" 6	15,105,030.89			
101	767.95	2,167.50	-----	" 7	15,095,979.74		880.80	105
101	608.69		-----	" 8				
103	26,365.54		-----	" 9	15,783,581.60			
105	77,135.82	104,110.05	-----	" 10	15,778,474.43			
101	1,055.95		-----	" 11	15,778,123.34			
105	8,876.00	9,931.95	-----	" 12	15,769,507.41			
101	1,717.09		-----	" 13	15,769,385.84			
103	470.80		-----	" 14				
105	3,800.61	5,988.50	-----	" 15	15,746,955.91			
101	1,038.17		-----	" 16				
105	4,069.00	5,107.17	-----	" 17	15,744,519.86			
101	351.09		-----	" 18	15,734,676.30			
101	3,500.76		-----	" 19				
105	5,115.17	8,615.93	-----	" 20	15,727,555.87			
101	121.57		-----	" 21				
80	3,660.00		-----	" 22				
101	253.23		-----	" 23				
103	8,871.00		-----	" 24				
105	9,645.70	22,429.93	-----	" 25				
101	296.05		-----	" 26				
80	1,440.00		-----	" 27				
103	700.00	2,436.05	-----	" 28				
101	943.56		-----	" 29				
103	8,900.00	9,843.56	-----	" 30				
101	281.65		-----	" 31				
105	6,255.00		-----	" 1				
103	583.78	7,120.43	-----	" 2				
101	517.44		-----	" 3				

BILLS PAYABLE—R.F.C.—continued

	Debit items	Total debits	Debit balance	Date	Credit balance	Total credits	Credit items
				1933			
103	\$13,449.53			Jan 18			
105	920.00	\$14,886.97		"	\$15,712,668.90		
102	10,298.03			19			
101	234.30			"			
105	456.84			"			
103	8,316.97	19,306.14		"	15,693,362.76		
101	269.73			20			
103	3,426.94	3,696.67		"	15,689,666.09		
103	400.00			21			
101	1,119.32			"			
105	11,041.08	12,560.40		"	15,677,105.69		

EXHIBIT G-12-5h

				Jan 21	\$15,677,105.69	Bro't forward		
101	\$2,086.44			23				
103	5,109.06	\$7,195.50		"	15,669,910.19			
101	273.03			24				
103	1,100.47			"				
105	7,440.00	8,813.50		"	15,661,096.69			
101	675.31			25				
103	900.00	1,575.31		"	15,659,521.38			
101	1,211.28			26				
105	28,351.78	29,563.06		"	15,629,958.32			
105	18,831.22			27				
103	4,608.51			"				
101	873.15	24,312.88		"	15,605,645.44			
101	1,086.44			28				
80	8,162.50			30			\$7,800.00	103
101	142.74			"				
105	150.00	8,455.24		"	15,603,903.76			
80	12,150.00			31			6,200.00	103
101	584.26	12,734.26		"	15,597,369.50			
101	267.77			Feb 1				
103	5,767.49			"			99.09	105
105	57,657.47	63,692.73		2				
101	310.93			"	15,533,775.86			
103	472.50			"				
105	548.40	1,331.83		"	15,532,444.03			
101	378.34			3				
103	1,400.00			"				
105	3,992.07	5,770.41		"	15,526,673.62			
105	396.37			4				
101	839.60	1,235.97		"	15,525,437.65			
101	652.90			6				
105	265.00	917.90		"	15,524,519.75			
101	1,198.74			7				
103	13,686.28			"				
105	30,096.98	44,982.00		"	15,479,537.75			
103	51.28			8				
101	65.00			"				
105	1,200.00	1,316.28		"	15,478,221.47			
101	713.91			9				
105	275.00			"				
103	185.00	1,173.91		"	15,477,047.56			
105	26,098.32			10				
101	1,961.05			11				
105	700.00			13				
103	500.00			15				
105	518.00			"	15,447,286.57			
103	113,500.00			16				
105	10,200.00	123,700.00		"	15,323,586.57			
101	299.00			17				
103	5,281.32			"				
105	6,693.67	12,273.99		"	15,311,312.58			
105	100.00			18				
103	29,525.00	29,625.00		"	15,281,687.58		16.38	105



## EXHIBIT G-12-6a

W-306

## APPLICATION OF—

(NAME) The Guardian Trust Company.

(ADDRESS) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.  
Date April 20, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency All forms should be filled out by typewriter Three original executed counterparts must be filed.

## EXHIBIT G-12-6b

## APPLICATION FOR LOAN

The Guardian Trust Company (hereinafter called the applicant), a Trust Company, organized and existing under the laws of Ohio, and having its principal place of business at Cleveland, Ohio, hereby applies to Reconstruction Finance Corporation (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$4,550,000.00, to mature on or before October 20, 1932, and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows

(1) The loan herein applied for is desired for the purpose of providing funds for unusual demands made on us by our depositors, to liquidate temporary loans made for that purpose, and to take care of seasonal requirements of our commercial loan customers.

[NOTE —The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations ]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, trans-

portation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

#### EXHIBIT G-12-6c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of

time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant.

EXHIBIT H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE.—The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 20th day of April, 1932.

[SEAL.]

THE GUARDIAN TRUST COMPANY,  
By J. A. HOUSE,  
*President.*

Attest:

R. P. FEARS,  
*Secretary.*

EXHIBIT G-12-6d

#### EXHIBIT B

##### RESOLUTION OF BOARD OF DIRECTORS OF APPLICANT

*Resolved*, That, J. A. House, President; H. C. Robinson, Allan B. Cook, John Fish, W. R. Green, H. P. McIntosh, Jr., Thos. E. Monks, Stanley J. Olstyn, E. T. Shannon, and H. I. Shepherd, Vice Presidents; R. P. Sears, Secretary, C. F. Bruggemeier, Treasurer, Wm. P. Davis and H. H. McKee, Asst. Sectys; T. C. Edmonds, E. L. Neuswander, J. A. Purcell, John R. Ruggles and K. B. Wiggins, Asst. Treasurers of this corporation, or either of them, be, and they are hereby, authorized and empowered for and in the name and on behalf of this corporation to execute and deliver to the Reconstruction Finance Corporation the following papers and documents, to wit:

1. Application for a loan in an amount not to exceed Twelve Million (\$12,000,-  
000.00) dollars, to mature on or before such date and to bear interest at such

rate as may be prescribed by the board of directors of the Reconstruction Finance Corporation and to be made on form prescribed or approved by the said Corporation, which form has been submitted to this board.

2. If such application receive the favorable consideration of the Reconstruction Finance Corporation said officers, or either of them, are authorized to execute and deliver to said Corporation or to any fiscal agent or custodian designated by it the promissory note or notes of this corporation in forms prescribed by said Reconstruction Finance Corporation. Any advance, in the discretion of said officers, may be accepted in installments and may be evidenced by one or more notes maturing as directed by said Reconstruction Finance Corporation on or before the date specified.

*Be it further resolved*, That in order to secure the payment of any such note or notes of this corporation evidencing loans made to it by the said Reconstruction Finance Corporation and to guarantee the faithful performance of any contract entered into with the said Reconstruction Finance Corporation, the said officers of this corporation be, and each of them is hereby, authorized and empowered in their discretion to pledge and hypothecate with the said Reconstruction Finance Corporation any collateral belonging to this corporation and any collateral which they may in their discretion, from time to time, substitute therefor, and any collateral which may be required from time to time as additional security for said note or notes. And such officers and each of them are further authorized and empowered to do such acts and to execute such additional agreements or instruments under the corporate seal of this corporation or otherwise as may be necessary or desirable to meet the requirements of said Reconstruction Finance Corporation.

*Be it further resolved*, That any of the above named officers of this corporation, and each of them, be, and is hereby, authorized and empowered to receive and to indorse in the name of this corporation any checks or drafts representing the proceeds of such note or notes.

## CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a resolution regularly presented and adopted by the board of directors of the Guardian Trust Company at a Regular meeting duly called and held at Cleveland, Ohio on the 12th day of April, 1932, at which meeting a quorum was present and voted.

[CORPORATE SEAL.]

A. P. SEARS, *Secretary*.

(Exhibit G-12-6e faces this page)

## EXHIBIT G-12-6f

[NOTE.—Applicants other than banks will furnish equivalent information in form adapted to their requirements.]

*Comparative statement of condition of the Guardian Trust Company, Bank of Cleveland, Ohio.*

[000 omitted]

Resources	Date April 18, 1932		Amount pledged	Resources	
				Dec 31, 1931	June 30, 1931
1. Cash on hand.....	1, 016	-----	-----	1, 259	1, 330
2. Due from banks.....	4, 735	-----	-----	4, 969	9, 477
3. Reserve with Federal Reserve Bank.....	4, 744	-----	-----	5, 843	6, 622
4. Exchange checks and cash items.....	1, 283	11, 778	-----	3, 099	1, 981
5. United States Government securities owned.....	18, 424	-----	17, 249	18, 536	18, 227
6. State, county, and municipal securities.....	4, 412	-----	3, 604	4, 413	5, 699
7. All other bonds except foreign bonds.....	8, 746	-----	3, 568	8, 405	9, 546
8. Foreign securities.....	538	-----	276	538	547
9. Stocks and miscellaneous securities.....	6, 209	-----	38, 328	5, 871	5, 410
10. Loans and discounts (see Schedule 2).....	-----	92, 449	25, 874	99, 372	109, 416
11. Banking house and furniture and fixtures.....	-----	5, 221	-----	5, 096	5, 096
12. Other real estate owned.....	-----	2, 066	-----	1, 603	1, 358
13. Other assets (Schedule 3).....	-----	8, 529	-----	7, 567	6, 425
Total.....	-----	158, 371	53, 399	167, 471	181, 084

Comparative statement of condition of the Guardian Trust Company, Bank of  
Cleveland, Ohio—Continued

[000 omitted]

Liabilities			Amount of secur- ity	Liabilities	
14. Deposits.....		102,497	11,272	123,104	158,067
15. Bills payable and rediscounts—					
With Federal Reserve Bank.....	9,960		9,960	9,156	
17. With National Credit Corporation.....	2,944		4,570		
18. With R. F. C.....	4,858	17,762	10,246		
19. Circulation.....		0			
20. Other liabilities (Schedule 4).....	20,052		17,351		
21.....		20,052		17,153	4,835
22. Capital.....	7,000			7,000	7,000
23. Surplus and undivided profits.....	10,166			10,056	10,808
24. Reserves for contingencies.....	894	18,060		1,002	374
Total.....		158,371	53,399	167,471	181,084

Surety Bonds covering deposits \$4,655,500 00.

## CERTIFICATE

I hereby certify that the above statement is true and correct to the best of my  
knowledge and belief.

W. W. DUNN,  
Vice President.

Schedule of earnings, dividends, etc., for the years ended December 31:

[000 omitted]

	Date 4-18-32	1931	1930	1929	1928	1927
Capital.....	7,000	7,000	7,000	7,000	4,000	4,000
Surplus, profits and reserves.....	11,060	11,058	11,036	10,678	6,916	6,723
Total.....	18,060	18,058	18,036	17,678	10,916	10,723
Net earnings before charge-offs.....	489	2,354	2,208	2,170	1,494	1,630
Charge-offs and recoveries (net).....	319	1,492	800	278	701	221
Dividends paid.....	168	840	1,050	930	600	600
Balance after charge-offs and dividends.....	2	22	358	962	193	9

Show the following information taken from the report of the most recent exam-  
ination dated ....., 193---

	Excessive Loans	Slow	Doubtful	Loss on Loans	Total Deprecia- tion on Securities	Total Capital, Surplus Profits, and Re- serves
At date of examination.....	Report not yet received on Examination made as of Close					
Charged off since examination.....	of Business February 29, 1932. A special reserve of \$1,000-					
Recoveries, if any, since examination.....	000 00 has been set aside for losses of which amount \$894,259.63					
	remains unused.					

## EXHIBIT G-12-6g

## FORM E

## ORIGINAL NOTE

(Place) CLEVELAND, OHIO,  
(Date) April 20, 1932.

\$4,450,000.00.

On or before October 20, 1932 for value received, the undersigned promises to pay to the order of the Reconstruction Finance Corporation at the Federal Reserve Bank of Cleveland, in the city of Cleveland, Four Million, Four hundred fifty thousand & no/100 dollars (\$4,450,000.00), with interest from the date hereof until paid at the rate of 5½ percent per annum payable at maturity and has pledged to the Payee, as collateral security for the payment of this and of any and all other indebtedness of the undersigned to the Payee, due or to become due, heretofore or hereafter contracted or existing, the collateral listed in Exhibit F, attached hereto.

Upon default in the payment of interest upon this note according to its terms, or in case a receiver or liquidator is appointed for the undersigned, or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors by the undersigned, the Payee or holder hereof, is authorized to declare the principal hereof and of any other liabilities of the undersigned held by it, to be due and payable and thereupon the same shall become so due and payable.

In case of nonpayment when due of the principal of this note either at maturity or by such declaration, the Payee or holder hereof is authorized to sell, assign, and deliver the whole or any part of the above-mentioned collateral and any substitutes therefor or additions thereto, at any public or private sale, without demand, advertisement, or notice of the time or place of sale or adjournments thereof, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale the Payee or holder hereof may become the purchaser of the whole or any part of the said collateral, free from any such right or equity of redemption. In case of such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment hereof and of any or all of the indebtedness of the undersigned to such Payee or holder, as it shall deem proper, returning the overplus, if any, to the undersigned.

Without limiting or affecting such rights of the Payee or holder to sell part or all of such collateral at such times as it may select, such Payee or holder is further authorized, in case of such default, at its option and in its discretion, to collect or cause to be collected or otherwise converted into money any part of the said pledged, substituted, or additional collateral, by suit or otherwise, and is hereby authorized in such case to surrender, compromise, release, renew, extend or exchange any item of such collateral without prior notice to or consent of the undersigned. And in case of such collection or conversion into money of such collateral or part thereof, the Payee or holder, after first deducting the costs, attorneys' fees and expenses of collection, shall apply the balance of such proceeds to the payment of this note or any other indebtedness of the undersigned whether due or not in such manner as it shall choose.

All indorsers and guarantors hereby waive presentment, protest, and notice of dishonor, and agree to remain bound for the payment of this note and all interest and charges thereon, and that the lien hereof and the pledge hereunder shall remain undisturbed notwithstanding any extension of time, substitution of collateral, or other indulgence granted by any holder of this note, hereby waiving all notice of such extension, substitution, or other indulgence.

In the event this note or any part thereof is collected by an attorney, either with or without suit, the undersigned agrees to pay a reasonable attorney's fee and costs of collection.

In Witness Whereof the undersigned has caused this note to be executed by its president or vice president and its corporate seal to be hereunto affixed by its secretary or assistant secretary, this 20th day of April, 1932

THE GUARDIAN TRUST COMPANY,  
By J. A. HOUSE, *President.*

Attest:

R. P. S., *Secretary.*

DUPLICATE

## EXHIBIT G-12-6h

## EXHIBIT F—SCHEDULE OF COLLATERAL

Offered by The Guardian Trust Company, Cleveland, Ohio, as security for a loan from the Reconstruction Finance Corporation.

## SUMMARY

	Amount
1. Bonds and other securities, Schedule F (1).....	\$2, 455, 762. 86
2. Secured notes, Schedule F (2).....	2, 590, 721. 97
3. Unsecured notes, Schedule F (3).....	0
4. Real estate mortgages, Schedule F (4).....	4, 556, 023. 60
5. Other collateral (Schedule 5, to be supplied by applicant):	
-----	
-----	
-----	
Total.....	\$9, 602, 508. 43

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

W. R. GREEN,  
*Vice President,*  
R. P. SEARS,  
*Secretary.*

## EXHIBIT F (1)—BONDS AND OTHER SECURITIES

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					

## EXHIBIT G-12-7a

402

## APPLICATION OF—

(Name) The Guardian Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.

Date May 23, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

## EXHIBIT G-12-7b

## APPLICATION FOR LOAN

The Guardian Trust Company (hereinafter called the applicant), a Trust Company organized and existing under the laws of Ohio, and having its principal place of business at Cleveland, Ohio, hereby applies to Reconstruction Finance Corporation (hereinafter called the Corporation) for a loan not to exceed in the

aggregate \$3,500,000.00, to mature on or before November 23, 1932 and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

(1) The loan herein applied for is desired for the purpose of providing funds for unusual demands made on us by our depositors, to liquidate temporary loans made for that purpose, and to take care of seasonal requirements of our commercial loan customers.

[NOTE—The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.



(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

EXHIBIT G-12-7c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant

EXHIBIT H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE —The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 23rd day of May, 1932.

[SEAL.]

THE GUARDIAN TRUST COMPANY,  
By J. A. HOUSE, *President*.

Attest:

A. P. SEARS,  
*Secretary*.

EXHIBIT G-12-7d

#### EXHIBIT B

##### RESOLUTION OF BOARD OF DIRECTORS OF APPLICANT

*Resolved*, That, J. A. House, President; H. C. Robinson, Allan B. Cook, John Fish, W. R. Green, H. P. McIntosh, Jr., Thos. E. Monks, Stanley J. Olstyn, E. T. Shannon, and H. I. Shepherd, Vice Presidents; R. P. Sears, Secretary, C. F. Bruggemeier, Treasurer, Wm. P. Davis and H. H. McKee, Asst. Sectys; T. C. Edmonds, E. L. Neuswander, J. A. Purcell, John R. Ruggles and K. B. Wiggins, Asst. Treasurers of this corporation, or either of them, be, and they are hereby, authorized and empowered for and in the name and on behalf of this corporation to execute and deliver to the Reconstruction Finance Corporation the following papers and documents, to wit:

1. Application for a loan in an amount not to exceed Twelve Million (\$12,000,000.00) dollars, to mature on or before such date and to bear interest at such rate as may be prescribed by the board of directors of the Reconstruction Finance Corporation and to be made on form prescribed or approved by the said Corporation, which form has been submitted to this board.

2. If such application receive the favorable consideration of the Reconstruction Finance Corporation said officers, or either of them, are authorized to execute and deliver to said Corporation or to any fiscal agent or custodian designated by it the promissory note or notes of this corporation in form prescribed by said Reconstruction Finance Corporation. Any advance, in the discretion of said officers, may be accepted in installments and may be evidenced by one or more notes maturing as directed by said Reconstruction Finance Corporation on or before the date specified.

*Be it further resolved*, That in order to secure the payment of any such note or notes of this corporation evidencing loans made to it by the said Reconstruction Finance Corporation and to guarantee the faithful performance of any contract entered into with the said Reconstruction Finance Corporation, the said officers of this corporation be, and each of them is hereby, authorized and empowered in their discretion to pledge and hypothecate with the said Reconstruction Finance Corporation any collateral belonging to this corporation and any collateral which they may in their discretion, from time to time, substitute therefor, and any collateral which may be required from time to time as additional security for said note or notes. And such officers and each of them are further authorized

and empowered to do such acts and to execute such additional agreements or instruments under the corporate seal of this corporation or otherwise as may be necessary or desirable to meet the requirements of said Reconstruction Finance Corporation.

*Be it further resolved*, That any of the above named officers of this corporation, and each of them, be, and is hereby, authorized and empowered to receive and to indorse in the name of this corporation any checks or drafts representing the proceeds of such note or notes.

## CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a resolution regularly presented and adopted by the board of directors of the Guardian Trust Company at a Regular meeting duly called and held at Cleveland, Ohio on the 12th day of April, 1932, at which meeting a quorum was present and voted.

[CORPORATE SEAL.]

R. P. SEARS, *Secretary*.

## EXHIBIT G-12-7f

[NOTE.—Applicants other than banks will furnish equivalent information in form adapted to their requirements.]

*Comparative statement of condition of the Guardian Trust Company, Cleveland, Ohio*

[000 omitted]

Resources	Date May 23, 1932		Amount Pledged	Resources	
				Dec 31, 1931	June 30, 1931
1 Cash on hand.....	1,005			1,259	1,330
2 Due from banks.....	3,898			4,969	9,477
3 Reserve with Federal Reserve Bank.....	4,922			5,843	6,622
4 Exchange checks and cash items.....	1,365	11,190		3,999	1,931
5 United States Government securities owned.....	20,004		16,964	18,536	18,227
6 State, county, and municipal securities.....	4,427		3,496	4,413	5,699
7 All other bonds except foreign bonds.....	8,642		3,944	8,405	9,546
8 Foreign securities.....	538			533	547
9 Stocks and miscellaneous securities.....	6,203	39,814	3,153	5,871	5,410
10 Loans and discounts (see Schedule 2).....		90,379	30,508	99,372	109,416
11 Banking house and furniture and fixtures.....		5,221		5,096	5,096
12 Other real estate owned.....		2,226		1,603	1,358
13 Other assets (Schedule 3).....		7,071		7,567	6,425
Total.....		155,901	58,065	167,471	181,084

Liabilities			Amount of Security	Liabilities	
				Dec 31, 1931	June 30, 1931
14 Deposits.....		100,124	9,681	123,104	158,067
15 Bills payable and rediscounts—					
16 With Federal Reserve Bank.....	10,457		10,390	9,156	
17 With National Credit Corporation.....	2,938		4,565		
18 With R F C.....	9,098	22,493	22,901		
19 Circulation.....					
20 Other liabilities (Schedule 4).....	15,577		10,528		
21.....		15,577		17,153	4,885
22 Capital.....	7,000			7,000	7,000
23 Surplus and undivided profits.....	10,118			10,056	10,808
24 Reserves for contingencies.....	589	17,707		1,002	374
Total.....		155,901	58,065	167,471	181,084

Surety Bonds covering Deposits, 4,584,000.00.

## CERTIFICATE

I hereby certify that the above statement is true and correct to the best of my knowledge and belief.

W. R. GREEN,  
Vice President.

*Schedule of earnings, dividends, etc., for the years ended December 31*

[000 omitted]

	Date May 23, '32	1931	1930	1929	1928	1927
Capital.....	7,000	7,000	7,000	7,000	4,000	4,000
Surplus, profits and reserves.....	10,707	11,058	11,036	10,678	6,916	6,723
Total.....	17,707	18,058	18,036	17,678	10,916	10,723
Net earnings before charge-offs.....	615	2,354	2,208	2,170	1,494	1,630
Charge-offs and recoveries (net).....	744	1,492	800	278	701	221
Dividends paid.....	222	840	1,050	930	600	600
Balance after charge-offs and dividends....	351	22	358	962	193	809

Show the following information taken from the report of the most recent examination dated -----, 193 .

	Excessive Loans	Slow	Doubt- ful	Loss on Loans	Total Depreci- ation on Se- curities	Total Capital, Surplus Profits, and Reserves
At date of examination.....	Report not yet received on Examination made as of close of business February 29, 1932. A special Reserve of \$1,000,000.00 has been set aside for losses of which amount \$589,576.37 remains unused.					
Charged off since examination.....						
Recoveries, if any, since examination.....						

## EXHIBIT G-12-7g

## FORM E—ORIGINAL NOTE

(Place) CLEVELAND, OHIO,  
(Date) May 23, 1932.

\$2,722,500.00

On or before November 23, 1932, for value received, the undersigned promises to pay to the order of the Reconstruction Finance Corporation at the Federal Reserve Bank of Cleveland, in the city of Cleveland, Two million, seven hundred twenty-two thousand five hundred & no/100 dollars (\$2,722,500.00), with interest from the date hereof until paid at the rate of 5½% per cent per annum payable at maturity and has pledged to the Payee, as collateral security for the payment of this and of any and all other indebtedness of the undersigned to the Payee, due or to become due, heretofore or hereafter contracted or existing, the collateral listed in Exhibit F, attached hereto.

Upon default in the payment of interest upon this note according to its terms, or in case a receiver or liquidator is appointed for the undersigned, or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors by the undersigned, the Payee or holder hereof, is authorized to declare the principal hereof and of any other liabilities of the undersigned held by it, to be due and payable and thereupon the same shall become so due and payable.

In case of nonpayment when due of the principal of this note either at maturity or by such declaration, the Payee or holder hereof is authorized to sell, assign, and deliver the whole or any part of the above-mentioned collateral and any substitutes therefor or additions thereto, at any public or private sale, without demand, advertisement, or notice of the time or place of sale or adjournments thereof, the undersigned hereby waiving any and all equity or right of redemption

whether before or after sale hereunder, and upon such sale the Payee or holder hereof may become the purchaser of the whole or any part of the said collateral, free from any such right or equity of redemption. In case of such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment hereof and of any or all of the indebtedness of the undersigned to such Payee or holder, as it shall deem proper, returning the overplus, if any, to the undersigned.

Without limiting or affecting such rights of the Payee or holder to sell part or all of such collateral at such times as it may select, such Payee or holder is further authorized, in case of such default, at its option and in its discretion, to collect or cause to be collected or otherwise converted into money any part of the said pledged, substituted, or additional collateral, by suit or otherwise, and is hereby authorized in such case to surrender, compromise, release, renew, extend or exchange any item of such collateral without prior notice to or consent of the undersigned. And in case of such collection or conversion into money of such collateral or part thereof, the Payee or holder, after first deducting the costs, attorneys' fees and expenses of collection, shall apply the balance of such proceeds to the payment of this note or any other indebtedness of the undersigned whether due or not in such manner as it shall choose.

All indorsers and guarantors hereby waive presentment, protest, and notice of dishonor, and agree to remain bound for the payment of this note and all interest and charges thereon, and that the lien hereof and the pledge hereunder shall remain undisturbed notwithstanding any extension of time, substitution of collateral, or other indulgence granted by any holder of this note, hereby waiving all notice of such extension, substitution, or other indulgence.

In the event this note or any part thereof is collected by an attorney, either with or without suit, the undersigned agrees to pay a reasonable attorney's fee and costs of collection.

In Witness Whereof the undersigned has caused this note to be executed by its president or vice president and its corporate seal to be hereunto affixed by its secretary or assistant secretary, this 23rd day of May, 1932.

Attest:  
 R. P. S.,  
*Secretary.*

THE GUARDIAN TRUST COMPANY,  
 By J. A. HOUSE,  
*President.*

[Duplicate.]

EXHIBIT G-12-7h

EXHIBIT F—SCHEDULE OF COLLATERAL

Offered by The Guardian Trust Company, Cleveland, Ohio, as security for a loan from the Reconstruction Finance Corporation.

SUMMARY

	Amount
1. Bonds and other securities, Schedule F (1).....	\$4, 392, 810. 53
2. Secured notes, Schedule F (2).....	3, 634, 062. 58
3. Unsecured notes, Schedule F (3).....	
4. Real estate mortgages, Schedule F (4).....	
5. Other collateral (Schedule 5, to be supplied by applicant):	
-----	
-----	
-----	
Total.....	\$8, 026, 873. 11

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

J. A. HOUSE,  
*President.*  
 R. P. SEARS,  
*Sec'y.*

EXHIBIT F (1)—BONDS AND OTHER SECURITIES

Description			Face Amount	Book Value	Present Market Quotation	Total Market Value	Rating
Issue	Rate	Maturity					
(Separate exhibit accompanies this report)							

EXHIBIT G-12-8a

W-973

APPLICATION OF—

(Name) The Guardian Trust Company.

(Address) 623 Euclid Avenue, Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act. Date November 2, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

EXHIBIT G-12-8b

APPLICATION FOR LOAN

The Guardian Trust Company (hereinafter called the applicant), a Trust Company, organized and existing under the laws of Ohio, and having its principal place of business at Cleveland, Ohio, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$5,900,000.00, to mature on or before May 2, 1933 and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

(1) The loan herein applied for is desired for the purpose of repayment of balance due National Credit Association, and to provide funds to liquidate temporary loans, and to take care of seasonal requirements of our commercial loan customers.

[NOTE.—The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and

whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale of adjournments thereof, for such price as it

#### EXHIBIT G-12-8c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of

collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant.

EXHIBIT H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE —The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding and inure to the benefit of their successors and assigns.

Executed this 2nd day of November, 1932.

THE GUARDIAN TRUST COMPANY,  
By W. R. GREEN,

*Vice President.*

[SEAL.]

Attest:

R. P. SEARS, *Secretary.*



## EXHIBIT G-12-8d

## EXHIBIT B

## RESOLUTION OF EXECUTIVE COMMITTEE APPLICANT

*Resolved*, That (officers as listed below), of this corporation, or either of them, be, and they are hereby, authorized and empowered for and in the name and on behalf of this corporation to execute and deliver to the Reconstruction Finance Corporation the following papers and documents, to wit:

1. Application for a loan in an amount not to exceed \$5,900,000.00, to mature on or before such date and to bear interest at such rate as may be prescribed by the board of directors of the Reconstruction Finance Corporation and to be made on form prescribed or approved by the said Corporation, which form has been submitted to this committee.

2. If such application receive the favorable consideration of the Reconstruction Finance Corporation said officers, or either of them, are authorized to execute and deliver to said Corporation or to any fiscal agent or custodian designated by it the promissory note or notes of this corporation in form prescribed by said Reconstruction Finance Corporation. Any advance, in the discretion of said officers, may be accepted in installments and may be evidenced by one or more notes maturing as directed by said Reconstruction Finance Corporation on or before the date specified.

*Be it further resolved*, That in order to secure the payment of any such note or notes of this corporation evidencing loans made to it by the said Reconstruction Finance Corporation and to guarantee the faithful performance of any contract entered into with the said Reconstruction Finance Corporation, the said officers of this corporation be, and each of them is hereby, authorized and empowered in their discretion to pledge and hypothecate with the said Reconstruction Finance Corporation any collateral belonging to this corporation and any collateral which they may in their discretion, from time to time, substitute therefor, and any collateral which may be required from time to time as additional security for said note or notes. And such officers and each of them are further authorized and empowered to do such acts and to execute such additional agreements or instruments under the corporate seal of this corporation or otherwise as may be necessary or desirable to meet the requirements of said Reconstruction Finance Corporation.

*Be it further resolved*, That the officers as listed below of this corporation, and each of them, be, and is hereby, authorized and empowered to receive and to indorse in the name of this corporation any checks or drafts representing the proceeds of such note or notes.

## CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a resolution regularly presented and adopted by Executive Committee of the Guardian Trust Company at a regular meeting duly called and held at Cleveland, Ohio, on the 1st day of November, 1932, at which meeting a quorum was present and voted.

[CORPORATE SEAL]

R. P. SEARS, *Secretary*.

J. A. House, President; H. C. Robinson, Allan B. Cook, John Fish, W. R. Green, Geo. B. Johnson, H. P. McIntosh, Jr., Thos. E. Monks, Stanley J. Olstyn, W. D. Purdon and E. T. Shannon, Vice Presidents; R. P. Sears, Secretary; C. F. Bruggemeier, Treasurer; J. A. Purcell, Assistant Vice President; Wm. P. Davis, H. H. McKee, John R. Ruggles and K. B. Wiggins, Assistant Secretaries; T. C. Edmonds, Assistant Treasurer.

(Exhibit G-12-7e face this page)

41217

EXHIBIT C  
CERTIFICATE

Date April 12, 193 2.

I, R. F. Sears secretary of the Guardian Trust Company, Cleveland, Ohio, do hereby certify that the following are the persons authorized to execute documents and papers in connection with applications to and loans by the Reconstruction Finance Corporation; that said persons have been duly elected to the respective offices set after their respective names, and that they are the duly authorized and present incumbents of said offices; and that the signatures set opposite their respective names are true and genuine specimens of their respective signatures:

<u>J. A. HOUSE</u>	President	<u>[Signature]</u>
<u>H. W. ROBINSON</u>	Vice President	<u>[Signature]</u>
<u>ALLAN D. COOK</u>	Vice President	<u>[Signature]</u>
<u>JOHN WISH</u>	Vice President	<u>[Signature]</u>
<u>W. E. GREEN</u>	Vice President	<u>[Signature]</u>
<u>H. P. MCINTOSH, JR.</u>	Vice President	<u>[Signature]</u>
<u>THOS. E. MONKS</u>	Vice President	<u>[Signature]</u>
<u>STANLEY J. OLBYN</u>	Vice President	<u>[Signature]</u>
<u>E. E. SHAWON</u>	Vice President	<u>[Signature]</u>
<u>H. I. SHEPHERD</u>	Vice President	<u>[Signature]</u>
<u>R. F. SEARS</u>	Secretary	<u>[Signature]</u>
<u>C. F. BRUGHMETER</u>	Treasurer	<u>[Signature]</u>
<u>WM. F. DAVIS</u>	Asst. Secretary	<u>[Signature]</u>
<u>H. H. MCKEE</u>	Asst. Secretary	<u>[Signature]</u>
<u>T. C. EDMUNDS</u>	Asst. Treasurer	<u>[Signature]</u>
<u>E. L. NEUSCHANDER</u>	Asst. Treasurer	<u>[Signature]</u>
<u>J. A. PURCELL</u>	Asst. Treasurer	<u>[Signature]</u>
<u>JOHN R. BUCKLES</u>	Asst. Treasurer	<u>[Signature]</u>
<u>F. B. WIGGINS</u>	Asst. Treasurer	<u>[Signature]</u>

09. Notary pass

7/10

EXHIBIT G-12-8f

Comparative statement of condition of the Guardian Trust Company Bank of Cleveland, Ohio

[000 omitted]

Resources	Date Oct 29, 1932		Amount Pledged	Resources	
				Dec. 31, 1931	June 30, 1931
1 Cash on hand.....	1,029			1,259	1,330
2 Due from banks.....	3,498			4,969	9,477
3 Reserve with Federal Reserve Bank.....	4,989			5,843	6,622
4 Exchange checks and cash items.....	551	10,007		3,999	1,931
5 United States Government securities owned.....	25,781		24,103	13,536	18,227
6 State, county, and municipal securities.....	4,346		2,892	4,413	5,699
7 All other bonds except foreign bonds.....	7,740		6,691	8,405	9,548
8 Foreign securities.....	339			538	547
9 Stocks and miscellaneous securities.....	6,132	44,338	3,280	5,871	5,410
10 Loans and discounts (see Schedule 2).....			87,688	31,752	99,372
11 Banking house and furniture and fixtures.....			5,221	5,096	5,096
12 Other real estate owned.....			2,491	1,603	1,358
13 Other assets (Schedule 3).....			5,285	7,567	6,425
Total.....		155,090	68,718	167,471	181,094

Liabilities	Date Oct 29, 1932		Amount of Security	Liabilities	
				Dec. 31, 1931	June 30, 1931
14 Deposits.....		102,920	17,591	123,104	158,067
15 Bills payable and rediscounts--					
16. With Federal Reserve Bank.....	6,328		6,323	9,156	
17. With National Credit Corporation.....	1,901		3,642		
18. With R F C.....	10,907	19,136	28,811		
19. Circulation.....					
20. Other liabilities (Schedule 4).....	3,534			17,153	4,835
21. Repurchase Agreement.....	12,212	15,746	12,346		
22 Capital.....	7,000			7,000	7,000
23 Surplus and undivided profits.....	7,612			10,056	10,808
24 Reserves for contingencies.....	2,676	17,288		1,002	374
Total.....		155,090	68,718	167,471	181,094

CERTIFICATE

I hereby certify that the above statement is true and correct to the best of my knowledge and belief.

W. R. GREEN,  
Vice President or Cashier.

Schedule of earnings, dividends, etc., for the years ended December 31

[000 omitted]

	Date Oct 29, 1932	1931	1930	1929	1928	1927
Capital.....	7,000	7,000	7,000	7,000	4,000	4,000
Surplus, profits and reserves.....	10,288	11,058	11,036	10,678	6,916	6,723
Total.....	17,288	18,058	18,036	17,678	10,916	10,723
Net earnings before charge-offs.....	1,304	2,354	2,208	2,170	1,494	1,630
Charge-offs and recoveries (net).....	1,772	1,492	800	278	701	221
Dividends paid.....	302	840	1,050	930	600	600
Balance after charge-offs and dividends...	770	22	358	962	193	809

Show the following information taken from the report of the most recent examination dated-----, 193 .

	Excessive Loans	Slow	Doubtful	Loss on Loans	Total Depreciation on Securities	Total Capital, Surplus, Profits, and Reserves
At date of examination.....	Examiners report not yet received					
Charged off since examination.....	Since January 1, 1932 the balance of the Special Reserve of \$1,000,000 and an additional \$497,153 58 has been charged off					
Recoveries, if any, since examination.....	There remains in our reserve for depreciation account \$75,546 43. In addition to this, Special Reserves of \$2,600,000 00 have been set up at the suggestion of the State Banking Department to take care of contingent losses.					

EXHIBIT G-12-8g

FORM E

ORIGINAL NOTE

\$5,900,000.00

(Place) CLEVELAND, OHIO,  
(Date) November 2, 1932.

On or before May 2, 1933 for value received, the undersigned promises to pay to the order of the Reconstruction Finance Corporation at the Federal Reserve Bank of Cleveland in the city of Cleveland, Ohio, Five Million, nine hundred Thousand, and no/100 dollars (\$5,900,000.00), with interest from the date hereof until paid at the rate of 5½ per cent per annum payable at maturity and has pledged to the Payee, as collateral security for the payment of this and of any and all other indebtedness of the undersigned to the Payee, due or to become due, heretofore or hereafter contracted or existing, the collateral listed in Exhibit F, attached hereto.

Upon default in the payment of interest upon this note according to its terms, or in case a receiver or liquidator is appointed for the undersigned, or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors by the undersigned, the Payee or holder hereof, is authorized to declare the principal hereof and of any other liabilities of the undersigned held by it, to be due and payable and thereupon the same shall become so due and payable.

In case of nonpayment when due of the principal of this note either at maturity or by such declaration, the Payee or holder hereof is authorized to sell, assign, and deliver the whole or any part of the above-mentioned collateral and any substitutes therefor or additions thereto, at any public or private sale, without demand, advertisement, or notice of the time or place of sale or adjournments thereof, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale the Payee or holder hereof may become the purchaser of the whole or any part of the said collateral, free from any such right or equity or redemption. In case of such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment hereof and of any or all of the indebtedness of the undersigned to such Payee or holder, as it shall deem proper, returning the overplus, if any, to the undersigned.

Without limiting or affecting such rights of the Payee or holder to sell part or all of such collateral at such times as it may select, such Payee or holder is further authorized, in case of such default, at its option and in its discretion, to collect or cause to be collected or otherwise converted into money any part of the said pledged, substituted, or additional collateral, by suit or otherwise, and is hereby authorized in such case to surrender, compromise, release, renew, extend or exchange any item of such collateral without prior notice to or consent of the undersigned. And in case of such collection or conversion into money of such collateral or part thereof, the Payee or holder, after first deducting the costs, attorneys' fees and expenses of collection, shall apply the balance of such proceeds to the payment of this note or any other indebtedness of the undersigned whether due or not in such manner as it shall choose.

All indorsers and guarantors hereby waive presentment, protest, and notice of dishonor, and agree to remain bound for the payment of this note and all interest and charges thereon, and that the lien hereof and the pledge hereunder shall remain undisturbed notwithstanding any extension of time, substitution of collateral, or other indulgence granted by any holder of this note, hereby waiving all notice of such extension, substitution, or other indulgence.

In the event this note or any part thereof is collected by an attorney, either with or without suit, the undersigned agrees to pay a reasonable attorney's fee and costs of collection.

In Witness Whereof the undersigned has caused this note to be executed by its president or vice president and its corporate seal to be hereunto affixed by its secretary or assistant secretary, this 2nd day of November, 1932.

THE GUARDIAN TRUST COMPANY,  
By W. R. GREEN, *Vice President.*

ATTEST:

R. P. SEARS  
*Secretary.*

EXHIBIT G-12-8h

DUPLICATE

Offered by The Guardian Trust Company as security for a loan from the Reconstruction Finance Corporation

SUMMARY

	Amount
1. Bonds and other securities, Schedule F (1).....	\$1, 290, 768. 00
2. Secured notes, Schedule F (2).....	4, 468, 641. 01
3. Unsecured notes, Schedule F (3).....	5, 120, 035. 69
4. Real estate mortgages, Schedule F (4).....	1, 864, 950. 64
5. Other collateral (Schedule 5, to be supplied by applicant):	
-----	-----
-----	-----
-----	-----
Total.....	\$12, 744, 395. 34

WE HEREBY CERTIFY that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

W. R. GREEN, *Vice President.*  
R. P. SEARS, *Secretary.*

## EXHIBIT F (1)—Bonds and Other Securities

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					
Wentworth G Marshall 1st Mtge Gold Bonds (Bedford, O. property).....	5½%	7-1-33	5,000				
		7-1-34	5,000				
		7-1-35	5,000				
		7-1-36	5,000				
		7-1-37	5,000				
		7-1-38	5,000				
		7-1-39	5,000				
		7-1-40	5,000				
		7-1-41	5,000	45,000	100	45,000	
Wentworth G Marshall 1st Mtge Gold Bonds (Lorain-Fulton property).....	5½%	1-1-34	5,000				
		1-1-35	5,000				
		1-1-36	5,000				
		1-1-37	5,000				
		1-1-38	5,000				
		1-1-39	5,000	29,250	100	30,000	
Sagamore Iron Co 5-year Gold Notes.....	6%	4-1-33	354,000	337,485	100	354,000	
Seiberling Rubber Co Series A Gold Debentures (Certificates of Deposit).....	6%	11-15-34	161,291				
		11-15-33	217,742	379,033	100	379,033	
The A C & Y. Co. 5-year Secured Gold Bonds.....	6%	11-1-34	500,000	500,000	100	500,000	
			1,308,033	1,290,768		1,308,033	

## EXHIBIT G-12-9

FEBRUARY 16, 1933.

Mr. KARL J. PROBECK,  
Vice President, *The New England Company,*  
*Guardian Building, Cleveland, Ohio.*

DEAR SIR: The New England Company is borrowing from The Guardian Trust Company \$1,200,000.00, pledging as security therefor—  
500 shares Capital Stock—The Vincent Building Company  
5,000 “ “ “ —Western Reserve Mortgage Company  
First Mortgages recently purchased from the Vecla Building & Loan Association, amounting to \$797,494.33.  
Mortgages purchased from The Guardian Trust Company, amounting to 696,369.43.

With the proceeds of this note you are purchasing from The Guardian Trust Company, notes and mortgages aggregating \$1,198,319.74, upon which interest will accrue to The New England Company from and after February 15, 1933.  
The Guardian Trust Company will endorse payment of \$1,680.26 upon your note of \$1,200,000.00, reducing the same to \$1,198,319.74.

Please see that the entries are properly made on your books as of February 15th.

Very truly yours,

W. R. GREEN,  
Vice President.

WRG'GMN  
C,C—Mr. F. W. Jutze,  
Mr. E. L. Geffine.

## EXHIBIT G-12-10a

THE NEW ENGLAND COMPANY,  
OWNER OF THE GUARDIAN BUILDING,  
*Cleveland, Ohio, February 18, 1933.*

W. O. FISHLEY, *Manager*  
Mr. W. R. GREEN,  
*Treasurer, The New England Company.*

DEAR SIR: I herewith hand you “Bill of Sale” from The Guardian Trust Company to The New England Company dated February 16, 1933, listing

seven pages of mortgages with an aggregate total of \$1,198,319.74 of "unpaid balance of obligation" which The Guardian Trust Company has sold to The New England Company.

I signed a certificate to the Western Reserve Mortgage Company that this "Bill of Sale" was in my files, so kindly see to it that it is available if needed.

Very truly yours,

R. P. SEARS,  
*Secretary.*

RPS:HR

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EXHIBIT G-12-10b

EXHIBIT "A"

(The following is, by reference, made a part of the minutes of a meeting of the Board of Directors of The New England Co. held Feb. 15, 1933—R. P. Sears, Secy)

Also: A part of the minutes of a special meeting of the Exec. Com. of The Gdn Tr Co of 2/15/33.  
R. P. SEARS, *Secy.*

BILL OF SALE

\$1,198,319.74

Know all men by these presents that The Guardian Trust Company, a corporation organized and existing under the laws of the State of Ohio, the Grantor, for the consideration of Ten Dollars (\$10.00) and other valuable consideration received to its full satisfaction of The New England Company, a corporation organized and existing under the laws of the State of Ohio, the Grantee, has bargained, sold and conveyed, and by these presents does bargain, sell and convey unto said The New England Company, its successors and assigns, all of said Grantor's right, title and interest in and to the mortgages and the obligations secured thereby listed on Exhibit A, attached hereto and made a part hereof except the interest accrued and unpaid on said obligations prior to the date hereof. Said Exhibit A consists of pages numbered, consecutively, 1 to 7, inclusive, and for the purpose of identification initialed by said Grantor's Assistant Secretary.

To have and to hold the same unto the said Grantee, its successors and assigns to its own proper use and behoof forever.

And the said Grantor hereby covenants and agrees to execute and deliver such further instruments, and to do, or cause to be done, all acts and things that may be requested by the said Grantee, for the purpose of effectuating and carrying out the intents and purposes of this instrument.

In witness whereof, The Guardian Trust Company has caused these presents to be executed in due legal form this 16 day of Feb., 1933.

THE GUARDIAN TRUST COMPANY,  
By JOHN FISH,

*Vice President.*

Attest: JOHN R. RUGGLES,  
*Assistant Sec'y.*

[SEAL]

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EXHIBIT G-12-11

*Western Reserve Mortgage Company, subscription agreement*

CLEVELAND, OHIO,  
Feb. 15th 1933.

*To the Board of Directors of Western Reserve Mortgage Company:*

The undersigned hereby subscribes for Common Shares of Western Reserve Mortgage Company as indicated below and agrees forthwith to pay therefor \$100. per share for such shares either in cash and/or mortgages and notes secured thereby. 5,000 Common Shares Aggregate Par Value \$500,000.00

The undersigned represents that in so far as payment is made in notes and mortgages, the fair value of such notes and mortgages shall be at least equal to the aggregate par value of the shares so paid for. The undersigned agrees that the directors of your company shall have the right to value such notes and mortgages

and that if your company's directors find that the notes and mortgages tendered are not sufficient in aggregate fair value to equal the aggregate par value of shares subscribed for and not paid for in cash, or if your directors request that any notes or mortgages so tendered be eliminated, then, upon request, the undersigned will deliver other notes and mortgages sufficient in value, similarly determined by your directors, to make up the deficit or to replace the notes and mortgages eliminated.

In determining the fair value of notes and mortgages tendered in payment of this subscription, all interest accrued prior to the date hereof shall be and remain the property of the undersigned, provided, however, that collections on account of such notes and mortgages shall be applied in the following order:

- (a) to the payment of interest accruing on such notes and mortgages after the date hereof;
- (b) to the payment of interest accrued and unpaid prior to the date hereof;
- (c) to the reduction of principal.

THE NEW ENGLAND CO.  
By A. C. ROBINSON, V. PRES.  
*Subscriber.*

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EXHIBIT G-12-12a

AGENCY AGREEMENT

This agreement entered into by and between THE GUARDIAN TRUST COMPANY, an Ohio corporation, First Party, and WESTERN RESERVE MORTGAGE COMPANY, an Ohio corporation, Second Party, this 23rd day of February, 1933.

WITNESSETH:

WHEREAS, The New England Company has sold Second Party certain mortgages and the obligations secured thereby which were sold by The New England Company to Second Party by bill of sale bearing date of February 23, 1933, (said Mortgages and obligations secured thereby being described on Exhibit A thereto attached and having an aggregate unpaid balance of Two Hundred Ninety-nine Thousand Nine Hundred Seventy  $\frac{2}{100}$  Dollars (\$299,970.24);

WHEREAS, Second Party desires First Party to make collections on all obligations secured by the said mortgages and to do such other acts in connection therewith as are provided for herein:

NOW, THEREFORE in consideration of the mutual covenants contained herein and other valuable considerations, receipt of which is hereby acknowledges, the parties hereto covenant and agree respectively as follows:

I

First Party for itself, its successors and assigns, hereby covenants and agreed to and with Second Party, its successors and assigns:

1. That is, as agent, for Second Party, with due diligence will make collections on all obligations secured by the said mortgages;
2. That before the close of business upon the day received it will account for and/or remit to Second Party all such collections which shall be applied in the following order:
  - (a) To the payment of interest accruing beginning February 23, 1933
  - (b) To the payment of interest accrued and unpaid prior to February 23, 1933:
  - (c) To the reduction of principal.

EXHIBIT G-12-12b

3. That it will maintain an adequate insurance record and, in the event that any of the mortgagors or their assignees fail to furnish First Party with insurance policies with satisfactory mortgagee clauses in favor of First Party issued by companies satisfactory to First Party with coverage of the type and amount considered adequate by First Party, it will secure such insurance and advance the premiums therefor for the account of Second Party, for which Second Party will reimburse it;

4. It will give prompt notice to Second Party of any and all litigation affecting said mortgages and the obligations secured thereby;

5. It, with the consent of Second Party, will take assumption agreements with respect to said mortgages and the obligations secured thereby, in its own name, and



promptly will deliver and assign the said assumption agreements to Second Party in such manner and form as Second Party may require;

6. It will keep an adequate record of the payment of taxes on the properties described by said mortgages and will make such reports as to said taxes at such times as Second Party may require, and upon the direction of Second Party, will pay said taxes for the account of Second Party, for which Second Party will reimburse it.

## II

Second Party for itself, its successors and assigns, hereby covenants and agrees to and with First Party, its successors and assigns, that it will compensate First Party at the rate of One-Half of One Per Cent ( $\frac{1}{2}$  of 1%) per annum upon the unpaid principal balances of said mortgages and the obligations secured thereby for First Party's services in accordance with this agreement, such unpaid principal balances to be determined and re-determined and the service to be paid as of March 15th, June 15th, September 15th, and December 15th.

Nothing herein contained shall authorize First Party to institute or defend any action at law or in equity relating to or affecting any of said mortgages and/or the obligations secured thereby without the written consent of Second Party.

## EXHIBIT G-12-12c

This agreement may be terminated in whole or in part by Second Party giving First Party a three (3) days' notice in writing to such effect.

This agreement shall be binding upon and shall inure to the benefit of the successors and assigns of both parties.

In witness whereof, both parties have caused these presents to be executed in due legal form on the day first above mentioned.

THE GUARDIAN TRUST COMPANY,  
By JOHN FISH,  
*Vice President.*

ATTEST:  
R. P. SEARS,  
*Secretary.*

[SEAL] WESTERN RESERVE MORTGAGE COMPANY,  
By E. S. BURKE JR.,  
*President.*

ATTEST  
P. D. JONES,  
*Secretary and Treasurer.*

[SEAL]

## EXHIBIT G-12-13

FEBRUARY 16, 1933.

Mr. KARL J. PROBECK,  
*Vice President, The New England Company,  
Guardian Building, Cleveland, Ohio.*

DEAR SIR: On February 15th The New England Company subscribed to 5,000 shares of the Capital Stock of Western Reserve Mortgage Company and paid therefor, in mortgages, a total of \$499,950.31 and your check for \$49.69.

The mortgages above referred to are part of the mortgages purchased today from The Guardian Trust Company, and should leave in that account mortgages in the amount of \$696,369.43, which is the amount of mortgages you are pledging as part security to the note of \$1,200,000.00 referred to in my other letter of even date.

Very truly yours,

W. R. GREEN,  
*Vice President.*

WRG/GMN  
C.C.—Mr. F. W. Jutze,  
Mr. E. L. Geffine.

## EXHIBIT G-12-14

FEBRUARY 16TH 1933.

THE NEW ENGLAND COMPANY,  
Cleveland, Ohio.

DEAR SIR: The undersigned company acknowledges receipt of your subscription agreement for five thousand (5000) shares of this company, and of notes and mortgages of an unpaid principal amount of \$499,950.31 and of cash in the amount of \$49.69. Except as mortgages may be eliminated subject to replacement by you, all as provided in the subscription agreement, this completes the payment in full of your subscription.

The certificates for the shares of stock of this company cannot be issued at the present time, but will be sent to you as soon as prepared and signed.

WESTERN RESERVE MORTGAGE COMPANY,  
By E. S. BURKE, JR.,

*Pres.*

## EXHIBIT G-12-15

FEBRUARY 16, 1933.

FEDERAL RESERVE BANK OF CLEVELAND,  
Attention—Mr. ARNOLD,  
Cleveland, Ohio.

GENTLEMEN: We enclose herewith our check for \$49.69 and a Bill of Sale from The New England Company to Western Reserve Mortgage Company, Certified Bill of Sale from The Guardian Trust Company to The New England Company, Assignment of Mortgages from The New England Company, to Western Reserve Mortgage Company and Certified Assignment of Mortgages from The Guardian Trust Company to The New England Company.

These documents are being sent you under instructions of our letter of February 15.

Very truly yours,

THE NEW ENGLAND COMPANY,  
By R. P. SEARS,

*Secretary.*

AO:ML  
Encl.

Receipt of the foregoing listed in letter to Federal Reserve Bank of Cleveland is hereby acknowledged.

WESTERN RESERVE MORTGAGE COMPANY,  
By SQUIRE, SANDERS & DANPINY,

*Its Attorneys.*

FEBRUARY 16, 1933.

## EXHIBIT G-12-16

CLEVELAND, OHIO,  
February 15, 1933.

Received of The New England Co., subscription to 5000 shares of Western Reserve Mortgage Company.

(Exhibits G-12-17a through G-12-19b face this page)

## UNION TRUST COMPANY: UNION TRUST'S DIRECTORATE IN OTHER CONCERNS

(NOTE.—We found in the files of the Trust Co. a memorandum showing the business affiliations of the bank's directors and officers. It was impossible to determine from the Directory of Directors just what the affiliation was. It was decided to list them along with information taken from the Directory of Directors as "Other Affiliations.")















## LOANS MADE BY RECONSTRUCTION FINANCE CORP.—J. J. SINNOTT

## EXHIBIT U-19-1a

W-114

## APPLICATION OF—

(Name) The Union Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.

Date March 10, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

## EXHIBIT U-19-1b

## APPLICATION FOR LOAN

The Union Trust Company (hereinafter called the applicant), a bank and trust company organized and existing under the laws of Ohio and having its principal place of business at Cleveland, Ohio, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$12,000,000.00, to mature on or before September 10, 1932 and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

(1) The loan herein applied for is desired for the purpose of paying "other bills payable" which have been outstanding for some time.

[NOTE —The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all



taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in a ctually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

#### EXHIBIT U-19-1c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of

time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant.

EXHIBIT H. List of all of applicant's subsidiary or affiliated organization if any.

[NOTE --The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority ]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 10th day of March, 1932.

[SEAL.]

THE UNION TRUST COMPANY,  
By W. M. BALDWIN, *President*.

Attest:

R. S. CRAWFORD, *Secretary*.

EXHIBIT U-19-1d

EXHIBIT F--SCHEDULE OF COLLATERAL

Offered by The Union Trust Company, Cleveland, Ohio as security for a loan from the Reconstruction Finance Corporation.

SUMMARY

	<i>Amount</i>
1. Bonds and other securities, Schedule F (1) -----	\$5, 968, 955. 28 Mkt.
2. Secured notes, Schedule F (2) -----	6, 517, 663. 56 Amt. note
3. Unsecured notes, Schedule F (3) -----	5, 073, 129. 17 Amt. note
4. Real estate mortgages, Schedule F(4)	1, 673, 440. 00 Amt. prop.
5. Other collateral (Schedule 5, to be supplied by applicant):	
-----	-----
-----	-----
-----	-----
Total -----	\$19, 233, 188. 01

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

W. M. BALDWIN, *President.*  
R. S. CRAWFORD, *Secretary.*

## EXHIBIT F (1)—BONDS AND OTHER SECURITIES

Description			Face Amount	Book Value	Present Market Quotation	Total Market Value	Rating
Issue	Rate	Maturity					
<i>Municipal</i>							
City of Akron, Ohio, Sewage Disposal Bonds.....	4½%	-----	\$176,000.00	\$184,027.10	6% Ba..	\$151,184.00	
\$19,000.....		10/1/44					
105,000.....		10/1/45					
23,000.....		10/1/49					
24,000.....		10/1/50					
5,000.....		10/1/51					
Bay City, Oregon, Harbor Imp.....	6's	-----	16,000.00	16,000.00	7% Ba..	15,500.00	
\$4,000.....		7/1/33					
4,000.....		7/1/34					
1,000.....		7/1/37					
7,000.....		7/1/38					
Bedford, Ohio, Street Improvement.....	4¾'s	10-1-32	5,000.00	5,030.00	6% Ba..	4,900.00	
Brooklyn, Ohio, Paving Sewer & Water:	6's	-----	50,000.00	50,469.80	90.....	45,000.00	
\$18,000.....		10-1-31					
19,000.....		10-1-32					
13,000.....		10-1-33					
Cuyahoga Falls, Ohio, Property Share Improvement notes.....	6's	4-1-32	145,176.94	146,498.94	100.....	145,176.94	
East Cleveland, Ohio, Street Improvement.....	4½'s	3-1-33	3,000.00	3,000.00	6% Ba..	2,950.00	
Lima, Ohio, Water Works, Ext. Imp.....	4½'s	1932/1935	4,000.00	4,000.00	6% Ba..	3,900.00	
(\$1,000 due April 1st each yr)							
City of Los Angeles, California Municipal Ownership Certificates Series E.....	5½%	-----	24,000.00	23,880.00	6% Ba..	23,000.00	
\$6,000.....		8-1-33					
18,000.....		8-1-34					
County of Mahoning Ohio County Sewer Dist. #2 Imp. #15 dated 10-1-26.....	5%--	-----	1,000.00	1,011.16	6% Ba..	995.00	
\$500.....		10-1-32					
500.....		10-1-33					
County of Mahoning Ohio Road Imp Bonds dated 11-1-26.....	5%--	-----	4,000.00	4,044.64	6% Ba..	3,980.00	
\$3,000.....		10-1-1932					
1,000.....		10-1-33					

## EXHIBIT U-19-2a

## APPLICATION OF—

(Name) The Union Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.

Date — April 15, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

## EXHIBIT U-19-2b

## APPLICATION FOR LOAN

The Union Trust Company (hereinafter called the applicant), a bank and trust company, organized and existing under the laws of the State of Ohio, and having its principal place of business at Cleveland, Ohio, hereby applies to

Reconstruction Finance Corporation (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$14,000,000.00, to mature on or before October 15, 1932, and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follow:

(1) The loan herein applied for is desired for the purpose of paying bills payable.

[NOTE —The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or

in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

## EXHIBIT U-19-2c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notice of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

Exhibit A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

Exhibit B. Certified copy of resolution of its Board of Directors.

Exhibit C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

Exhibit D. Statement of the financial condition of applicant.

Exhibit E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

Exhibit F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

Exhibit G. Opinion of counsel for applicant.

Exhibit H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE.—The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

Exhibit I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

Exhibit J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 15th day of April, 1932.

[SEAL]

THE UNION TRUST COMPANY  
By GROVER H. HULL, *Vice President.*

Attest:

R. S. CRAWFORD,  
*Secretary.*

EXHIBIT U-19-2d

EXHIBIT F—SCHEDULE OF COLLATERAL

Offered by The Union Trust Company as security for a loan from the Reconstruction Finance Corporation.

SUMMARY

	Amount
1. Bonds and other securities, Schedule F (1) ..	\$-----
2. Secured notes, Schedule F (2) ..	-----
3. Unsecured notes, Schedule F (3) ..	-----
4. Real estate mortgages, Schedule F (4) ..	27, 843, 928. 53
5. Other collateral (Schedule 5, to be supplied by applicant):	-----
-----	-----
-----	-----
-----	-----
Total ..	\$-----

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

GROVER H. HULL,  
*Vice President.*  
R. S. CRAWFORD,  
*Secretary.*

## EXHIBIT F (1)—BONDS AND OTHER SECURITIES

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					

## APPLICATION OF—

(Name) The Union Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.

Date July 16, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

## EXHIBIT U-19-3b

## APPLICATION FOR LOAN

The Union Trust Company (hereinafter called the applicant), a bank and trust company organized and existing under the laws of the State of Ohio, and having its principal place of business at Cleveland, Ohio, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$2,000,000.00, to mature on or before January 16, 1933, and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

- (1) The loan herein applied for is desired for the purpose of paying bills payable
- 

[NOTE.—The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obliga-

tions under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

#### EXHIBIT U-19-3c

may deem fair, the undersigned hereby waiving any and all equity or right of redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part or all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation



shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time, substitution of security, renewal, or other indulgence granted by the Corporation in connection with any collateral, hereby waiving all notices of such extension, substitution, renewal, or other indulgence.

(10) The applicant expressly reserves the right to anticipate the payment of any indebtedness to the Corporation incurred under this or any other application, but agrees that any payment so made by it may be applied upon any item of its indebtedness to the Corporation in such order as the Corporation may elect.

(11) No agreement has been or will be made by the applicant to pay any person, association, firm, or corporation, either directly or indirectly, any commission or fee for the loan hereby applied for, and no such payments have been or will be made by the applicant.

(12) The applicant submits herewith as part of this application the following documents:

EXHIBIT A. Certified copy of articles and by-laws of applicant with all amendments to date. [Not required of banks.]

EXHIBIT B. Certified copy of resolution of its Board of Directors.

EXHIBIT C. Certificate of election to and incumbency in office of officers of the applicant, with specimen signatures.

EXHIBIT D. Statement of the financial condition of applicant.

EXHIBIT E. Specimen of the note marked "sample" with all blanks filled in, which will be executed and delivered by the applicant if and when notified by the Corporation of its acceptance of this application.

EXHIBIT F. Schedules of collateral to be delivered as security for indebtedness of the applicant pursuant hereto, supported by full description and information as to each item, including certified copies of financial statements of makers, etc.

EXHIBIT G. Opinion of counsel for applicant.

EXHIBIT H. List of all of applicant's subsidiary or affiliated organizations, if any.

[NOTE — The following exhibits (I and J) are not required of banks subject to supervision and examination by Federal authority.]

EXHIBIT I. Copy of last report of examination of financial condition of applicant. [This report must be by State supervising authorities, unless applicant is not subject to examination, when latest audit must be furnished.]

EXHIBIT J. Authorization to State banking department or other State supervising authority.

(13) In case a loan is made hereunder, this application and any conditions imposed by the Corporation in granting the loan shall be and become a contract between the applicant and the Corporation, which shall be binding upon and inure to the benefit of their successors and assigns.

Executed this 16th day of July, 1932.

[SEAL]

THE UNION TRUST COMPANY,  
By W. M. BALDWIN, *President*.

Attest:

R. S. CRAWFORD,  
*Secretary*.

EXHIBIT U-19-3d

EXHIBIT F—Schedule of collateral

Offered by The Union Trust Company as security for a loan from the Reconstruction Finance Corporation

Summary

- 1. Bonds and other securities, Schedule F (1)-----
- 2. Secured notes, Schedules F (2)-----
- 3. Unsecured notes, Schedule F (3)-----
- 4. Real estate mortgages, Schedule F (4)----- \$4, 002, 574. 30
- 5. Other collateral (Schedule 5, to be supplied by applicant):

-----  
 -----  
 -----

Total-----

We hereby certify that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

W. M. BALDWIN, *President.*  
 R. S. CRAWFORD, *Secretary.*

EXHIBIT F (1)—Bonds and other securities

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					

EXHIBIT U-19-3e

(For Walter H. Seymour, Representative of U.S. Senate Committee on Banking & Currency This is not a part of the records of The Union Trust Co. It is an internal memo by a junior member of the staff of the undersigned. It has not been verified as to facts. Any opinions or conclusions are personal to the member of the staff preparing this memo —OSCAR L. COX, *Deputy Superintendent of Banks, State of Ohio*)

DECEMBER 26, 1933.

MEMORANDUM:

*In re: R.F.C. Loan No. W-114 Custodian No. 90*

Discussed this application with Mr. Menke at the Reconstruction Finance Corporation and he said that the March 10, 1932 application was amended and the money actually was advanced on the application dated April 15, 1932, which was approved on April 27, 1932 for \$14,000,000.00.

O. C. MORTON.

## EXHIBIT U-19-4a

## APPLICATION OF—

(Name) The Union Trust Company.

(Address) Cleveland, Ohio.

For a loan under authority of the Reconstruction Finance Corporation Act.  
Date June 30, 1932.

In preparing application, detach and fill out inclosed forms, then replace and fasten in binder, sending completed application to nearest Loan Agency. All forms should be filled out by typewriter. Three original executed counterparts must be filed.

## EXHIBIT 19-4b

## APPLICATION FOR LOAN

The Union Trust Company (hereinafter called the applicant), a bank and trust company organized and existing under the laws of the State of Ohio and having its principal place of business at Cleveland, Ohio, hereby applies to RECONSTRUCTION FINANCE CORPORATION (hereinafter called the Corporation) for a loan not to exceed in the aggregate \$1,500,000.00, to mature on or before December 30, 1932 and to be secured by collateral listed in Schedule F hereto attached, or other collateral acceptable to the Corporation. For the purpose of obtaining such loan the applicant represents and agrees as follows:

(1) The loan herein applied for is desired for the purpose of paying bills payable

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[NOTE.—The law provides that no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying on liquidation of such foreign securities and foreign acceptances. The law also provides that no loan or advance shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to January 22, 1932, except that this limitation does not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations.]

(2) The applicant expressly consents to such examinations and audits of the affairs of applicant and any affiliated companies, including inspection and valuation of underlying security, by representatives of the Corporation, as the Corporation may from time to time direct, and agrees to pay such part or all of the expense thereof, as the Corporation may require, and further agrees (in accordance with section 8 of the Reconstruction Finance Corporation Act) that reports of examinations by constituted authorities, and any other information they may have relating to the applicant, may be furnished by such authorities to the Corporation upon request therefor.

(3) Applicant will promptly upon demand deposit with the Corporation such additional collateral and further assurances, acceptable to or required by the Corporation, as it from time to time shall, in the exercise of its uncontrolled discretion, require for the full and adequate security of any and all indebtedness of the applicant to the Corporation. Collateral securing any indebtedness of the applicant shall be security for any and all other indebtedness of the applicant to the Corporation whether incurred under this application or otherwise, and whether now due or hereafter to become due, and whether heretofore or hereafter contracted.

(4) Default in performance under any other application or obligation of the applicant to the Corporation shall entitle the Corporation to declare the obligations under this application immediately due and payable, and thereupon at its option to deal with all property pledged under this application as though default had occurred hereunder.

(5) The Corporation, at its discretion, may collect and at the expense and in the name of applicant, or otherwise, enforce the payment when due of any or all collateral security held hereunder, by suit or otherwise, may surrender, compromise, release, renew, extend, or exchange all or any thereof, and may apply the net proceeds thereof to the payment of any item of indebtedness of the applicant to it. The applicant will pay or cause to be paid to the Corporation all expense which the Corporation may incur in connection with this loan for the collection and/or enforcement of the obligations of the applicant, including the enforcement of any guaranty which the Corporation may hold in connection with the applicant's obligations to the Corporation, even though no foreclosure or other legal action take place. The applicant will pay or cause to be paid promptly when due all taxes, insurance premiums, warehouse charges, transportation costs, and other expenses necessary for the enforcement, preservation, and/or protection of

any security pledged hereunder, including fees for filing and recording mortgages and the like, or assignments thereof required by the Corporation. If the applicant fail to make any payment required in the preceding provisions of this paragraph, the Corporation is authorized to do so and shall have a lien upon all collateral held by it until it shall have been fully reimbursed for any advance which it may have made in payment of any such items, together with interest thereon at the rate of 6 per cent per annum.

Any check or draft received by or for the Corporation for the account of the applicant hereunder may be presented for payment or forwarded for collection direct to the bank upon which drawn or at which payable; the Corporation may accept in payment of or remittance for any such check or draft, cash, bank drafts, transfers of funds or bank credits, or any other forms of payment or remittance, but the applicant shall not be entitled to credit on account of any such check or draft until the Corporation shall have received the amount thereof in actually and finally collected funds at a Federal Reserve Bank or branch thereof, and the amount of any such check or draft credited by the Corporation may be charged back to the applicant notwithstanding the check or draft itself can not be returned.

(6) Upon any failure of the applicant to comply with any provisions of this application or default in the payment of any indebtedness to the Corporation or in case a receiver or liquidator is appointed for the applicant or any of its property, or in case of adjudication of insolvency, or assignment for benefit of creditors, the Corporation is authorized to declare any or all indebtedness of the applicant to the Corporation due and payable forthwith, and the same shall thereupon become so due and payable. And in case of any such default, the Corporation is authorized to sell, assign, and deliver the whole or any part of the collateral held by it from the applicant and any substitutes therefor or additions thereto, and any guarantee held by the Corporation in connection with the applicant's obligations, at any public or private sale without demand, advertisement, or notice of the time or place of sale or adjournments thereof, for such price as it

#### EXHIBIT U-19-4c

may deem fair, the undersigned hereby waiving any and all equity or right or redemption whether before or after sale hereunder, and upon such sale, the Corporation may become the purchaser of the whole or any part of such collateral free from any such right or equity of redemption. In case of any such sale, after deducting all costs, attorneys' fees, and other expenses of collection, the Payee or holder may apply the residue of the proceeds of such sale or sales to the payment of any or all indebtedness of the applicant to the Corporation and any balance remaining shall be paid to the applicant.

Without limiting or affecting such rights of the Corporation so to sell part of all of such collateral, the Corporation is further authorized at its option and in its discretion to collect or cause to be collected or otherwise converted into money any part of the collateral held hereunder, by suit or otherwise, and is authorized in such case to surrender, compromise, release, renew, extend, or exchange any item of such collateral without prior notice or consent of the applicant. Proceeds of collections so made, after first deducting costs, attorneys' fees and expenses of collection, shall be applied to the payment of the indebtedness of the applicant to the Corporation whether due or not. In the event of any legal proceedings all costs and reasonable attorneys' fees incurred by the Corporation shall become a part of the indebtedness of the applicant covered by the provisions hereof.

(7) Upon any transfer or pledge of any note of the applicant given pursuant hereto the Corporation may deliver the collateral or any part thereof or interest therein or any guaranty or other document held in connection with the applicant's obligations to the Corporation to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given and shall have the same remedies, including the right to require additional collateral, as if originally named herein.

(8) The Corporation shall be protected in acting upon any notice, request, consent, certificate, writing, resolution, or other paper or document believed by it to be genuine and to have been signed, executed, passed, or presented by the proper parties.

(9) The applicant agrees to be and remain bound for the payment of all indebtedness pursuant hereto and that the lien hereof and any pledge or pledges hereunder shall remain undisturbed notwithstanding any delay, extension of time,



WE HEREBY CERTIFY that the collateral listed in detail in Schedules F (1), (2), (3), (4), and (5), and summarized above, consists of securities which the officers of this corporation, by virtue of the resolution of its Board of Directors, attached hereto marked "Exhibit B," are authorized to pledge as security for a loan from the Reconstruction Finance Corporation, and that in the opinion of the undersigned such collateral is full and adequate security for the loan hereby applied for.

W. M. BALDWIN,  
*President.*  
R. S. CRAWFORD,  
*Secretary.*

EXHIBIT F (1)—*Bonds and other securities*

Description			Face amount	Book value	Present market quotation	Total market value	Rating
Issue	Rate	Maturity					

EXHIBIT U-19-5

THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

Date, August 2, 1932.

\$1,475,297.21

Credit bills payable—Reconstruction Finance Corporation for note dated June 30, 1932, payable on or before December 30, 1932. Interest from this date, August 2, 1932, rate, 5½% per annum, payable at maturity.

Offset entry must be described

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Authorized by

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Official approval

(This ticket should be prepared and signed with ink)

EXHIBIT U-19-6

THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

Date, August 12, 1932.

\$1,967,461.76

Credit bills payable for proceeds of our loan of \$2,000,000.00 from Reconstruction Finance Corp. dated July 16, 1932, maturing January 16, 1932, and secured by mortgages.

Charge Federal Reserve Bank of Cleveland

Offset entry must be described

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Authorized by

-----  
Official approval

(This ticket should be prepared and signed with ink)

## EXHIBIT U-19-7a

DETAIL OF BORROWINGS OF THE UNION TRUST COMPANY JUNE 30, 1932			
National City Bank.....	\$387, 500. 00	Demand	Receivables
Irving Trust Company.....	300, 000. 00	"	"
Irving Trust Company.....	3, 000, 000. 00	"	Gov't Bonds
National Credit Assn.....	3, 000, 000. 00	Due 8/16/32	Receivables
Reconstruction Finance Corp.....	13, 428, 060. 88	" 10/15/32	"
	<u>20, 115, 560. 88</u>		
Federal Reserve Bank.....	4, 000, 000. 00	Due 7/15/32	Receivables
	<u>24, 115, 560. 88</u>		
Total Direct Borrowings.....	24, 115, 560. 88		
Notes sold under Repurchase Agreement Guaranty Trust Company..	969, 707. 23	Demand	
	<u>25, 085, 268. 11</u>		
Total Borrowings.....	25, 085, 268. 11		
Certified correct			

THE UNION TRUST COMPANY,  
R. S. CRAWFORD,

*Secretary.*

This certifies that at the close of business June 30, 1932, the capital and surplus of The Union Trust Company were as indicated below:

Capital.....	\$22, 850, 000. 00
Surplus.....	12, 150, 000. 00
Total.....	<u>35, 000, 000. 00</u>

THE UNION TRUST COMPANY,  
By R. S. CRAWFORD,

*Secretary.*

## EXHIBIT U-19-8

## FORM OF NOTE OF BORROWING BANK OR TRUST COMPANY

(Place) Cleveland, Ohio,  
(Date) Jan. 18, 1932.

\$3,000,000.00.

Three months after date, for value received, the undersigned, being a bank or trust company organized and existing under the laws of the State of Ohio promises to pay to National Credit Association No. ONE of the FOURTH Federal Reserve District (herein referred to as the Payee), or order, at Cleveland Trust Company in the City of Cleveland, State of Ohio, Three Million Dollars (\$3,000,000.00) with interest at the rate of -----% per annum from the date hereof, payable -----, and has pledged to the Payee as security for the payment of this note and of all other liabilities of the undersigned to the Payee whether direct or contingent, due or to become due or which may hereafter be contracted or existing, the property listed in the schedule attached hereto. As used herein the word "Payee" shall include any holder hereof, whether before or after maturity.

As security for the payment of this note and of all such other liabilities, the undersigned hereby pledges with the Payee and/or gives it a lien upon all the property now or hereafter left by the undersigned in possession of the Payee, or held by any person or corporation for account of the Payee. The undersigned agrees that it will promptly deposit with the Payee such additional security acceptable to the Payee as the latter, from time to time, in the exercise of its uncontrolled discretion, may require for the full and adequate security of this note.

Upon the nonpayment when due of any instalment of interest upon this note, or upon the nonpayment when due of any other liability of the undersigned held by the Payee, or upon failure by the undersigned to satisfy any requirement for the deposit of additional security hereunder, the Payee is hereby authorized to declare the principal hereof, and of any such other liability, due and payable, and thereupon the same shall be due and payable. Upon any adjudication of

the insolvency of, or the appointment of a receiver or liquidator for, the undersigned, or of any of its property, or upon the suspension of the transaction of the business of the undersigned in the ordinary course, the principal of this note and the interest thereon, and of any such other liability, shall, unless the Payee shall otherwise elect, become and be due and payable forthwith, without presentation or demand or notice of protest or other notice of any kind, all of which are hereby expressly waived.

The Payee in its discretion may, whether or not the undersigned shall be in default in respect of any of its obligations hereunder, in its name or in the name of the undersigned, demand, sue for, collect and/or receive any money or property at any time due, payable or receivable on account of any of the security hereunder, and may make any compromise or settlement deemed desirable in respect of any such security, but shall be under no obligation so to do. The Payee may extend the time of payment of any obligation constituting part of the security hereunder, arrange for the payment of any thereof in instalments, or otherwise modify the terms thereof as to any other party liable thereon, without thereby incurring responsibility to or discharging or otherwise affecting the liability of the undersigned thereon or in connection therewith. Upon default by the undersigned in respect of any of its obligations hereunder or in connection with any such other liabilities, the Payee may sell, assign and deliver the whole or any part of the security hereunder or any substitute therefor or addition thereto at any public or private sale or at any broker's board or stock exchange, at any time or times hereafter, without demand, advertisement or notice; and upon any such sale the Payee may become the purchaser of the whole or any part of said security, free from any right of redemption, and no notice of any adjournment of any such sale shall be required. In case of any such sale, collection or enforcement, after deducting all legal and other costs and expenses for collection, enforcement, sale and delivery, the Payee may apply the residue of the proceeds of such collection, enforcement or sale, to the payment hereof and of any or all of said liabilities, as the Payee shall deem proper, returning the overplus, if any, to the undersigned.

The undersigned will bear all reasonable expense and all loss occasioned by or connected with the collection, enforcement, or transmission of the security hereunder or instruments or documents delivered herewith or the remittance of proceeds of any of the foregoing; all collections, enforcement proceedings, transmission of property and papers, and remittance of funds being solely at the cost and risk of the undersigned.

The undersigned further agrees that upon any transfer or pledge of this note, the Payee may deliver the security held hereunder, or any part thereof or interest therein, to the transferee or pledgee, who shall thereupon become vested with all the powers and rights herein given in respect of such security and shall also have the same rights and remedies, including the right to demand additional security, as if originally named herein as Payee.

The undersigned and all indorsers hereby waive presentment, demand, protest and notice of dishonor and agree to remain bound for the payment of this obligation and all interest and charges thereon, and that the lien hereof and the pledge hereunder shall remain undisturbed, notwithstanding any extension of time, substitution of security, or other indulgence granted by any holder of this note, hereby waiving all notice of such extension, substitution, or other indulgence.

No delay on the part of the Payee and/or of anyone in whose behalf it has acted or shall act as herein provided, or of any transferee or pledgee in exercising any power or right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Payee, and/or anyone in whose behalf it has acted or shall act as herein provided, or its and/or his and/or their transferees, may or would otherwise have.

The undersigned shall have the right, upon three days' notice in writing delivered to the Payee, to anticipate the payment of this note or of any part thereof, and any payments so made shall be endorsed hereon.

In witness whereof the undersigned has caused this note to be executed by its president or a vice-president and its corporate seal to be hereunto affixed by its



secretary or cashier or an assistant secretary or assistant cashier as of the day and year first above written.

THE UNION TRUST COMPANY,  
By HOWARD SMITH,  
*Vice President.*

Attest:

R. S. CRAWFORD,  
*Secretary.*

NOTE: The schedule of security should be attached, and the date of this note and its place of payment left blank. A conformed copy of this note, including the schedule of security, should be submitted with the application for the loan.

Paid Apr. 18, 1932, National Credit Association No. 1 of the Fourth Federal Reserve District.

G. W. DEPHUSAN,  
*Treasurer.*

EXHIBIT U-19-9

THE UNION TRUST COMPANY,  
*Cleveland, Ohio.*

Date, January 20, 1933.

\$12,525,723.68

Charge bills payable for loan to Reconstruction Finance Corporation due October 15, 1932, paid by renewal.

Offset entry must be described

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Authorized by

-----  
Official approval

(This ticket should be prepared and signed with ink)

EXHIBIT U-19-10

NATIONAL CREDIT ASSOCIATION No. 1 OF THE  
FOURTH FEDERAL RESERVE DISTRICT,  
709 FEDERAL RESERVE BANK BLDG.,  
*Cleveland, O., December 17, 1932.*

Mr. J. R. KRAUS,  
*Chairman of Board, Union Trust Company,  
Cleveland, Ohio.*

DEAR MR. KRAUS: At a meeting of the Loan Committee of the National Credit Association No. 1, held December 13, 1932, the Treasurer reported that all loans made by the Association had been paid in full.

Therefore, it was decided to wind up the financial affairs of the Association and the Treasurer was authorized to distribute any funds remaining after all expenses were paid, to the members of the Association pro rata according to their subscriptions to the Gold Notes of the National Credit Corporation as provided in the Articles of Agreement of the Association.

Your pro rata share of the remaining funds is \$7,987.67, and a check for that amount is enclosed.

It was also decided not to disband the Association until October 17, 1933 as authorized by the National Credit Corporation or until the National Credit Corporation is dissolved.

Yours very truly,

G. A. STEPHENSON, *Secretary.*

EXHIBIT U-19-11a

NATIONAL CREDIT ASSOCIATION NO. 1 OF THE  
 FOURTH FEDERAL RESERVE DISTRICT  
 709 FEDERAL RESERVE BANK BLDG.  
 Cleveland, O., November 13, 1931.

*Loan Committee:*  
 W. M. Baldwin  
 Harris Creech  
 J. Arthur House  
 John Sherwin, Jr.  
 H. V. Shulters  
 C. E. Sullivan

H. V. Shulters, *Chairman*  
 G. A. Stephenson, *Secy and Treasurer.*

*To the bank addressed:*

National Credit Association No. 1 of the Fourth Federal Reserve District was organized by the Clearing House Banks of Cleveland, Ohio, November 2, 1931 under the plan sponsored by the President of the United States.

Each Clearing House Bank subscribed its full quota, making an aggregate subscription to the notes of the National Credit Corporation of \$9,110,000.00.

Your bank is cordially invited to become a member of National Credit Association No. 1 of this district. The territory comprising this district includes the following Ohio counties: Ashland, Ashtabula, Carroll, Columbiana, Crawford, Cuyahoga, Erie, Geauga, Harrison, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Mahoning, Marion, Medina, Morrow, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, Wayne, Wyandot.

In order to become a member, it will be necessary for your bank to subscribe to the notes of the National Credit Corporation at par in a principal amount equal to 2% of your net demand and time deposits as of the call last preceding the date hereof, not exceeding an amount equal to 10% of your capital and surplus.

A copy of the Articles of Agreement forming National Credit Association No. 1 of the Fourth Federal Reserve District is enclosed, together with forms for your use should you desire to subscribe for the notes and make application for membership. Forms are also enclosed for your use if you wish to make application for loans.

It is believed that the formation of this Association constitutes an important step towards strengthening the banking situation in this district and the success of the plan will depend largely upon the extent to which banks in this district cooperate by joining.

EXHIBIT U-19-11b

We have called a meeting of the bankers of the above counties to be held on the tenth floor Federal Reserve Bank Building, Cleveland, at two o'clock Tuesday afternoon, November 17th. At this meeting efforts will be made to answer any questions which anyone desires to ask.

It is our belief that by joining this association you will be able, in case of need, to get assistance which might not otherwise be available.

Will you kindly have a representative present at the meeting.

Very truly yours,

H. V. SHULTERS, *Chairman.*

EXHIBIT U-19-12

MARCH 7, 1932.

MR. M. J. FLEMING,  
*Manager, Reconstruction Finance Corporation,  
 Federal Reserve Bank Building, Cleveland, Ohio.*

DEAR MATT: There are some applications in for credit which I wish you would try and push to the front as fast as you can.

I know you are busy and rushed but it will be helpful if you will try and place some of these on the top of the heap:

Ivanhoe Savings Company	\$252, 000. 00
Quincy Savings and Loan Co.	30, 000. 00

Also—

The Progress Building, Savings & Loan Co.  
 Maple Savings and Loan Company.  
 The East End Savings and Loan Company.

So far everything seems to be working fine, and everybody feels that the Reconstruction Finance Corporation is going to clear the atmosphere.

Very sincerely yours,

J. R. K.,  
*Vice Chairman of Board.*

JRK/F

## EXHIBIT U-19-13

THE UNION TRUST COMPANY,  
Broadway-Columbia Office, Cleveland, Ohio, March 5th, 1932.

Mr. J. R. KRAUS,  
Vice Chairman of the Board, The Union Trust Company, Main Office.

DEAR MR. KRAUS: I have been assured that you are one of the powers of the Reconstruction Finance Company and it is necessary to obtain your influence in order to produce a speedy conclusion to the requests for loans.

Two of our patrons have applied. They are The Progress Building, Savings & Loan Company and the Maple Savings & Loan Company. Will you kindly put the above two applications on your memorandum pad.

The next request I have is on behalf of The East End Savings & Loan Company, who, I understand, have applied through The Cleveland Trust Company for a loan from the Reconstruction Finance Company. They also have an account with The Union Trust Company, but evidently they owe more money to The Cleveland Trust than they do to our institution. They have promised if they obtain the loan based upon their application that they will pay off a \$6,000 mortgage that we have here of the Corlett Amusement Company. The interest on this mortgage loan is paid to December 15, 1931 but the taxes are delinquent to the amount of \$1,726.83. Kindly do your utmost for them, and through them for us.

Yours very truly,

PJS/M

P. J. SLACH,  
Vice President.  
JRK

## EXHIBIT U-19-14

THE UNION TRUST COMPANY,  
Buckeye 89th Office, Cleveland, Ohio, March 1, 1932.

Mr. J. R. KRAUS,  
Vice Chairman, Main Office.

Ivanhoe Savings Company	232,000	(Woodland)
Empire Savings & Loan Co.	8,400	(Woodland)
Quincy Savings & Loan Co.	30,000	(B-89th)

DEAR MR. KRAUS: We wish to report that in cooperation with Mr. Hills we have succeeded in having applications filed with the Reconstruction Finance Corporation for loans to take up the above. The thought occurred to us today that we should now use our influence in exerting pressure with the Reconstruction Corporation to grant these loans.

We talked with Mr. Peter Slach about the Broadway situation, and he stated that they were carrying 4 loans, and since talking with you we have requested him to report to you on the present status of their loans.

In checking up today we find that the 3 above mentioned companies have now supplied all information in detail in connection with their securities as requested by the Reconstruction Corporation Committee.

Very truly yours,

LHF:L

L. H. FISHER,  
Vice President.  
JRK

## EXHIBIT U-19-15

RECONSTRUCTION FINANCE CORPORATION,  
FEDERAL RESERVE BANK BUILDING,  
Cleveland, March 9, 1932.

Mr. J. R. KRAUS,  
Vice Chairman of Board, The Union Trust Company, Cleveland, Ohio.

DEAR MR. KRAUS: We have the following information with reference to the list of applicants to which you refer in your letter of March 7th:

1. Ivanhoe Savings Company application was received March 7th and has Work No. 91.
2. Quincy Savings & Loan Company application was received March 4th and is being held for shortage of data.

3. Maple Savings & Loan Company application was received February 25th and has Work No. 75.
4. The Progress Building, Savings & Loan Company application not received in this office.
5. The East End Savings & Loan Company application not received in this office.

Very truly yours,

W. J. TIMIN,  
*Manager.*  
 JRK

MJF:HG

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EXHIBIT U-19-16

Business extension has copy of this letter

JULY 26, 1932.

Mr. M. J. FLEMING,  
*Manager, Reconstruction Finance Corp., Federal Reserve Bldg., Cleveland.*

DEAR MATT: The City Bank of Kent is rather disturbed at the amount which you people told them you would approve on a loan with the bonds as collateral. The amount of bonds, as per list enclosed, is \$146,825.00. Our Bond Department figures very conservatively, as per list also enclosed, and their appraisal is \$90,292.50; and they are all figured on a very low basis.

I can hardly see why you could not recommend a loan of \$66,500 on all of the bonds, that is, 75% of \$90,000, and about 45% of the total. It is true that some of these bonds most likely will be in default; but, on the other hand, there are a good many of them that are well considered.

Please see if you can't have this re-figured and try to help them out. They have their loan with the National Credit Corporation, and would like to get it cleaned up.

Very sincerely yours,

J. R. K.,  
*Chairman.*

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EXHIBIT U-19-7

WESTERN RESERVE MORTGAGE COMPANY

Western Reserve Mortgage Company, an Ohio Corporation for profit, was organized for the purpose of handling and dealing in and with mortgages, mortgage notes and all forms of securities. It was organized to do business on February 14, 1933.

Its Shareholders are as follows:

Union Cleveland Corporation (The Union Trust Company).....	18, 541 Shares
The New England Company (The Guardian Trust Co.).....	8, 000 Shares
The City and Suburban Company (The Cleveland Trust Co.).....	2, 500 Shares
The Central United Company (Central United Bank & Trust Co.)..	1, 490 Shares
Society for Savings in the City of Cleveland.....	1, 000 Shares
The Lorain Street Savings and Trust Company.....	750 Shares
The National City Company (The National City Bank).....	50 Shares
Directors.....	5 Shares
Total.....	32, 336 Shares

"C-1" The First subscription of the Union Cleveland Corporation was made February 16, 1933, and was for 10,000 shares. The proceeds of this subscription, to the extent of \$990,664.29, was invested by the Western Reserve Mortgage Company in mortgages purchased from The Union Trust Company.

"795" On February 16, 1933, The Union Trust Company sold the Western Reserve Mortgage Company Real Estate Loans, the aggregate face value of which was \$24,981,574.49, and in payment for said loans, the Western Reserve Mortgage Company gave its note to The Union Trust Company for the same amount, which note was secured by a pledge of the mortgages purchased.

The Western Reserve Mortgage Company then borrowed from the Reconstruction Finance Corporation, the sum of \$12,700,000.00, and pledged the mortgages

so purchased totaling \$24,981,574.49 to the Reconstruction Finance Corporation, The Union Trust Company waiving in favor of the Reconstruction Finance Corporation its lien on said mortgages.

"C-2" On February 22, 1933, the Union Cleveland Corporation subscribed for an additional 3,381 shares. The proceeds of this subscription, to the extent of \$338,074.00, was invested by the Western Reserve Mortgage Company in mortgages purchased from The Union Trust Company.

"809" On February 22, 1933, The Union Trust Company sold the Western Reserve Mortgage Company Real Estate Loans, the aggregate face value of which was \$8,451,694.26, and in payment for said loans, the Western Reserve Mortgage Company gave its note to The Union Trust Company for the same amount, which note was secured by a pledge of the mortgages purchased.

The Western Reserve Mortgage Company then borrowed from the Reconstruction Finance Corporation, the sum of \$4,028,715.00, and pledged the mortgages so purchased, totaling \$8,451,694.26, to the Reconstruction Finance Corporation, The Union Trust Company waiving in favor of the Reconstruction Finance Corporation its lien on said mortgages.

"C-3" On February 23, 1933, the Union Cleveland Corporation subscribed for an additional 5,160 shares. The proceeds of this subscription, to the extent of \$515,904.18, was invested by the Western Reserve Mortgage Company in mortgages purchased from The Union Trust Company.

"813" On February 23, 1933, The Union Trust Company sold the Western Reserve Mortgage Company Real Estate Loans, the aggregate face value of which was \$12,897,142.01, and in payment for said loans, the Western Reserve Mortgage Company gave its note to The Union Trust Company for the same amount, which note was secured by a pledge of the mortgages purchased.

The Western Reserve Mortgage Company then borrowed from the Reconstruction Finance Corporation, the sum of \$4,433,911.00, and pledged the mortgages so purchased, totaling \$12,897,142.01, to the Reconstruction Finance Corporation, The Union Trust Company waiving in favor of the Reconstruction Finance Corporation its lien on said mortgages.

In each case the proceeds of the Reconstruction Finance Corporation's loans were applied to the reduction of the respective notes given by the Western Reserve Mortgage Company to The Union Trust Company for its purchase of said mortgages.

The mortgages in which the capital subscriptions were invested are unpledged and are for convenience called "C-1, C-2 and C-3."

The three groups of mortgages purchased by note from The Union Trust Company, are for convenience denominated as groups "795, 809 and 813" respectively.

Agency Agreements providing for the servicing of the mortgages purchased from the Vendor Bank, by the Vendor Bank were entered into as of the dates the mortgages were purchased.

The notes to the Vendor Bank bear interest at the rate of 5%.

The notes of the Western Reserve Mortgage Company to the Reconstruction Finance Corporation bore interest at the rate of 5% to July 1st, when the rate was reduced to 4½% and which rate continued until October 1st, when it was reduced to 4%.

I certify that the foregoing is a resume of the transactions involving the Union Trust Company, Union Cleveland Corporation, and the Western Reserve Mortgage Company, and was obtained from the records and files of the Western Reserve Mortgage Company of which I am the Assistant Secretary. Western Reserve Mortgage Company is now known as Western Mortgage Company by change of name.

ED. MEYERS.

MARCH 7, 1934.

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