IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

- X

In the Matter of

DUMONT-AIRPLANE & MARINE INSTRUMENTS, INC. and LEJOHN MANUFACTURING COMPANY,

Debtors.

In Proceedings for the Reorganization of a Corporation

No. 93620

- X

ORDER APPROVING COMPROMISE OF
CLAIM OF THE GLIDDEN COMPANY

At New York, New York, in said district, on the 2nd day of December November, 1959.

The petition of Charles R. Bergoffen, Esq., of Javits, Moore and Trubin, Esqs., attorneys for the Trustee of the above named Debtors, for approval of a proposed compromise of the claim of The Glidden Company against Dumont-Airplane & Marine Instruments, Inc., Debtor, having been heard on the 9th day of November, 1959, and notice of said hearing having been given as prescribed by this Court in its order dated the 6th day of November, 1959, and as prescribed by law, and after hearing Charles R. Bergoffen, Esq., Harris Levin, Esq., of Levin & Weintraub, Esq., attorneys for The Glidden Company, and Irving Schneider, Esq., attorney for the Creditors Committee, all in favor of said petition, Edward K. Kennedy, Esq., of Stickles, Hayden, Young & Kennedy, Esqs., attorneys for said Debtor, and Herbert Wolfe, Esq., attorney for the Securities & Exchange Commission, appearing and not objecting and no one

day of , 19 | day of , 19

appearing in opposition thereto.

NOW, upon said petition, verified the 5th day of November, 1959, and all the proceedings had before me at the said hearing and at prior hearings on the 2nd and 4th days of November, 1959 which are described in said petition, and due deliberation having been had thereon, and it appearing to be in the best interests of said Debtor to so compromise the claim of The Gliddan Company, it is

ORDERED that the Trustee and his attorneys acting on behalf of The Euston Lead Company, Inc., a wholly owned subsidiary of the Debtor, be and they hereby are authorized and directed to enter into the annexed Stipulation of Agreement, which is hereby approved; and it is further

ORDERED that the Trustee and his attorneys be and they hereby are authorized and directed to carry out all of the terms of said Stipulation of Agreement.

Alexander Bicks
U.S.D.J.

A TRUE COPY
Herbert A. Charlson, Clerk
By John S. Nannullo Deputy Clerk

day of , 19 | day of , 19

GLD37935

Stipulation of Agreement

Stipulation of Agreement made this 9th day of December, 1959, by and among George S. Ives, as Trustee for Dumont-Airplane & Marine Instruments, Inc. ("Dumont") and The Euston Lead Company, Inc., a wholly owned subsidiary of Dumont ("Euston") and The Glidden Company ("Glidden").

WHEREAS a petition for the reorganization of Dumont under Chapter X of the Bankruptcy Act was approved in the United States District Court for the Southern District of New York and George S. Ives appointed Trustee, and

WHEREAS Glidden filed a claim against Dumont in said proceedings in the amount of $110,146.64, and

WHEREAS a petition was submitted on behalf of the Trustee for approval of a proposed compromise of said claim and said petition having been granted after hearing,

It is mutually agreed as follows:

1. The Trustee and Euston shall transfer to Glidden whatever right, title and interest they have in and to:

(a) the real property, consisting of land and buildings, located at 500 Penn Avenue, Scranton, Pennsylvania; and

(b) the personal property, consisting of machinery; furniture and fixtures, contained in the aforesaid premises at the date hereof,

(said real and personal property being hereinafter referred to as

"Scranton property"). The Trustee and Euston shall execute any and all documents requested by Glidden necessary to consummate said transfer.

2. Except to the extent of Glidden's claim set forth below, the Trustee and Euston on the one hand and Glidden on the other shall mutually release each other from any and all claims against each other and the Trustee, Dumont and Euston shall have no liability arising out of the alleged sale on June 9, 1958 of the Scranton property by Glidden to Dumont and Euston, including without limitation any liability arising from the purchase money mortgage issued by Euston in connection with said sale and the obligation which the same was given to secure.

3. Glidden's claim against Dumont shall be computed by deducting from $110,146.64 the following:

(a) The sum of $3,991.52 on deposit with the Morgan Guaranty Trust Company of New York in the name of Euston, which sum shall be paid to Glidden at the time of the exchange of said releases.

(b) The net sales price resulting from the sale by Glidden of the Scranton property in a bona fide arms-length transaction. As used herein "net sales price" refers to the gross sales price, less amounts (not to exceed $5,000 plus 5% of such gross sales price) paid to and for auctioneers and brokers. In the event that Glidden does not sell any of the Scranton property prior to entry of an order confirming a plan of reorganization for Dumont or before April 1, 1960, whichever should first occur, $35,000 shall be deducted from Glidden's claim as computed in lieu of a deduction of the net sales price from a sale of such land and buildings, and $15,000 shall be deducted from Glidden's claim in lieu of the deduction of the net sales price from a sale of such machinery, furniture and fixtures. If only part of either the land and buildings or the machinery, furniture and fixtures is sold prior to such date, there shall be deducted from Glidden's claim the sum of (1) the net sales price of such sale, and (2) that portion of such $35,000 or $15,000, as may be allocable to the unsold portion on the basis of comparison of the fair market values of the portion sold and the portion unsold. Should the parties fail to agree on an allocation, they shall appoint, upon order of the Court, an appraiser whose decision shall be final; should the parties fail to agree on an appraiser, the Court shall independently appoint such appraiser. Any fee payable to an appraiser shall be shared equally by the Trustee and Glidden.

4. Glidden's claim as computed in paragraph 3 shall be classified separate and apart from all other general unsecured creditors and shall participate in any plan of reorganization only to the extent provided for herein:

(a) Glidden shall not participate in any distribution to general unsecured creditors other than a distribution of cash and/or bonds, debentures, notes or other evidences of indebtedness ("debt securities") or securities convertible within two years from date of issue at the option of the holder into cash or debt securities ("convertible securities").

(b) Glidden shall not participate in any distribution unless and until the participation of general unsecured creditors in cash and/or debt securities and/or convertible securities exceeds 50 percent of their allowed claim.

(c) When general unsecured creditors become entitled to more than 50 percent of their allowed claims in cash and/or debt securities and/or convertible securities then Glidden shall participate on a pro rata basis in such excess distribution with general unsecured creditors; the intent being that the extent of Glidden's participation shall be 50 percentage points less than the extent of participation of general unsecured claims payable in cash and/or debt securities and/or convertible securities, and in no event shall Glidden be entitled to more than 50 percent of its claim as computed above; any balance remaining after the distribution on Glidden's claim as herein provided shall be deemed disallowed.

(d) In the event general unsecured creditors are entitled to choose between alternatives, Glidden shall likewise be entitled to choose, but such choice shall be limited to an alternative which provides for general unsecured creditors to receive more than 50 percent of their allowed claims in cash and/or debt securities and/or convertible securities; Glidden shall then have only such rights as it would have, had such alternative been the only participation afforded general unsecured creditors.

(e) Glidden shall not be permitted to vote on any plan of reorganization or to propose or urge a plan of reorganization or to object to any plan of reorganization for any reason whatever and Glidden by accepting the compromise herein specifically agrees to waive and does waive such rights, provided, however, that Glidden may object to any plan of reorganization that does not give full satisfaction and recognition to Glidden's limited right of participation in the distribution to general unsecured creditors, as provided herein.

(f) For the purposes of this paragraph, debt securities shall be valued at face amount. Convertible securities, if there be no face or par amount, shall be valued at the cash amount or face amount of the debt securities into which they are convertible as at the earliest conversion date.

5. In the event the reorganization proceeding herein is dismissed and it is directed that bankruptcy be proceeded with, this agreement shall be valid and enforceable in such bankruptcy proceedings. In the event the reorganization proceeding herein is dismissed without such a direction, this agreement shall be

valid and enforceable, except that in lieu of the limited participation provided in paragraph 4 heroin, Gliddon shall bo a general unsecured creditor of Dumont in an undisputed amount equal to 50 percent of the amount computed in paragraph 3 herein.

6. The parties shall take all necessary and proper actions including the execution of appropriate documents to effectuate said agreement.

DUMONT-AIRPLANE & MARINE INSTRUMENTS, INC.

By George S. Ivey
Trustee

THE EUSTON LEAD COMPANY, INC.

ATTEST:
Charles P. Bergoffen
Secretary

By George S. Ivey
President

THE GLIDDEN COMPANY

ATTEST:
Secretary

By
President

GLD37941