ACCOUNTS RECEIVABLE:

Customers Ledger:

Ledger Debit Balance, May 31st, 1938 — $97,828.78

This balance is made up as follows:

Not yet due	$84,313.06	
Past due (Over term date)	13,515.72	(1)
	$97,828.78	

(1) Included in this amount are slow accounts, which at May 31st, 1938, have been on the books for a period of ninety days or more, also accounts which have been definitely established as very doubtful or "Uncollectible" and have not yet been cleared or charged off to Bad Debts:

Slow Accounts:

Bartlett Hardware Company - Cuba, New York: — $ 26.63

Account dating from February 16th, 1938.
Paid July 28th, 1938.

Theodore S. Benner - Abingdon, Illinois: — $ 81.94

Account dating from February 16th, 1938.
Paid $42.00 in July, 1938. Good.

R. F. Dengel and Son - Brooklyn, New York: — $ 8.63

Account dating from January 10th, 1938.
Considered collectible.

Easterly Lumber Company - Carbondale, Illinois: — $ 51.63

Account dating from November 10th, 1937.
Numerous letters have failed to expediate payment of this balance. Payment will be very slow, but account is considered collectible.

The Farmers Supply Store - Augusta, Illinois: — $ .50

Unearned discount dating from October, 1937.
Customer has ignored repeated letters. Have recommended this balance be cleared from the books.

Charles Goldberg - Newark, New Jersey: — $ 1.13

Unearned discount dating from August, 1937.
No longer doing business with this concern and I have asked that this balance be cleared.

ASSETS

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Slow Accounts (Continued):

Kanney System, Inc. - Michigan City, Indiana:	$45.00
Balance of account dating from April, 1937. Considered collectible. Paid $15.00 in July, 1938.	
Lund Hardware Company - Elmhurst, Illinois:	$36.27
Account dating from August, 1937. Paid $10.27 in June, 1938. Considered good but slow.	
Merriville Lumber and Supply Company - Crown Point, Ind:	$ 2.43
Unearned discount dating from August, 1937. Customer has ignored repeated letters. Have recommended this balance be cleared from the books.	
Metzger Lumber Company - Lebonan, Indiana:	$ 1.00
Underpayment on invoice of February, 1938. Considered collectible.	
C. M. Miller - Austin, Texas:	$38.01
Disputed bill dating from September, 1937. Correspondence indicates collection is very doubtful.	
O'Meara and Company - Hillsdale, Michigan:	$85.95
Account dating from September, 1937. Has always been slow pay but is considered good.	
Ramsay Brothers Hardware - Grove City, Pennsylvania:	$55.27
Account dating from July, 1937 was placed in the hands of Chicago Association of Credit Men and payment was received at this office on July 28th, 1938.	
Riseman's Wallpaper & Paint Co. - Springfield, Illinois:	$80.00
Account dating from February, 1938. Considered collectible. Have always been slow pay.	
Rockland Builders Supply Company - Spring Valley, N. Y.:	$81.44
Account dating from September, 1937. Paid $80.00 in July, 1938. Considered good.	
Albert Westreich - Brooklyn, New York:	$13.36
Account dating from February, 1938. Has very poor credit reputation, but it is felt that payment will be made in time.	

ASSETS

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Slow Accounts (Continued):

Washington Paint Supply Company - Brooklyn, N. Y.: $ 1.52

Unearned discount dating from October, 1937. Have paid no attention to repeated letters and I have asked that this balance be cleared.

Uncollectible Accounts:

John P. Anderson - Manistee, Michigan: $40.57

An estate account dating from July, 1935. Collection of account was turned over to the Grand Rapids Association of Credit Men. During period of this audit account has been reduced by $17.88 which covers four dividends received. Correspondence on file would indicate that further recovery may be expected.

Bull Paint Company - Peekskill, New York: $35.00

Account dating from April, 1937. The above company placed their business in the hands of an attorney in October, 1937 and correspondence would indicate that this balance will be paid out in time. The account of $45.00 which was transferred to uncollectible accounts in October, 1937, has at July 31st, 1938, been reduced to $30.00 by two payments. It is felt that a substantial part of this balance will be collected.

Eckhart Palmer Hardware Company - Osgood, Indiana: $50.00

Account dating from July, 1937. The above company was adjudged bankrupt in January, 1938 and our proof of claim was filed in February, 1938. A receiver was appointed to liquidate the above concern which was done on April 7th, 1938, sale of stocks, fixtures, etc resulted in a return of $5,700.00. There is no late correspondence on file, but indications are that a very small recovery will be realized.

King Paint Manufacturing Company - Brooklyn, N. Y.: $209.25

Account dates from June, 1937. This company is now operating under a Creditors Committee who at November 9th, 1937 sold all assets exclusive of Accounts Receivable created prior to October 20th, 1937. Our interests are being looked after by the Fifth Avenue Protective Association who report that full recovery is very doubtful.

ASSETS

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Uncollectible Accounts (Continued):

King Paint Manufacturing Co. - Brooklyn, N. Y. (Continued):

The original balance set up in November, 1937 has been reduced by a 10% dividend of $23.25 received in April, 1938. There was also a 10% dividend received in March, 1938, which was posted to the Anaconda Sales Company in error. I had this correction made in July, 1938.

There is also a balance of $467.11 carried by the Anaconda Sales Company which will be detailed upon completion of that audit.

Kramer's Paint Store, Inc. - Chicago, Illinois: $300.00

Account amounting to $691.89 dates from May, 1936 to September, 1936. This concern is working under a creditors agreement, H. W. Cline, Manager of the Adjustment Bureau of the Chicago Association of Credit Men, being appointed Trustee. The original balance was reduced by $391.89 which was charged to Bad Debts in December, 1937.

This concern also has a consigned stock account which they have been keeping in a current position.

Collection of the above balance appears to be very doubtful.

The Lehr Hardware Company - Jackson, Michigan: $112.09

Balance dates from August, 1937. In May, 1938, the above executed a Trust Mortgage to John C. Dalton, Trustee, for benifit of creditors. Our formal proof of claim was filed in June, 1938. There is no late correspondence on file from the Trustee to indicate what per cent of recovery may be expected.

Realty Paint and Supply Company - Chicago, Illinois: $514.66

Account dates from August, 1937. The above company executed an assignment to the Chicago Association of Credit Men, H. W. Cline, Trustee, for the benifit of all creditors, in October, 1937. Our consent to assignment was filed on October 15th, 1937. On March 18th, 1938 a 10% dividend was received reducing account to present balance. A final dividend is expected about September, 1938. Full recovery is very doubtful.

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Uncollectible Accounts (Continued):

South Jersey Glass Company - Vineland, New Jersey: $377.90

Account dates from October, 1935. The above company refused to pay this balance claiming that our materials were of inferior quality and that they were forced to reimburse painters for several jobs they had done. The account was turned over to an attorney to collect but the case was non-suited and it was decided that the matter should be dropped. In view of the fact that this balance was incurred through the shipment of inferior product by our company, this account was cleared through sales in July, 1938.

Trent Tile Company - Trenton, New Jersey: $819.50

Account dates from March, 1937. The above company filed voluntary petition of bankruptcy on February 8th, 1938. Our proof of claim was filed and acknowledged. Sale of this company's property was held on August 2nd, 1938 and a portion of the above balance may be recovered.

There is also a balance of $93.00 on the records of the Anaconda Sales Company which will be detailed upon completion of that audit.

Wellston Lumber Company - Wellston, Ohio: $ 64.40

Balance on invoices dating from May, 1935. This company was placed in hands of receiver on June 6th, 1936 and our proof of claim was filed November 17th, 1936. During period of this audit, account was reduced to present balance by a dividend of 7% received in February, 1938. Collection of the balance in this account is very doubtful.

Willis Wood, Inc. - Chicago, Illinois: $749.26

Account dates from September, 1937. Since March 5th, 1938 the above company has been operating under a creditors agreement with H. W. Cline of the Chicago Association of Credit Men as Trustee. Our consent of assignment was filed on March 14th, 1938. It was decided by the creditors to sell the assets of this company at public auction, and on June 1st, 1938 an 8% dividend was received which reduces balance to $689.32. Full recovery of this balance is very doubtful.

Examined in detail all correspondence, etc., in connection with slow and uncollectible accounts.