

**MOODY'S**

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**INDUSTRIALS**

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**JOHN MOODY**

**1936**

**AMERICAN AND FOREIGN**

Lake Arrowhead Hotel Co. capital stock, \$200,000; Lake Arrowhead Library & Supply Co. capital stock, \$10,000; Arrowhead Lake Co. preferred stock, \$1; Arrowhead Lake Co. common stock, \$1. Excluding assets included in Lake Arrowhead office control.

**BONDED DEBT:** 1. Arrowhead Lake Corp. first serial gold 7s: Authorized, \$1,343,000; outstanding, \$993,500; retired to Nov. 30, 1935, \$349,500. Dated Dec. 1, 1931; due \$43,500 Dec. 1, 1944; \$38,500 Dec. 1, 1945; \$51,500, Dec. 1, 1946 and \$1,179,000, Dec. 1, 1947.

Interest payable J&D 1, at Union Bank & Trust Co., Los Angeles, Cal., Trustee (see Interest Modification Plan below). Interest is evidenced by two series of coupons each representing 3½% interest. One series represents definitive interest and the other, cumulative interest, both equally secured. Definitive interest is payable J&D 1. Coupons representing cumulative interest provide that the same will accumulate from and after specified semi-annual dates until paid, but such interest will not draw interest. In event principal of bonds is declared due before maturity all cumulative interest then accrued shall become due and payable. Interest at rate of 1% per annum paid in 1933; none in 1934 and 1935.

Coupon, \$500 and \$1,000; registerable as to principal; interchangeable. Callable on any interest due on 30 days' notice upon payment of principal and all interest (both definitive and cumulative) then accrued and unpaid. Secured by a first closed mortgage on mountain property in San Bernardino County, Cal. Issued for the purpose of financing of mountain sub-division property and resort. Exempt from California personal property tax. Company pays normal income tax up to 2%.

Issued in exchange for a like amount of predecessor company's serial 7s, to holders depositing under reorganization plan announced in Nov., 1932 (over 97% deposited). Non-depositing bondholders received approximately \$220 per \$1,000 bonds. Depository under the reorganization plan: Union Bank & Trust Co., Los Angeles.

**Interest Modification Plan:** On Feb. 21, 1934, in a letter to holders of 1s, company announced that holders of over 76% of outstanding bonds had indicated assent to a plan submitted on July 18, 1933, and that the plan, as modified, would become effective upon receipt of signatures of holders of the same amount of bonds, and interest coupons.

Terms of plan as incorporated in an Interest Modification Agreement dated Dec. 1, 1933. Company was unable to pay interest due June 1, 1933, on the \$1,198,000 of outstanding bonds, and in the letter of July 18, 1933, proposed that the bonds be placed on an income basis. Pursuant to which, upon assent by holders of over 76% of bonds, company deposited for distribution to bondholders, as payment in full for bond interest due in 1933, a sum equal to 1% of out-net income available for interest during year 1933.

Agreement provides that beginning as of Dec. 1, 1932, and continuing until June 1, 1937, payment of bond interest shall be on a non-cumulative income basis. During said period company will pay to bondholders on Dec. 15 of each year all net income (after payment of taxes) as long as net income period ending on and preceding Dec. 1, 1937, does not exceed a sum equal to 1% per annum. So long as net income is paid, company will not be considered in default in event that net income does not equal interest at rate of 7% per annum. After June 1, 1937, bond interest terms shall be payable at rate and in manner of 1937, bond interest of original indenture. Maturity date of bonds remains unchanged. Title insurance & Trust Co., Los Angeles, is paying agent under agreement.

Upon execution of agreement cumulative coupons maturing June 1 and Dec. 1, 1932, and definitive and cumulative coupons maturing June 1 and Dec. 1, 1933, if not theretofore surrendered and cancelled, are to be surrendered to paying agent for cancellation and payment by paying agent, of any sums held for payment thereon. Definitive and cumulative coupons maturing June 1, 1934, to and including June 1, 1937, are to be delivered to paying agent to be stamped as to indicate being cancelled to the agreement, and then returned to bondholders. Net income will be distributed by paying agent on Dec. 15 of each year upon surrender for cancellation of stamped coupons due in that year.

Company and bondholders agreed that no payment shall be made prior to June 1, 1937, on account of principal interest of any loans or advances made to company by stockholders and/or directors prior to Dec. 1, 1933. Provisions of original indenture authorizing trustee to accept bonds at par for cancellation in payment of these prices for real estate remain in effect. Company continues to exchange real estate for bonds and any bonds acquired over and above amount necessary to effect release of specific parcels of real estate will be deposited in a revolving fund, to be maintained at \$75,000 on bonds, said bonds being subject to withdrawal for sale by company for purpose of paying taxes in surance, and other charges, and expenses of maintenance of operation of company's properties and business. The committee referred to and underwriters in original indenture were to appoint a committee of the members to pass upon certain expenditures and operations of company.

**CAPITAL STOCK:** 1. Arrowhead Lake Corp. \$7 cum. pref.: Authorized, 35,000 shares; outstanding, April 10, 1936 (including 2,882½ reacquired shares), 26,870 shares; no par. Has preference as to assets and \$7 cumulative dividends. In liquidation entitled to par and dividends. Callable at any dividend date. Preferred stock has sole voting power. No dividends paid.

2. Arrowhead Lake Corp. common: Authorized, 20,000 shares; outstanding, 16,788 shares, no par. Has no voting power, while preferred is outstanding. No dividends paid. Stock transferred at company's office. Registrar: Paul F. A. Conway, 400 Van Nuys Bldg., E. L. Harkness, 624 So. Spring St., Los Angeles, Calif. Number of stockholders, April 1, 1936: Preferred, 4; common, 4.

**BERKSHIRE FINE SPINNING ASSOCIATES, INC.:** Incorporated under Massachusetts laws in 1889 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 Dunner 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 ½ share of Berkshire preferred, 2½ 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 1½ shares of common and ½ of a share of preferred of Berkshire for each share of Parker Mills preferred; ¼ 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, sateens, rayon and silk mixtures. Number of employees, Dec. 31, 1935, 10,000.

**Management - Officers:** John McMahon, Pres.; W. E. Stoddard, C. H. Sherrill, Vice-Pres.; L. V. Dodde, E. H. Arnold, S. Newcombe, Asst. Treas.; H. C. Halle, Clerk and Sec. **Directors:** Charles H. Sherrill, F. L. Moore, W. C. Plunkett, John H. McMahon, A. N. Winslow, Jr., Henry C. Haile, Herbert G. Beede, M. G. Chace, Wm. H. Jennings, Oliver S. Brown, Sanford A. Daniels, W. R. L. McEee, Ralph H. Paisre, Charles T. Plunkett, Jr., Philip Stoddard, Charles N. Stoddard. **Annual Meeting:** Third Thursday in Oct. **Office:** 271 Church St., New York and Fall River, Mass.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED SEPT. 30

	1935	1934	1933
Sales	\$1,020,890	\$1,334,575	\$1,268,879
Costs and expenses	16,428,977	15,572,214	12,438,198
Depreciation	526,039	380,906	255,778
Operating profit	(d) 952,022	426,465	(d) 55,097
Other income	102,942	179,574	314,737
Total income	(d) 849,080	606,039	269,840
Interest	169,195	173,758	162,048
Bad debts reserve	83,197	106,820	.....
Contract reserve	120,000	60,000	.....
Income tax reserve	.....	256,924	.....
Net income	(d) 1,228,488	256,924	97,501
Deficit, beginning of year	2,384,895	3,085,275	3,075,733
Debit organization chgs.	34,743	34,743	34,743
Net non-operating charges	36,733	23,040	72,390
Deficit at Sept. 30	\$4,234,859	\$2,984,895	\$3,085,275
Earned per share, pref.	Nil	22.51	\$1.16
No. of preferred shares	83,180	83,180	83,988

\* Depreciation and obsolescence. † The accounts of Warren Textile & Machinery Co. not consolidated.

Earned per share common (in dollars), years to Sept. 30.

	1935	1934	1931
(d) 8.29	153.71	(d) 1.32	(d) 1.17
No. of com. sh.	1,935-34, 287,853; 1933, 289,906; 1932-31, 292,173.		

CONSOLIDATED BALANCE SHEET, AS OF SEPT. 30

	1935	1934	1933
Plant & equip. (net)	\$8,256,446	\$8,639,508	\$8,840,459
Cash	7,561	60,242	79,422
Notes & accts. rec. (net)	1,136,227	1,603,224	1,785,840
Marketable securities	169,397	398,354	91,682
Other receiv., mtges., etc.	3,946,412	5,119,031	4,091,135
**Investments	224,810	201,470	87,859
Cash in escrow	137,374	137,374	112,405
Supplies (estimated)	201,332	244,869	271,974
Organization charges	200,000	200,000	200,000
Goodwill, etc.	68,419	68,419	137,400
Total	\$14,878,313	\$16,841,358	\$16,505,025
Liabilities:			
7% preferred stock	\$8,218,000	\$8,218,000	\$8,399,300
**Common stock	7,848,452	7,599,452	7,612,665
Notes payable (banks)	1,543,235	1,473,635	1,789,355
Accounts payable	386,763	812,717	.....
Acct. & notes payable	387,514	266,477	627,939
Taxes accrued or payable	155,661	439,891	249,221
Income tax reserve	256,661	359,770	366,203
Minority interest	7,012	61,294	.....
Contingency reserve	5,688	5,521	5,252
Capital surplus	170,221	60,000	.....
Profit and loss—deficit	2,767,827	276,067	3,085,471
Total	\$14,878,313	\$16,841,358	\$16,505,025

	1935	1934	1933
Current assets	\$5,554,439	\$7,476,818	\$6,686,509
Current liabilities	2,714,966	3,372,714	3,850,642
Working capital	2,839,473	4,104,104	2,835,867

\* Represented by no par shares: 1934 and 1935, 287,853; 1933, 289,906. † Estimated market value: 1935, \$33,499; 1934, \$30,965. ‡ Pledged: 1934, \$265,361; 1933, \$527,939. § Loss: Depreciated floor and process taxes. ¶ The accounts of Warren Textile & Machinery Co. not consolidated. \*\* Investment in subsidiary company not consolidated.

Notes: 1. Contingent liabilities, Sept. 30, 1935: Stock purchase warrants, 55,000 common shares outstanding; machinery contracts, \$62,492; cotton commitments for future delivery (2,954 bales), \$218,076; floor and process taxes in dispute, \$130,139. 2. Preferred stock dividends in arrears at Sept. 30, 1935, 35%. 3. Accounts certified by Comery, Davison & Jacobson.

**CAPITAL STOCK:** 1. Berkshire Fine Spinning Associates, Inc. 7% convertible cum. preferred: Authorized, \$12,500,000; outstanding, Apr. 1, 1936, \$3,318,000; 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 30 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% paid June 1, 1929 and quarterly thereafter to Sept. 2, 1930, incl.; none thereafter. Arrears at Mar. 1, 1936, amounted to \$38.50 per share.

2. Berkshire Fine Spinning Associates, Inc., common: Authorized, 750,000 shares (increased from 500,000 shares in Mar., 1930); outstanding, 287,853 18/100 shares; reserved for exercise of stock purchase warrants (see below), 55,000 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 (33,000 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:	1935	1934	1933	1932
Preferred	31-18	44-21 1/2	35-19 3/4	32 1/2
Common	4 1/2-1 1/2	4 3/8-2 1/2	8 1/2-1 1/4	5- 5/8

**Stock Purchase Warrants:** In 1929, a syndicate consisting of Baker, Young & Co. as syndicate managers, Old Colony Corp. and Valley Buying & Trading Co. agreed to underwrite at \$95 and \$35 for each preferred and common share respectively such preferred and common stock of the reorganized company as they might desire to retire. The syndicate 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.

**BIRD & SON, INC.:** Incorporated May 10, 1918, in Massachusetts, succeeding the partnership of Bird & Son, a business established in 1795.

Manufactures a large variety of paper, roofing and building products, including paper boxes, roll roofing, waterproof building materials, fibre and corrugated shipping cases, wall board, asphalt shingles, floor coverings and special papers. Products are distributed under the trade name of "Neponset." Plants located as follows: Papering plant in Norwood. Paper mills in East Walpole, Mass.; Phillipsdale, R. I.; roofing plants in Norwood, Mass., and Chicago, Ill.; and box factories in East Walpole, Mass. Branch offices in New York and Chicago. Controls Building Products, Ltd., of Canada, Montreal (see general index). Organized the Bird & Son Corp. on Dec. 18, 1934, as a wholly-owned subsidiary. In March, 1935, purchased the capital stock of Berry Asphalt Co., an Illinois corporation, with refineries at Waterloo, Ark. Number of employees, Dec. 31, 1935, 2,125.

**Management:** Officers: P. R. Allen, Chairman, C. S. Bird, Jr. Vice-Chairman; E. H. Roberts, Pres.; E. H. Bartlett, P. H. Bailey, C. W. Conrad, R. C. Floyd, Vice-Pres.; A. H. Anderson, Sec. and Treas. Directors: P. R. Allen, P. H. Bailey, B. H. Roberts, A. H. Russell, Walpole, Mass.; A. H. Anderson, E. H. Bartlett, C. S. Bird, Jr., C. W. Conrad, E. D. Rogers, East Walpole, Mass.; G. J. Lee, J. R. Macomber, Boston, Mass.; R. C. Floyd, F. H. Hird, Brookline, Mass.; E. M. Lines, H. E. Sawyer, Jr., Dedham, Mass. **Annual Meeting:** Fourth Tuesday in February. **General Office:** East Walpole, Mass.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31		1935	1934	1933
Operating profit		\$1,387,593	\$1,387,593	\$1,387,593
Depreciation		584,292	584,292	584,292
Net operating profit		250,591	250,591	250,591
Other income		1,083,260	1,083,260	1,083,260
Total income		88,689	88,689	88,689
Research and engineering expense		29,058	29,058	29,058
Loss on disposition of capital assets		207,131	207,131	207,131
Officers' and employees' bonuses		117,262	117,262	117,262
Income and excise taxes		146	146	146
Other charges		627,975	627,975	627,975
Net profit		565,243	565,243	565,243
Surplus for year		62,732	62,732	62,732
Earned per share		\$1.11	\$1.11	\$1.11

\* Based on 567,018 shares outstanding. Note: Net profits for years ended Dec. 31 (after providing reserves for possible losses on bad accounts and necessary reductions in value of investments): 1934, \$618,156; 1933, \$384,540; 1932 (d)\$484,093; 1931, \$416,095.

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31		1935	1934	1933
<b>Assets:</b>				
Real est., mach., etc.		\$5,729,574	\$5,536,796	\$5,609,565
Cash		73,878	75,137	3,445,990
Marketable securities		11,589,443	12,959,121	804,561
Notes and acc'ts. rec. (net)		1,854,342	968,399	804,561
Inventories		2,247,817	2,082,928	1,893,719
Invest. in Bird Fin. Corp.		852,311	83,029	
Invest. in affil. cos. (cost)		88,029	300,404	
Misc. invest. (at cost)		77,011	77,691	627,537
Treasury stock (net cost)		**257,505	**212,641	
Deferred charges		137,536	33,511	59,917
Good-will		1,400,000	1,400,000	1,400,000
Total		\$14,736,126	\$14,466,614	\$13,841,290
<b>Liabilities:</b>				
Common stock		\$6,000,000	\$6,000,000	\$6,000,000
Acc'ts. divs. etc., payable		62,387	438,587	426,948
Fed. & state income taxes		120,261	107,609	
Reserves		892,312	884,984	632,713
Earned surplus		7,098,166	7,035,434	6,781,629
Total		\$14,736,126	\$14,466,614	\$13,841,290
<b>Current assets:</b>				
Current assets		\$5,924,660	\$6,765,570	\$6,144,270
Current liabilities		745,648	546,196	426,948
Working capital		5,179,012	6,219,374	5,717,322

† Less depreciation: 1935, \$5,544,439; 1934, \$5,091,954; 1933, not reported. \* Represented by 500,000 no par shares. ‡ Reserves for replacements, contingencies, etc. § At lower of cost or market. ¶ Market value: Dec. 31, 1935, \$1,603,000; 1934, \$2,975,000. \*\* Consists of v.t.c. representing 32,982 and 29,530 common shares in 1935 and 1934, respectively.

Note: Accounts certified by Price, Waterhouse & Co. **Capital Stock:** Bird & Son, Inc. common: Authorized, 600,000 shares (increased from 200,000 shares to 400,000 shares Feb. 24, 1933, one new no par share issued for each ten old no par shares and increased to 600,000 shares Sept. 11, 1933, fifteen new no par shares issued for each old no par share); outstanding, Dec. 31, 1935, 567,018 shares; in treasury, 32,982 shares; no par (changed from \$100 par in 1924).

Paid stock dividend of 5% in 7% first preferred stock in 1924. Initial dividend of 25 cents per share paid Oct. 1, 1924 and quarterly thereafter July 1, 1931, incl.; July 1, 1932, 12 1/2 cents and quarterly thereafter to Jan. 1, 1933, incl. Paid initial dividend of \$1.25 on 400,000-share capital Apr. 1, 1933; Oct. 1, 1933, \$1.87 1/2. Initial dividend of 12 1/2 cents (on 600,000-share capital) paid Jan. 1, 1934; April 1, July 1, Oct. 1 and Feb. 1, 1935, 12 1/2 cents; Jan. 1, 1935, 25 cents and quarterly thereafter to April 1, 1936, incl.

Dividends payable quarterly, Jan. 1, etc., to stock of record Dec. 25, etc. Stock transferred and registered at company's office. Note: 7% first preferred stock formerly outstanding was retired at 100% on Feb. 1, 1931.

**Voting Trust:** The entire common capital stock has been deposited under a voting trust agreement dated Feb. 24, 1933 and expiring Oct. 9, 1937. Voting Trustees: Philip R. Allen, Charles S. Bird, Jr., and John R. Macomber.

**BIRTMAN ELECTRIC CO.:** Incorporated in Mar., 1909, under Illinois laws. Manufactures electric vacuum cleaners, washing machines, irons, heaters, toasters and stoves, gasoline engine washing machines, anvils, tool grinders, vices, transmission equipment, grist mills, fruit presses, corn shellers and other like articles.

Plants located in Chicago and Rock Island, Ill. In May, 1923, company acquired Modern Laundry Machine Manufacturing Co. operated as a separate company. Also controls Rock Island Mfg. Co. Number of employees, Mar. 15, 1936, 700.

**Management:** Officers: H. E. Buttz, Pres. and Gen. Mgr.; F. A. English, R. J. Simmons, E. F. Mulhern Vice-Pres.; G. A. Neff, Sec. and Treas.; Anne Byrne, Asst. Sec., Chicago, Ill. Directors: H. R. Buttz, F. A. English, E. F. Mulhern, G. A. Neff, L. Howe, Chicago, Ill. **General Counsel:** Buttz, Von Ammon & Martens, 4140 Fullerton Ave., Chicago, Illinois. In April, 1935, Officers' and Employees' Meeting: Friday in April.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31		1935	1934	1933
Operating profit		\$399,643	\$121,464	\$138,740
Depreciation		47,583	55,871	74,072
Net operating profit		352,060	65,593	64,668
Other income		12,545	150,638	13,107
Total income		364,605	156,181	137,775
Discounts, Fed. taxes, etc.		69,960	30,448	31,651
Net income		294,645	125,733	106,124
Preferred stock		18,911	18,911	18,911
Common dividends		187,918	58,032	125,800
Surplus for year		\$74,145	\$67,701	\$46,478
Earned per share, preferred		\$4.64	\$2.67	\$2.28
Number of preferred shares		4,773	4,714	4,764