

MOODY'S

INDUSTRIALS

JOHN MOODY

1935

AMERICAN AND FOREIGN

Assets:	1934	1933
Plant and equipment	\$187,323	\$178,394
Investments	100,378	64,318
Good-will		24,578
Patents, etc. (net)	23,827	23,827
Cash	25,114	25,114
U. S. Government bonds	145,183	145,183
Accounts and notes receivable	147,621	147,621
Inventories	184,397	184,397
Notes and accounts rec. (not curr.)	10,797	6,101
Deferred charges	9,877	10,173
Sundry assets	403	
Total	\$799,900	\$798,887

Liabilities:	1934	1933
Common stock	\$407,380	\$408,015
Capital surplus	64,610	125,478
Earned surplus	229,120	153,286
Notes and accounts payable	51,664	96,188
Accruals	36,774	84,897
Other current liabilities	1,358	4,110
Total	\$798,887	\$798,887

Current assets	1934	1933
Current assets	\$487,888	\$478,798
Current liabilities	89,699	127,169
Working capital	398,188	351,629

† Represented by no par shares: 1934, \$1,476; 1933, \$1,303.
 † After depreciation. * Cost.
 Notes: (1) 1933 and 1934 accounts certified by Kennedy and Ragan.

(2) Fiscal period changed Jan. 21, 1935, to end Sept. 30.
 Capital Stock: 1. Berkshire Welt Co., common: Authorized, 100,000 shares; outstanding, 81,476 shares; in treasury, 3 shares; no par. Has exclusive voting power. Exempt from Indiana personal property tax. Initial dividend of 60 cents cash and 1% stock paid Jan. 1, 1935, and quarterly thereafter during 1935; 1930, \$1 regular and 10 cents extra in cash and 3% stock; Jan. 1, 1931, none; Apr. and July 7, 1931, 25 cents; none thereafter to April 1, 1934 when 25 cents was paid; July and Oct. 1, 1934, 25 cents; Dec. 30, 1934, 55 cents; Apr. 1, 1935, 35 cents to stock of record Mar. 15, 1935.
 Transfer Agent: First National Bank, Chicago. Registrar: Central Register, Chicago. Listing: Chicago Stock Exchange. Number of stockholders, Dec. 31, 1934, 324.
 Price Range: 1934 1933 1932 1931 1930 1929
 High..... 12 7 4 17 33 52 1/2
 Low..... 6 3 3 8 13 21

Offered (80,000 shares) at the market in Sept., 1928 by Fletcher American Co., Indianapolis and Minton, Lampert & Co. and Ralph E. Ward & Co., Chicago. Offering did not represent new financing.

BERKSHIRE FINE SPINNING ASSOCIATES, INC.:
 Incorporated under Massachusetts laws in 1929 under name of Berkshire Cotton Manufacturing Co., and pursuant to plan of consolidation and reorganization dated Feb. 26, 1929, changed its name to Berkshire Fine Spinning Associates, Inc. and acquired the properties and good-will of Valley Falls Co., Coventry Co., The Greylock Mills and Fort Dummer Mills.

In April 1930 King Philip Mills and Parker Mills were acquired. The King Philip Mills was acquired through exchange of stock on basis of 1/4 share of Berkshire preferred, 2 1/2 shares of Berkshire common and \$40 in cash for each share of King Philip Mills. The Parker Mills was acquired through an exchange of stock on basis of 1 1/2 shares of common and 1/4 of a share of preferred of Berkshire for each share of Parker Mills preferred; 1/4 share of Berkshire common for each share of Parker common and 9 shares of Berkshire preferred for each \$1,000 bond of Parker Mills first 5s of 1932 and Hargraves Mills first 5s of 1932. In 1934 purchased the Warren Manufacturing Company's mill at Warren, Mass.

The mills of the constituent companies are located at Adams, Fall River, North Adams and Williamstown, Mass.; at North Pownal and Brattleboro, Vt.; and at Albion, Anthony, and Warren, R. I., and are equipped with 900,000 spindles and 20,000 looms. Plant manufacturers fine grades of cotton textiles and specializes in fine lawns, batistes, nainsooks, organdies, dimities, handkerchief cloths, broad-cloths, oxfords, astetans, rayon and silk mixtures. Number of employees, Dec. 31, 1934, 10,000.

Management Officers: John McMahon, Pres.; W. E. Stoddard, C. E. Sherrill, Vice-Pres.; L. V. Dodge, R. H. Arnold, H. S. Nowcombe, Asst. Treas.; H. C. Hallie, Clerk and Sec. Directors: Charles H. Sherrill, F. L. Moore, W. C. Plunkett, John E. McMahon, A. N. Winslow, Jr., Henry C. Hallie, Edward G. Beede, M. G. Chase, Wm. E. Jennings, Oliver S. Hawes, Sanford A. Daniels, W. R. L. McBea, Ralph E. Paige, Charles T. Plunkett, Jr., Philip Stockton, S. B. Chase and Charles N. Stoddard. Annual Meetings: Third Thursday in Oct. Office: 271 Church St., New York and Fall River, Mass.

	1934	1933	1932	1931
Sales	\$18,234,575	\$12,601,979	Not stated	Not stated
Costs and expenses	15,227,214	12,408,198		
Depreciation	380,906	285,778		
Operating profit	426,455	(1,092,000)		
Other income	173,574	314,788		
Total income	600,029	(787,212)		
Interest	172,758	162,048		
Bad debts reserve	106,820			

	1934	1933	1932
Contingencies reserve	60,000		
Income tax paid			
Net income	308,527	97,591 (d)	\$1,353,129
Deficit, beginning of year	3,085,275	3,075,792	Not stated
Debit: Organization chgs.	34,743	34,743	
Net non-oper. charges	25,404	72,590	
Deficit, Sept. 30	\$2,934,895	\$3,085,375	
Earned per share, preferred	\$3.51	\$1.15	Nil
Earned per share, common	(d) 1.30	(d) 1.39	\$2.71
No. of preferred shares	85,100	85,100	85,588
No. of common shares	287,953	289,906	282,172

Assets:	1934	1933
Plant and equipment (net)	\$2,329,508	\$2,940,459
Cash	289,269	289,121
Notes and accts. receivable (net)	1,609,241	1,740,969
Marketable securities	192,564	81,899
Investments	5,119,281	4,021,438
Other receivables, mtgs., etc.	80,342	87,859
Investments	201,470	112,400
Cash in escrow	244,869	271,974
Prepaid expenses	200,000	200,000
Supplies (estimated)	102,467	137,400
Organization charges	106,619	65,411
Goodwill, trademarks		
Total	\$16,841,858	\$16,505,025

Liabilities:	1934	1933
7% preferred stock (par \$100)	\$5,218,000	\$5,299,200
*Common stock	7,689,482	7,012,561
Notes payable (banks)	2,609,241	1,200,225
Accounts payable	122,777	410,219
Contingencies and notes payable	865,477	857,209
Floor and process taxes	315,291	849,281
Local taxes payable	269,870	266,808
Reserve for income taxes	6,521	5,282
Minority interest	5,000	
Reserve for contingencies	6,000	
Capital surplus	278,067	325,447
Profit and loss deficit	2,234,896	3,085,375
Total	\$16,841,858	\$16,505,025

Current assets	1934	1933
Current assets	\$7,278,228	\$6,686,899
Current liabilities	5,517,214	5,269,448
Working capital	1,761,014	1,417,451

* Represented by no par shares: 1934, 287,953; 1933, 289,906.
 † Estimated market value, \$80,995. ‡ Pledged: 1934, \$266,361; 1933, \$257,939. § Re: Disputed floor and process taxes. ¶ Excludes certain Warren Textile & Manufacturing Co. Contingent liabilities: Sept. 30, 1934: Stock purchase warrants, 55,000 common shares outstanding; machinery and electrification contracts, \$111,558; cotton commitments for future delivery (28,729 bales), \$1,620,958; floor and process taxes in dispute, \$12,571; callable balance of subscription to General Cotton Corp. stock, \$12,000 (although improbable that call will be exercised); Preferred stock dividends, four years in arrears.
 Accounts certified by Comery, Davison & Jacobson.

CAPITAL STOCK: 1. Berkshire Fine Spinning Associates, Inc. 7% convertible cum. preferred: Authorized, \$12,500,000; outstanding, Apr. 15, 1935, \$8,818,000; par \$100.

Has preference as to assets and dividends. In voluntary liquidation entitled to 107% and in involuntary liquidation, 100. Callable as a whole or in part on any dividend date on 80 days' notice at 107%. Convertible up to fifth business day prior to date of redemption, into common stock on a basis of 2 units for each preferred share; each unit consists of one share of common and a whole or fractional share which represents a change in proportion of equity by reason of rights, stock dividend or the like. Has one vote per share after 6 quarterly dividends have been defaulted and then with certain restrictions. Consent of over 75% of preferred holders is necessary to issue stock ranking prior to or on parity with preferred or issuance any other debt, etc., except purchase money mortgages. Initial dividend of 1% per share paid June 1, 1929 and quarterly thereafter to Sept. 2, 1930, incl.; none thereafter. Arrears at Mar. 1, 1935, amounted to 31 1/2%.

2. Berkshire Fine Spinning Associates, Inc., common: Authorized, 750,000 shares (increased from 500,000 shares in Mar., 1930); outstanding, 287,953 18/100 shares; reserved for conversion of preferred, 174,544 shares; reserved for exercise of stock purchase warrants (see below), 85,000 shares; no par. Dividends exempt from Massachusetts income taxes. Initial dividend of 75 cents per share paid June 1, 1929, and quarterly thereafter to Mar. 1, 1930, incl.; none thereafter.

Offered (88,000 common shares) at \$40 per share in March, 1929, by Baker, Young & Co., Old Colony Corp., Boston.

Transfer Agents: Old Colony Trust Co., Boston, and Chase National Bank, New York. Preferred and common stock quoted in Fall River, Mass.

Price Range:	1934	1933	1932	1931
Preferred...	4 1/2 - 5 1/2	5 1/2 - 6 1/2	6 - 6	4 1/2 - 10
Common...	7 1/2 - 8 1/2	8 1/2 - 9 1/2	8 - 9	12 1/2 - 10

STOCK PURCHASE WARRANTS: The syndicate (consisting of Baker, Young & Co. as syndicate managers, Old Colony Corp. and Valley Buying & Trading Co.) agreed to underwrite at \$95 and \$85 for each preferred and common share

respectively such preferred and common stock of the new company as the five original companies could not require their stockholders to take. As compensation for this underwriting the syndicate received transferable 10-year stock purchase warrants entitling it to buy 55,000 additional shares of the common stock of the company at \$45 per share for the first two years, \$47.50 per share the second two years, \$52.50 per share the third two years, \$57.50 per share the fourth two years and \$60 per share the fifth two years. Cash received by the company upon exercise of stock purchase warrants will be used to retire preferred stock, at not exceeding call price and accrued dividends, if any can be secured by purchase or call within 6 months after receipt of cash.

CENTRAL SERVICE CO.: Incorporated in Delaware Oct. 1, 1926, to acquire and consolidate properties of Des Moines Ice & Fuel Co., and Consumers Ice Co. of Des Moines, Ia. Manufactures ice in Des Moines, Fort Dodge and Ames and supplies ice in these cities and 280 adjacent communities, serving a population of over 378,000. Distributing stations located in Ft. Dodge, Valley Junction, Webster City, Newton, Ames, Perry, Carroll, Winterest, Jefferson, Osceola, Indianola, Colfax and 23 other towns. Company owns four ice manufacturing plants having a total capacity of 475 tons daily, and a total storage capacity of 48,000 tons. Company owns and operates its own coal mine located within the city limits of Des Moines and in addition engages in the retail coal business in Des Moines, Valley Junction, Nevada and Newton, Ia. Properties also include cold storage facilities in Des Moines.

MANAGEMENT: OFFICERS: Joseph Muehlaupt, Pres.; W. E. Kooker, Vice-Pres.; Carl Muehlaupt, Sec. and Asst. Treas.; F. G. Anderson, Treas. and Asst. Sec. **DIRECTORS:** Joseph Muehlaupt, Carl Muehlaupt, J. C. Meiners, F. G. Anderson, A. T. Black. **OFFICE:** Des Moines, Ia.

COMPARATIVE EARNINGS, YEARS ENDED DEC. 31

	1934	1933	1932
Net sales	\$1,052,433	\$948,588	\$1,051,189
Cost of sales	585,024	529,272	458,248
Gross profit	417,399	425,314	592,911
Other income	17,340	18,240	28,293
Total profits	434,739	443,554	621,204
Selling & gen. admin. exp.	528,301	525,554	528,032
Depreciation	125,024	118,014	117,415
Depletion	2,466	2,780	3,180
Loss from prop. abandoned	378	1,279	16,830
Net profit	194,842	143,517	139,597
First mortgage interest	59,512	68,408	74,415
Federal taxes	20,743	23,200	17,600
Other deductions	18,121	6,199	8,507
Balance	95,366	47,609	84,785
Preferred dividends	72,040	66,040	Not stated
Common dividends	23,000		

*Surplus for year..... *(4)87,775 †(4)812,431
 Earned per share, 1st pref. \$9.46 30.95 \$3.58
 No. of 1st pref. shares..... 8,484 8,484 8,484

† Before \$28,305 surplus credits arising from discount on purchase of stock and mortgage bonds. † Before \$58,783 surplus credits arising from discount on bonds purchased and \$7,575 additional provision for Federal income taxes. † Includes \$6,000 dividend on second preferred stock.

COMPARATIVE BALANCE SHEET, AS OF DEC. 31

	1934	1933
Assets:		
Plant and equipment	\$2,254,125	\$3,424,894
Investments	84,464	102,017
Cash	69,864	206,873
Receivables	192,893	88,225
Inventory	81,549	66,278
Deferred charges, etc.	88,700	95,568
Total	\$2,763,376	\$3,887,061
Liabilities:		
Preferred stock	\$1,048,425	\$1,048,425
Common stock	647,023	647,023
Funded debt with public	842,800	947,500
Purchase contract		1,276
Notes and accounts payable	190,993	86,225
Preferred dividends payable	16,579	16,579
Federal income taxes	38,118	51,300
Accruals, etc.	62,899	62,899
Capital surplus	217,126	
Earned surplus	(428,799)	66,796
Total	\$2,763,376	\$3,887,061
Current assets	\$884,036	\$863,001
Current liabilities	448,740	286,288
Working capital	435,296	576,713

* Represented by 50,000 no par shares. † After depreciation.
 ‡ Surplus arising from donation of capital stock. † Includes \$1,500 purchase contract payable. † Represented by \$943,425 first 7% convertible preferred and \$100,000 second 6% non-cumulative preferred stock.

BONDED DEBT: 1. Central Service Co. first sinking fund gold 6 1/2%, series A: Open mortgage; outstanding, Dec. 31, 1934, in hands of public, series A, \$842,800. Dated Oct. 1, 1926; due Oct. 3, 1941.
 Interest paid A&O 1 at Continental Illinois National Bank & Trust Co., Chicago, Trustee. Coupon, \$100, \$500 and \$1,000; interchangeable; registerable as to principal.

Callable on any interest date on 80 days' notice at 107 1/2% to Oct. 1, 1927, incl., and at 1/2% less each April 1 thereafter. Annual sinking fund beginning Jan. 1, 1928, of 3% of series A bonds issued to purchase or call bonds at not exceeding the redemption price. Secured by first mortgages on fixed properties of company including four modern ice manufacturing plants at Des Moines, Ames and Ft. Dodge, Ia.

Additional bonds of this or other series may be issued for not exceeding 66 2/3% of cost of additions, improvements and extensions provided net earnings for twelve months within fifteen months preceding have been less than 2 1/2 times interest charges on bonds outstanding and to be issued. Any taxes on income or ownership of these bonds under laws of any state or possession of United States not exceeding five mills refunded. Company pays normal income tax up to 2%.

Offered (\$1,250,000) at par in Dec., 1926, by A. C. Allyn & Co., Inc., Chicago.

Note: As of Dec. 31, 1934, there were also outstanding \$1,500 purchase obligations.

CAPITAL STOCK: 1. Central Service Co. 7% cum. first preferred: Outstanding, \$943,425; par \$100. Closely held.
 2. Central Service Co. 6% cum. second preferred: Outstanding, \$100,000; par \$100. Closely held.
 3. Central Service Co. common: Outstanding, 50,000 shares; no par.

Stock transferred and registered at company's office.

CITY STORES CO.: Incorporated in Delaware, Nov. 5, 1923 (subsequent amendments Oct. 20, 1925, Jan. 8, 1929 and Jan. 4, 1935), as a holding company. Through subsidiaries owns six department stores located in New Orleans, La.; Birmingham, Ala.; Memphis, Tenn.; Philadelphia, Pa.; Elizabeth, N. J., and Louisville, Ky. Number of employees, April 15, 1935, approximately 5,500.

City Stores Co. owns the entire or a majority of the common stocks of the following department stores:

	Percentage of common owned
Maison Blanche Co., New Orleans (1887)	99.98%
B. Lowenstein & Bros., Inc., Memphis (1885)	100.00%
Lowman, Joseph & Loeb, Birmingham (1897)	99.98%
Kaufman-Struss Co., Louisville (1879)	100.00%
Goerke-Kirch Co., Elizabeth (1818)	100.00%
†Lit Brothers, Philadelphia (1891)	68.61%

* Through Maison Blanche Company. † City Stores Co. also owns 51.45% of preferred stock. ‡ City Stores Co. also owns 51.10% of preferred stock.

In addition to the subsidiaries enumerated above which are all engaged directly in the operation of department stores, City Stores Co. owns (99.43%) Maison Blanche Realty Co. (through Maison Blanche Co.), Kenville Realty Co. (100%) and City Stores Mercantile Co. (100%). It also holds 100% ownership of four supplementary companies which are now inactive.

In 1932, the former subsidiary, Goerke Co., Newark, was liquidated through a receiver.

Reorganization: In Sept., 1934, company filed a petition in U. S. District Court at Wilmington, Del., seeking to reorganize under the new Corporate Bankruptcy Act. On Aug. 28, 1934, noteholders and on Dec. 12, 1934, stockholders approved the plan of reorganization submitted by reorganization committee (see below). On Dec. 20, 1934, Federal Judge Nields at Wilmington, Del. confirmed the plan of reorganization. Noteholders and stockholders were to present their securities to Central Hanover Bank & Trust Co., New York on Apr. 15, 1935, to be exchanged for new securities under the plan. The plan, effected by issuance of stock and/or payment of cash derived from the sale of stock, resulted in the retirement of \$1,205,329 indebtedness due Oct. 1, 1934 for interest and principal charges and retirement of \$1,500,000 of outstanding notes; also the retirement of the balance of notes amounting to \$6,500,000 through exchange for new notes as provided under the plan and the reduction of fixed annual charges from \$800,000 to \$590,000. The plan prepared by the reorganization committee (see below) appointed by the company called for an amendment to the certificate of incorporation so that in lieu of the old authorized capital consisting of \$10,000,000 of 4% notes and 200,000 class A and 2,000,000 common shares, company's capital consists of the following.

	Authorized	Outstanding
6% coll. conv. notes (Lit stock coll.)	\$2,500,000	\$2,500,000
6% coll. conv. notes (gen. coll.)	3,000,000	5,000,000
Common stock (\$5 par)	1,000,000 sha.	*1,148,189 sha.
Class A stock (\$8 par)	700,000 sha.	†

* Excluding 20,000 shares to be offered to stockholders at \$5 per share and 800,000 reserved for conversion of general collateral convertible notes. † Entire 700,000 shares of new class A stock is reserved for issuance against conversion of Lit stock collateral convertible notes.

Exchange of Stock: Under the plan, the formerly outstanding 1,205,329 shares of common stock were exchanged for 1,000,000 shares of new common on basis of one new share for each 12 shares of old common stock held.
 The \$6,745 shares of outstanding class A stock were exchanged for 84,745 shares of new common stock on a share for share basis.