PLAINTIFF'S EXHIBIT WRG-1539

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF DEWEY AND ALMY CHEMICAL COMPANY, HELD ON WEDNESDAY, DECEMBER 3rd, 1930 AT FOUR O'CLOCK IN THE AFTERNOON AT THE OFFICE OF THE CORPORATION, 235 HARVEY STREET, NORTH CAMBRIDGE, MASS.

A Special Meeting of the Board of Directors of Dewey and Almy Chemical Company, notice of which was mailed to each Director on November 29th, 1930, was called to order at four o'clock in the afternoon of December 3rd, 1930 at the office of the corporation, 235 Harvey Street, North Cambridge, Mass.

There were present Messrs. Dewey, Almy, Griswold, Lawton, Walker and Ferguson, being a majority of the Directors.

Upon motion duly made and seconded, it was

VOTED: To dispense with the reading of the minutes of the previous meeting.

The President brought up for discussion the advisability of appropriating money at this time for additional Plant Facilities and the advisability of the issuance of Five Year Convertible Notes. During the discussion he presented a summary of minimum estimates of expenditures for fixed assets (dated November 13, 1930) and probable balance sheet as of March 1st, 1931, based upon the spending of $ 250,000 for fixed assets and the borrowing of $ 200,000 by an issue of five year convertible notes. He recommended that the company sell a minimum of $ 200,000 of a total $ 500,000 authorized issue of such notes, and that the notes be substantially in accordance with a proof copy of an indenture with the Kidder, Peabody Trust Company, of which he submitted a copy for inspection and discussion.

The President stated that he had received tentative assurances of subscriptions for $ 145,000 worth of such notes and that he thought it would be advisable to sell considerably more than $ 200,000 worth of the total $ 500,000 issue (and necessary to sell more if dividends were to be paid on Preferred stock on March 1st, 1931). In view of these assurances, he felt it was safe for the company to rely upon selling a minimum of $ 55,000 to stockholders and to other people, and to proceed with the expenditure of $ 250,000 for Plant and Equipment for the parent and subsidiary companies.

Upon motion duly made and seconded, it was

VOTED: To approve the action of the officers in having spent approximately $ 355,000 from January 1, 1930 to September 30, 1930 for Plant and Equipment for the parent and subsidiary companies, (the appropriations for the major part of which have already been authorized) and to authorize and approve an expenditure by the officers of approximately $ 250,000 between October 1, 1930 and March 1, 1931 for additional Plant and Equipment facilities for the parent company and its subsidiaries.

Upon motion duly made and seconded, it was

VOTED: That the Clerk be directed to mail to each Stockholder the following call, dated December 4th, 1930, for a Special Meeting of the Stockholders to be held on December 12th, 1930:

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Dewey and Almy Chemical Company:

You are hereby notified that a special meeting of the stockholders of the corporation will be held at the company's office 235 Harvey Street, Cambridge, Mass., on December 12, 1930, at four o'clock in the afternoon for the following purposes:

1. To determine whether the stockholders will authorize the Board of Directors to issue Five Year Convertible 6% Notes of the corporation to an aggregate principal amount not exceeding $ 500,000, for such consideration or considerations, as it may deem expedient, such notes to be subject to the terms of an indenture to be dated as of January 1, 1931, providing, among other things, for the conversion of said notes into Class A common shares of the corporation at a basic price of $ 60.00 a share, subject to equitable adjustment of such conversion price in certain contingencies; and to determine whether the stockholders will authorize the Board of Directors to fix and determine the terms of such indenture, and the price at which the notes may be called and to authorize the execution and delivery of the same.

2. To determine whether the stockholders will vote to increase the authorized capital stock of the corporation by increasing the authorized number of Class A common shares without par value from 40,156 to 50,000.

3. To determine whether the stockholders will vote to authorize the Board of Directors, without necessarily first offering such increased stock to any present or future stockholders ~~for~~ subscription, to determine the terms and manner of the disposition of the same and particularly from time to time to issue shares of such increased stock in connection with the conversion of the Five Year Convertible 6% Notes of the corporation, in accordance with the provisions for conversion.

4. To determine whether the stockholders will vote to amend the first sentence of Section 1 of Article II of the By-Laws, which now reads: "The number of directors shall not be less than five nor more than nine", to read: "The number of directors shall not be less than five nor more than fifteen".

5. To elect one or more additional directors.

6. To determine whether the stockholders will vote to amend Article II of the By-Laws by adding thereto an additional Section 5 as follows:

   Section 5. Executive Committee. The Board of Directors may elect from their own number an executive committee of n less than three nor more than five members, which committee may be vested with the management of the current and ordina business of the corporation, including the fixing and alter ing of the powers and duties and appointment of, and the filling of vacancies among the subordinate officers and the agents of the corporation, the appointment of additional officers and agents, and with power to authorize purchases, sales, contracts, offers, conveyances, transfers, and negotiable instruments and other specific duties which may be vested in it from time to time by the Board of Directors. A majority of the executive committee shall constitute a quorum for the transactions of business. The executive committee shall report its action to the Board of Directors. The Board of Directors shall have power to rescind any vote or resolution of the executive committee but not with retroactive effect.

7. To transact any other business that may properly come before the meeting.

Please sign and return in the enclosed stamped envelope the enclosed proxy which will be voted in favor of the above unless contrary instructions are received or unless you are present in person.

December 4, 1930

CHARLES ALMY, Jr.
Clerk.

Upon motion duly made and seconded, it was

VOTED: To authorize the officers upon approval of counsel (provided the stockholders authorize the increase of capital stock in accordance with the foregoing) to fix the price at which such notes shall be offered for sale, to determine the date on which subscriptions will close, the date or dates for payments of subscriptions, the form of subscription blanks, the form of notes, and other details in connection with the issuance of these notes.

Upon motinn duly made and seconded, it was

VOTED: That the President be instructed to mail to each stockholder with the Call for the Special Meeting of stockholders the following letter dated December 4th, 1930, entitled "Comments on Call for Special Meeting".

COMMENTS ON CALL FOR SPECIAL MEETING

To the Stockholders of Dewey and Almy Chemical Company:

Enclosed is a formal notice of call for a special meeting of stockholders to be held on December 12, 1930 for the purpose of authorizing additional Class A common stock in connection with an issue of convertible notes and for the other purposes set forth in such notice. The Directors consider the sale of convertible notes at this time desirable in order that the development by this Company of the Multibestos Company may be completed without delay.

On May 7th of this year, your Company purchased all but a few shares of the stock of the Multibestos Company. Since that time, the organization of the Multibestos Company has been revamped; its plant has been overhauled, rewired and remotorized and its physical condition improved; and its inventories have been repriced to conservative and proper values and slow moving and obsolete items written off. Its sales force has not only been reorganized but in addition has been strengthened by turning over to it certain men from the parent Company. Mr. Mason T. Rogers as Vice President and Sales Manager of the Multibestos Company is now in charge of this force. Mr. Rogers before joining the organization, had been for the last 15 years associated with the automotive industry and resigned as President of the Burton & Rogers Manufacturing Company to accept this position. To head the Detroit organization he has secured Mr. H. B. Smith who thought so well of the new Multibestos lines that he resigned from the position of Sales Manager of the Battery Department of the United Motors Service (a subsidiary of General Motors Company). This reorganized sales force is already functioning and has obtained many new desirable jobber accounts, some of which are in large consuming territories in which the Multibestos Company formerly had no sales outlet.

The research organization of your Company has devoted the major portion of its effort during the last nine months to the development of improved merchandise for the Multibestos Company. As a result of this work and based on a large volume of sales and enthusiastic consumer acceptance, your officers are convinced that Multibestos LX Flexible Moulded Brake Lining is now the outstanding lining for the replacement trade. They also feel that Multibestos LX and BR Clutch Facings excel anything now on the market and that LX Rigid Segment Brake Linings and Brake Blocks bring to the equipment field superior rigid linings. The opportunity for Multibestos jobbers to sell a high-grade brake block for the relining of large busses and trucks will not only increase the volume of business done by the Company but will also increase the value of the Multibestos franchise to its jobbers.

All of these products have been made by typical full scale production units and we have reason to feel confident that their manufacturing costs are lower than those of competitive merchandise.

In accordance with the fixed policies of your Company, the experimental, engineering, and patent work incident to the development of these lines in so short a period has not been capitalized. This heavy expense was met at a time when equipment business (as distinguished from replacement business) in former Multibestos lines was tremendously curtailed by the reduction in the schedules of automobile manufacturers as well as by the drift of the industry to new types of merchandise which the Multibestos Company was not in a position to offer during the period of spring buying.

During this period there were also heavy expenses of initial sales and advertising programs incident to the introduction of Darex Soles. These Soles have already been accepted by several manufacturers of high-grade shoes both for men and women and are being featured by leading retailers such as Best & Company, Abercrombie & Fitch, etc. Made from Latex bonded felted fibers, Darex Soles combine the advantages of leather and rubber soles and have not their disadvantages. They are waterproof, slip-proof, and non-marking. Although pliable, they will not warp or spread or deteriorate with age. Though they wear as long or longer than even the best grades of leather, they are exceedingly light and resilient, thus decreasing fatigue, and since they are non-conductors of heat and cold they help to keep the feet cool in summer and warm in winter. Although high-priced soles intended primarily only for a high-grade shoe, we feel confident that they will be widely accepted during 1931 and that we will do a large volume of business in them in subsequent years.

Sales of former standard Dewey and Almy Chemical Company lines in 1930 will be within about $ 60,000 of the sales of 1929, a drop of approximately 3%. This is a satisfactory showing in a period of general depression. In spite of this record of sales, the operations for the combined companies will show a substantial net loss because of the heavy experimental and development expense already described.

By expediting the program upon which we are already embarked and enlarging our facilities sufficiently to take care of available business, your officers, after a most careful analysis of sales and expense budgets, feel assured of a net profit of more than $ 400,000 in 1931, with increasing profits in succeeding years. Consequently, to successfully capitalize the opportunities now available, your Directors recommend the creation and sale at this time of an issue of Five Year Convertible 6% Notes carrying a privilege of conversion into Class A common stock. The proceeds from such a note issue will be used to replace both the working capital which has been spent in the development of the new lines and that which must be spent to complete new facilities necessary for the production of these lines in volume sufficient to meet sales estimates for 1931.

These notes are being issued on a basis attractive to purchasers and therefore present stockholders are offered an opportunity to share in their purchase. (<u>See enclosed subscription form</u>.) The indenture covering them has been prepared and arrangements can be made for those interested to inspect it. In general, its terms provide for (1) interest at 6%, payable January first and July first; (2) conversion at any time during the life of the issue into Class A Common stock at $ 60 per share; (3) call by the Company at 107 any time before January 1st, 1933, at 103 between then and July 1st, 1933, and at par between then and January 1, 1936 when the notes come due; (4) no mortgage to be placed on the Company's properties without the notes being equally protected; (5) provisions for the equitable adjustment of the conversion price in the event of issue of new stock which changes the conversion figure by more than three dollars.

<u>It is hoped that you will be present at the meeting and vote, but if you are unable to do so you are urged to execute the enclosed proxy and to return it in the accompanying envelope</u>.

Yours very truly,

BRADLEY DEWEY,
President.

December 4, 1930.

Upon motion duly made and seconded, it was

VOTED: To authorize Bradley Dewey as President and/or Charles Almy, Jr. as Vice President and Hugh S. Ferguson as Secretary and/or H. B. Canfield as Assistant Secretary upon approval of counsel (provided the stockholders authorize the increase of capital stock in accordance with the foregoing Call) to execute the Indenture of Trust substantially in the form presented to the meeting.

Upon motion duly made and seconded, it was

VOTED: To adjourn.

Hugh S Ferguson

Secretary

ATTEST: