

# MOODY'S

## INDUSTRIALS

JOHN MOODY

1927

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OR KEY TO RATINGS SEE PAGES VII TO XI

COMPARATIVE BALANCE SHEET, AS OF DEC. 31

ASSETS:	1925	1924	1923
†Rl. est., plant, etc.	\$397,078	\$443,486	\$268,725
Investments .....	31,130	31,450	.....
Cash .....	19,320	8,354	17,533
Accounts receivable.	203,723	141,450	188,955
Notes receivable ...	68,874	82,323	157,928
Inventories .....	123,041	132,558	152,934
Miscellaneous .....	70,889	66,830	6,145
<b>Total .....</b>	<b>\$914,050</b>	<b>\$906,451</b>	<b>\$792,270</b>
<b>LIABILITIES:</b>			
Preferred stock ...	\$200,000	\$200,000	\$200,000
*Com. stk. & surp..	257,125	272,143	194,886
Bonded debt .....	256,102	223,000	16,000
Notes payable .....	70,996	112,634	} 328,548
Accounts payable ..	100,651	96,783	
Accrued int., etc..	25,176	1,891	
Dividends payable ..	4,000	.....	.....
Depreciation reserve .....	.....	.....	52,863
<b>Total .....</b>	<b>\$914,050</b>	<b>\$906,451</b>	<b>\$792,270</b>

\* Represented by 15,000 no par shares. † After depreciation reserve, \$92,332, Dec. 31, 1925.

WORKING CAPITAL.. \$214,135 \$153,377 \$188,852

**BONDED DEBT:** 1. American Greenhouse Mfg., Co., 1st serial gold 6s and 7s: Authorized, \$135,000; outstanding, \$33,000 6s and \$102,000 7s. Dated Mar. 1, 1925, due 6s, \$15,000, Dec. 1, 1933 and \$18,000 Dec. 1, 1934; 7s \$102,000, due Dec. 1, 1935. Interest paid J&D 1, at Republic Trust Co., Philadelphia, Pa. Trustee. Coupon, \$100, \$500 and \$1,000; registerable as to principal. Callable at 110. Sinking fund, 7½% of net profits for 1928 to 1930 incl. and 15% thereafter. Secured by a first closed mortgage on property at Linden, N. J. Massachusetts, Connecticut, New York and Pennsylvania State Taxes refunded. Company pays normal income tax up to 4%.

**CAPITAL STOCK:** 1. American Greenhouse Mfg. Co. 8% cum. preferred: Authorized, \$200,000; outstanding, \$200,000; par \$100. Has preference for assets and dividends. Callable at \$110. Sinking fund of \$11,000 per annum. Company agrees to maintain net quick assets equal to \$100 per share of preferred. Without consent of 75% of preferred, company cannot create a mortgage or any other issue having priority over or on a parity with this issue. No voting power. Regular dividends paid quarterly Jan. 15, etc., to Oct. 15, 1926, incl.; none thereafter to Apr. 15, 1927.

Offered (\$200,000) at par in Jan., 1920 by Radon, French & Co., Chicago.

2. American Greenhouse Mfg. Co. common: Authorized, 15,000 shares; outstanding, 15,000 shares; no par. Has sole voting power except as noted under preferred (No. 1). Dividends paid: 1921, \$1; 1922 and 1923, 50 cents each; none thereafter to May 1, 1927.

Transfer Agent and Registrar: Central Trust Co. of Illinois, Chicago.

**AMERICAN HOME PRODUCTS CORP.:** Incorporated in Delaware Feb. 4, 1926 as a holding company for subsidiary companies engaged in manufacture and sale of medicines and preparations known as Hills Cascara Bromide Quinine, Jad Salts, Tiz, St. Jacob's Oil, Wyeth's Sage & Sulphur, Freezone, Petrolagar, etc. Subsidiaries own plants at East Detroit and Los Angeles and lease plants in Cincinnati and Chicago; aggregate floor space about 58,000 sq. ft. Employs about 250. Owns entire capital stock (except directors qualifying shares) of the following:

**SUBSIDIARIES:** Whitehall Pharmacal Co.; Mentho-Sulphur Co.; The Larned Co., (entire stock owned by Whitehall Pharmacal Co.); Wyeth Chemical Co.; Jads Salts Co.; The Cream Balm Co.; Limestone Phosphate Co.; Wyeth Chemical Co., Inc.; Whitehall Pharmacal Co., Inc.; The St. Jacobs Oil Co.; The St. Jacobs Oil Co., Inc.; The Walter Luther Dodge Co.; Deshell Laboratories, Inc.; Edward Wesley & Co.; W. D. Dodge, Ltd., (Eng.) and St. Jacobs Oil, Ltd. (Eng.).

**MANAGEMENT: OFFICERS:** W. H. Kirm, Pres. and Gen. Mgr., Detroit; S. P. Jadwin, Vice-Pres.; J. F. Murray, Sec. and Treas., New York. **DIRECTORS:** W. H. Kirm, Detroit, Mich.; S. P. Jadwin, J. F. Murray, A. H. Diebold, A. R. Meyer, H. S. Marston, New York; L. B. Beckwith, Toledo, O. **GENERAL AUDITORS:** Ernst & Ernst. **OFFICE:** Wilmington, Del.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

	1926	1925	1924
Net sales .....	Not stated	\$4,711,809	\$4,193,509
Cost of sales & exp. ....	.....	3,542,466	3,292,985
Other deductions ..	.....	143,957	98,518
Depreciation .....	.....	20,379	13,102
<b>Net income ...</b>	<b>Not stated</b>	<b>\$1,005,007</b>	<b>\$788,904</b>
Margin of profit ...	.....	21.33%	18.81%
Other incomes .....	.....	35,342	72,932
<b>Total income ..</b>	<b>\$1,278,415</b>	<b>\$1,040,349</b>	<b>\$861,836</b>
Interest .....	1,433	60,720	18,744
Federal taxes .....	167,899	103,921	67,615
<b>Balance .....</b>	<b>\$1,109,084</b>	<b>\$875,708</b>	<b>\$775,477</b>
*Net adjustments ..	.....	(cr) 140,442	(cr) 67,134
<b>*Adjusted bal..</b>	<b>†\$1,109,084</b>	<b>\$1,016,150</b>	<b>\$842,611</b>
†Earned per share..	\$3.70	\$3.39	\$2.81

\* After adjustment to give effect to elimination of interest on notes payable not assumed and of income on securities not acquired; adjustment of officers compensation together with other non-recurring charges and including estimated earnings of \$10,000 for month of Dec., 1925, of Wyeth Chemical Co., Inc., and affiliated companies. † Based on new capitalization. ‡ Before dividends of \$600,000, including \$120,000 payable Jan. 3 and Feb. 1, 1927.

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

ASSETS:	1926	†
*Property and equipment ...	\$308,734	\$318,335
Good-will, trade marks, etc..	4,962,658	1
Securities .....	59,087	63,072
Other investments .....	.....	59,851
Inventories .....	306,552	428,368
Accounts and notes receivable	683,229	708,196
Cash .....	1,344,009	572,387
Misc. receiv. and advances..	.....	69,810
Deferred charges .....	23,165	66,790
<b>Total .....</b>	<b>\$7,687,434</b>	<b>\$2,287,310</b>
<b>LIABILITIES:</b>		
Capital and surplus .....	†\$7,085,386	\$1,548,344
Mortgage .....	.....	86,060
Notes and accounts payable.	51,785	257,595
Accrued accounts .....	.....	66,606
Reserve for taxes .....	168,817	113,206
Dividends payable .....	120,000	3,799
Property purchase oblig. ...	111,152	35,200
Reserve for conting. ....	150,000	150,000
Other reserves .....	.....	26,500
Minority stockholders .....	294	.....
<b>Total .....</b>	<b>\$7,687,434</b>	<b>\$2,287,310</b>

After depreciation to Dec. 31, 1926, \$70,575. † Represented by 300,000 no par shares. ‡ Giving effect to new financing and acquisitions in Feb., 1926.

WORKING CAPITAL..... \$1,993,188 \$1,268,245

**CAPITAL STOCK:** 1. American Home Products Corp. stock: Authorized, 1,000,000 shares; outstanding 300,000 shares; no par. Initial monthly dividend of 20 cents paid May 1, 1926, and monthly thereafter to Apr. 1, 1927. incl. Rating, *Caa*

Offered (225,000 shares) at \$26.50 per share in Feb., 1926 by Hornblower & Weeks, Blair & Co., Inc., and Bell & Beckwith, New York.

Transfer Agent: Central Union Trust Co., New York. Registrar: American Trust Co., New York. Listed on New York Stock Exchange. PRICE RANGE: 1926, 29½-23½.

**AMERICAN INSULATOR CORP. (DEL.):** Incorporated under Delaware laws in June, 1925, as successor to Massachusetts corporation of same title, organized in 1916. Manufactures articles for electrical and heat insulating purposes by hot and cold molded process. Products sold under trade names of Aicolite, Aico, Amerine and Bakelite. Plants located at New Freedom, Pa., and Danbury, Conn. Sales offices in seven cities.

**MANAGEMENT: OFFICERS:** Emile Hemming, Pres., Norwalk, Conn.; Prescott Huidekoper, Vice-Pres., Ruxton, Md.; W. S. Grove, Treas., New Freedom, Pa.; Vassar Pierce, Sec., Milton, Mass. **DIRECTORS:** Emile Hemming, Norwalk, Conn.; Prescott Huidekoper, Ruxton, Md.; W. S. Grove, New Freedom, Pa.; Vassar Pierce, Milton, Mass.; C. B. Hibbard. **GENERAL AUDITORS:** C. F. Rittenhouse & Co. **OFFICE:** New Freedom, Pa. **NEW YORK OFFICE:** 52 Vanderveilt Ave.

COMPARATIVE INCOME ACCOUNT, YEARS ENDED DEC. 31 (Predecessor corporation)			
	1925	1924	1923
Net sales .....	\$1,021,954	\$852,242	\$815,789
Net profit .....	157,604	119,109	182,311
Depreciation .....	56,048	45,714	39,321
Taxes .....	2,777	6,662	14,163
Net income ...	\$98,779	\$66,733	\$128,827
Margin of profit ...	9.67%	7.83%	15.79%
Interest .....	33,238	22,989	18,505
Balance .....	\$65,541	\$43,744	\$110,322
Class A dividends..	30,872	24,062	23,267
Surplus .....	\$34,669	\$19,682	\$87,055

BALANCE SHEET, as of Dec. 31, 1925 (predecessor company): Class A stock, \$344,200; class B stock, \$10,000; bonded debt, \$300,000; current liabilities, \$179,316; surplus, \$281,435; total, \$1,114,951. Contra: Plant and equipment (after depreciation reserve), \$505,929; good-will, \$1; investments, \$10,303; equity in molds, \$31,486; inventories, \$223,302; notes and accounts receivable, \$252,432; cash, \$22,272; deferred charges, \$69,226; total, \$1,114,951.

BONDED DEBT: 1. American Insulator Corp. (Mass.) 1st serial gold 7s: Authorized, \$300,000; outstanding, \$275,000; retired to Apr. 2, 1927, \$25,000. Dated April 1, 1925; due April 1 as follows: 1928, \$15,000; 1929 and 1930, \$20,000; 1931, \$25,000; 1932, \$35,000; 1933, \$40,000; 1934, \$50,000; 1935, \$70,000.

Interest paid A&O 1, at Farmers Loan & Trust Co., New York, Trustee. Callable in reverse order of maturities at par plus premium of 1% for each year of unexpired term. Annual sinking fund based on net earnings provides for redemption of bonds. Secured by first mortgage on fixed assets of company and \$300,000 life insurance policies. Issued to refund indebtedness and for additional working capital. Pennsylvania and Connecticut 4 mills; Maryland 4½ mills and District of Columbia 5 mills taxes and Massachusetts 6% income tax refunded. Company pays normal income tax up to 2%.

Offered (\$300,000) in May, 1925, by Peabody, Houghteling & Co., Inc., New York and F. R. Sawyer & Co., Inc., Boston, to yield from 5½% to 7% according to maturity.

CAPITAL STOCK: 1. American Insulator Corp. (Del.) 8% cum. preferred: Outstanding, \$424,750; par \$50. Callable at \$55 per share. Issued, with no par common in June, 1925, in exchange for class A stock of Delaware corp., 2½ shares each of preferred and common for each old share.

2. American Insulator Corp. (Del.) common: Outstanding, 8,495 shares; no par.

Transfer Agent: First National Bank, Boston, Mass.

**AMERICAN INVESTMENT CO. OF ILLINOIS:** Incorporated Oct. 29, 1925 in Delaware as a consolidation of the American Investment Co. and the Continental Discount Co. Business established in 1917. Engaged in purchase of motor lien obligations, in Illinois, Iowa, Indiana, Missouri, Michigan and Kansas.

MANAGEMENT: OFFICERS: A. H. Rankin, Chairman; D. L. Barnes, Pres.; L. V. Barnes, J. E. George, L. R. Bristow, Vice-Pres., Springfield, Ill.; A. G. Curtis, Vice-Pres., Grand Rapids, Mich.; A. E. Ryan, Sec., Springfield, Ill.; J. H. Young, Treas. DIRECTORS: A. H. Rankin, J. E. George, D. L. Barnes, H. L. Ide, C. J. Barber, L. R. Bristow, L. V. Barnes, A. E. Ryan, Springfield, Ill.; A. G. Curtis, Grand Rapids, Mich. GENERAL AUDITORS: Kessler, Cartall & Co., La Salle Bldg., St. Louis, Mo. OFFICE: American Banking Bldg., Springfield, Ill.

NET EARNINGS, after Federal taxes: 1921, \$34,897; 1922, \$58,654; 1923, \$91,296; 1924, \$121,541.

COMPARATIVE INCOME ACCOUNT, YEARS ENDED			
	*Nov. 30, '26	Dec. 29, '25	
Gross earnings .....	\$976,880	\$707,225	
Operating expenses .....		282,586	
Interest .....	864,591	144,125	
General taxes, etc. ....		18,696	
Net earnings .....	\$112,289	\$261,818	
Reserves for losses .....	275,568	62,020	
Income tax .....		25,804	
Net income .....	(d) \$158,279	\$173,994	
Earned per share, preferred.		\$17.40	
Earned per share, common A		6.02	
Earned per share, common B		2.08	

\* Eleven months ended Nov. 30.

COMPARATIVE BALANCE SHEET, AS OF			
ASSETS:	†Nov. 30, '26	Dec. 29, '25	
Cash .....	\$393,349	\$312,230	
Ctf. of deposit .....	19,250	23,250	
Motor lien notes .....	2,848,010	4,761,102	
Real estate loans, etc. ....	174,357		
Other rec. ....	34,986	133,035	
Due from banks .....		75,000	
Repossessed cars .....	61,207	93,165	
Due from dealers .....	15,979	26,777	
Life insurance—cash value..	7,720	4,900	
Corp. stk., due from agt., etc.	101,381	77,246	
Furniture, fixtures, etc.....	21,025	15,414	
Deferred charges .....	78,016	52,057	
Total .....	\$3,755,280	\$5,574,176	

LIABILITIES:			
Preferred stock .....	\$450,000	\$250,000	
Class A common .....	650,000	650,000	
*Class B common .....	50,290	290,235	
Coll. trust notes .....	1,768,693	3,704,350	
Notes "payable" unsecured..	112,000	90,000	
Accrued dividends .....		11,567	
Federal income tax .....		26,671	
Reserve for conting., etc. ...	48,861	44,699	
Unearned discounts .....	144,498	373,703	
Other liabilities .....	125,938	132,951	
Total .....	\$3,755,280	\$5,574,176	

\* Represented by 51,500 no par shares. † As reported.

FUNDED DEBT: 1. American Investment Co. of Ill. 6% collateral gold notes, series A: Outstanding, \$450,000. Dated Dec. 1, 1925; due each Dec. 1, as follows: 1927, \$50,000; 1928 and 1929, \$100,000; 1930, 200,000.

Interest paid J&D 1. First State Trust & Savings Bank, Springfield, Ill., Trustee. Coupon, \$500 and \$1,000; registerable as to principal. Callable on any interest date on 30 days' notice at par plus 1% for each year prior to maturity, but not over 105. A direct obligation of the company and secured equally with series B (No. 2) by notes receivable and other collateral aggregating \$4,767,827, such collateral to equal 120% of notes outstanding and/or cash or U. S. Government securities equal to 100% of notes outstanding. Company agrees to limit its total liability to five times its capital and surplus. Issued to retire current indebtedness and for expansion. Company does not pay normal income tax.

Offered (\$500,000) in Dec., 1925 by First National Co., St. Louis, Mo. to yield from 5¼% to 6¼%, according to maturity.

2. American Investment Co. of Ill. 6% collateral gold notes, series B: Outstanding, \$1,268,693. First State Trust & Savings Bank, Springfield, Ill., Trustee. Equally secured with \$450,000 series A 6s (No. 1) by pledge of \$4,767,827 notes receivable and other collateral. No further details available.

CAPITAL STOCK: 1. American Investment Co. of Ill. 7% cum. preferred: Authorized, \$750,000; outstanding, \$450,000; par \$25. Has preference as to assets and dividends. In liquidation, entitled to \$25 per share and dividends. Callable on any dividend date on 60 days' notice at \$27 per share. Annual sinking fund, after 1927, of 5% of earnings, after taxes and preferred dividends. Additional preferred may be issued with consent of holders of 75% of preferred provided: (1) net assets are 2½ times preferred outstanding and to be issued; (2) earnings for two years preceding are at least 3 times dividend requirements on preferred outstanding and to be issued. Has no voting power. No dividends can be paid on common unless one year's preferred dividends have been set aside out of earnings. Regular dividends paid quarterly, Jan. 1, etc.

Offered (\$219,400) at \$25 per share in Dec., 1925 by Knight, Dysart & Co., St. Louis.

2. American Investment Co. of Ill. 8% cum. participating class A common: Authorized, \$750,000; outstanding, \$650,000; par \$25. Has second preference as to dividends and participates equally with class B after latter has received \$2 per share in any year. Callable on Feb. 1, 1927 or any dividend date thereafter on 60 days' notice at \$50 per share. Regular dividends paid quarterly, Feb. 1, etc., to Aug. 1, 1926, incl.; none thereafter to April 1, 1927.

Offered (\$650,000) at \$27.50 per share in Dec., 1925 by American Banking Co., Springfield, Ill.

3. American Investment Co. of Ill. class B common: Authorized, 60,000 shares; outstanding, 51,500 shares; no par. Initial dividend of 33¼ cents per share paid Mar. 1,