

# The RUBEROID Co.

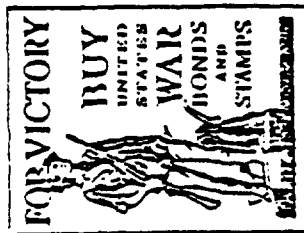
ANNUAL

REPORT

1944

TO STOCKHOLDERS  
AND EMPLOYEES

PLAINTIFF'S  
EXHIBIT  
GF-2139



GAF 13684

# ANNUAL REPORT FOR THE YEAR 1944

## *To the Stockholders and Employees of The Rubberoid Co.:*

Your company's annual report for 1944 is addressed jointly to stockholders and employees, since an adequate knowledge by both groups of the essential facts concerning the company's financial position, activities and problems, will help maintain and strengthen that spirit of mutual understanding and unity of purpose, upon which the continued success and progress of our organization has so largely depended.

### Financial Summary\*

Our 1944 profits are reported in two ways: (1) before taking into account the post-war refund applicable to our 1944 excess profits tax, and (2) after reflecting the eventual receipt of this post-war refund.

Profit in 1944, *before* taking into account the post war refund of excess profits tax, and after providing for taxes and a reserve of \$90,000 for wartime contingencies, amounted

\*The certified financial statements will be found on pages 11 to 16

to \$156,694, or \$1.90 per share of stock, compared with \$730,619, or \$1.84 per share in 1943.

Net profit in 1944, after taking into account the post-war refund of excess profits tax, and after providing for taxes and a reserve of \$90,000 for wartime contingencies, amounted to \$826,694, or \$2.08 per share of stock, compared with \$812,519, or \$2.01 per share in 1943. The 1944 net profit represents a return of 2.9 per cent on sales and 4.8 per cent on the invested capital.

Sales volume, although somewhat restricted by the manpower shortage, was maintained at a satisfactory level. Net sales in 1944 amounted to \$28,630,158, representing an increase of 4.7 per cent above \$27,338,360 realized in 1943. Annual net sales over the past ten years are illustrated in Figure 1.

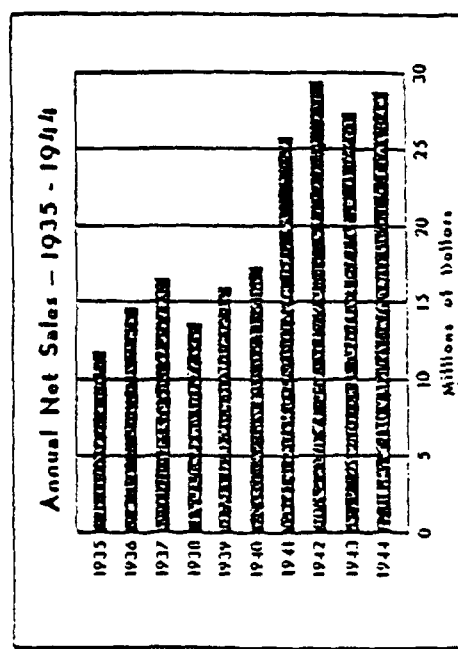


Figure 1  
[ 2 ]

As a result of renegotiation of the company's 1943 Government business, under the Renegotiation Act, the War Contract Price Adjustment Board found that the company realized no excessive profits during that year.

The company has no bonded debt or preferred stock, and its financial position continues to be strong. Current assets at the close of 1944 were 8.4 times current liabilities. Working capital amounted to \$8,371,312. The book value of capital stock was \$42.87 per share at the end of 1944.

### How Our Income Was Used

The \$28,630,158 realized from 1944 sales was used in the conduct of the business for the following purposes:

|                                                              |              |        |
|--------------------------------------------------------------|--------------|--------|
| Raw materials                                                | \$16,040,224 | 56.1%  |
| Wages and salaries                                           | 8,303,051    | 29.3%  |
| Wear and tear of equipment                                   | 767,366      | 2.7%   |
| Selling, advertising and miscellaneous expense, net          | 920,199      | 3.2%   |
| Taxes and reserve for war contingencies                      | 1,683,603    | 5.9%   |
| Dividends to stockholders                                    | 497,257      | 1.7%   |
| Retained for the future needs and protection of the business | 329,416      | 1.1%   |
| Total                                                        | \$28,630,158 | 100.0% |

### Dividends, Wages and Salaries

Dividends paid in 1944 amounted to \$497,257, or \$1.25 per share. Dividends paid each year from 1939 through 1944 are illustrated in Figure 2.

| COMPARISON OF THE COMPANY'S<br>BUSINESS FOR 1944 AND 1943            |                 |                 |  |
|----------------------------------------------------------------------|-----------------|-----------------|--|
|                                                                      | 1944            | 1943            |  |
| Net Sales:                                                           |                 |                 |  |
| Dollars (net) .....                                                  | \$28,630,130.27 | \$27,138,360.12 |  |
| Tonnage .....                                                        | 609,791 tons    | 591,531 tons    |  |
| Price realized per ton .....                                         | \$46.93         | \$46.22         |  |
| Profit, excluding post-war<br>refund of excess profits tax .....     | \$756,694.40    | \$730,619.30    |  |
| Percentage of sales .....                                            | 2.6 per cent    | 2.7 per cent    |  |
| Per share of stock .....                                             | \$1.90          | \$1.84          |  |
| Net Profit, including post-war<br>refund of excess profits tax ..... | \$826,694.40    | \$812,519.30    |  |
| Percentage of sales .....                                            | 2.9 per cent    | 3.0 per cent    |  |
| Per share of stock .....                                             | \$2.08          | \$2.04          |  |
| Dividends:                                                           |                 |                 |  |
| Total .....                                                          | \$497,257.50    | \$457,476.90    |  |
| Percentage of net profit .....                                       | 60.2 per cent   | 56.3 per cent   |  |
| Per share of stock .....                                             | \$1.25          | \$1.15          |  |
| Wages and Salaries:                                                  |                 |                 |  |
| Total .....                                                          | \$8,383,851.44  | \$7,718,550.02  |  |
| Percentage of sales .....                                            | 29.3 per cent   | 28.2 per cent   |  |
| Average number of employees .....                                    | 3,309           | 3,250           |  |
| Direct Taxes:                                                        |                 |                 |  |
| Total .....                                                          | \$1,391,603.61  | \$1,734,092.26  |  |
| Per share of stock .....                                             | \$4.01          | \$4.36          |  |
| Percentage of dividends .....                                        | 321 per cent    | 379 per cent    |  |
| Percentage of net profit .....                                       | 193 per cent    | 213 per cent    |  |
| Per employee .....                                                   | \$401.62        | \$533.57        |  |

The Refund of Excess Profits Tax is shown in parentheses for the sale on purchase of  
equipment for no extent that might at any time become a material item in the company's  
financial position.

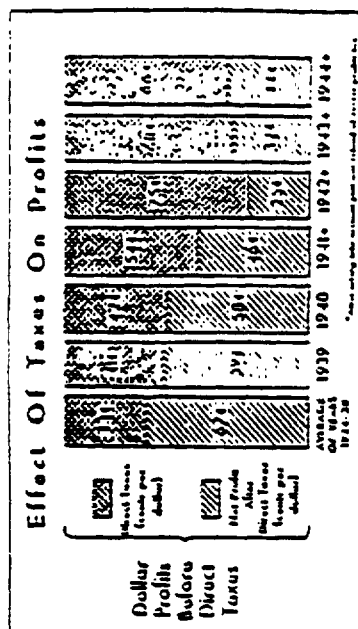


Figure 4

The effect of wartime taxes on profits is illustrated in Figure 4.

## Plant Improvements and Research

Appropriations totalling \$1,093,000 were made for factory improvements during the year, compared with a depreciation charge of \$767,506.

One of the major improvements was construction of a mile-long aerial tramway for conveying asbestos ore from a newly opened asbestos deposit to the company's mill at Riden, Vt.; another was a plant erected under a governmental certificate of necessity for the purpose of supplying a new type of insulating material for war purposes.

War-time activities of the company's research and engineering staffs have created from non-critical raw materials

a number of new products, which are not only being widely used in place of various materials now urgently needed, but promise to maintain an extensive post-war market.

Since the conservation of manpower is still one of the most urgent of wartime problems, the company is continuing to exert every effort toward improving its equipment to attain the highest possible efficiency.

### Operating Problems

The major problem encountered throughout 1944 was the continued shortage of personnel caused by the induction of many employees into the armed forces, a large labor turnover, and the difficulty of replacement under the War Manpower Commission's hiring regulations.

Despite the manpower shortage, and due largely to the unceasing efforts of the organization as a whole, the company produced and shipped 60,791 tons of finished products during 1944, an increase of 3.1 per cent over 1943.

The return to the company of a number of former employees honorably discharged from the armed forces proved most welcome. The policy of employing women for suitable occupations was substantially extended in 1944, with creditable results. In addition, we were able to obtain a number of full and part time workers through the personal efforts of employees.

Most significant of all, however, and chiefly responsible for the company's high level of production, was the team-

## Roll of Honor

**1,132** Employees of The Rubenoid Co., representing every department of the company, had entered the nation's armed forces up to December 31, 1944.

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### Died In The Service of Our Country

RESEARCH DIVISION

ANSON W. GARDNER, Yeoman 1st Class, U. S. Naval Intelligence  
FRANK J. GARDNER, Jr., Private 1st Class, U. S. Army  
WILLIAM W. WILSON, Corporal, U. S. Army

RESEARCH DIVISION

RUSSELL MASSEY, Technician 5th Grade, U. S. Medical Corps  
WILLIAM D. SAMPSON, Private 1st Class, U. S. Army

RESEARCH DIVISION

JOHN MANABINO, Lieutenant, U. S. Army Air Corps  
VINCENT SUTHER, Private, U. S. Army

RESEARCH DIVISION

JOHN BOSTON, Private, U. S. Army  
LOUIS THOMPSON, Private 1st Class, U. S. Army  
WILLIAM KRAVITZ, Sergeant, U. S. Marine Corps  
FRANK MASSEY, Private, U. S. Army  
JOSEPH KARAC, Sergeant, U. S. Army Air Corps  
STEWART WILMAN, Seaman 2nd Class, U. S. Navy

RESEARCH DIVISION

JOSEPH BARABANIAN, Private 1st Class, U. S. Army  
GEORGE W. SCHMIDT, Private, U. S. Army  
NEW YORK DIVISION

MATTHEW C. MCKENNEY, Seaman 1st Class, U. S. Navy  
VERNON DIVISION  
DAVIDSON K. DUNN, Private, U. S. Army  
DORRIS W. WYNN, Private 1st Class, U. S. Army

★ ★ ★

### Reported Missing In Action

RESEARCH DIVISION

WILLIS J. LEE, III, Lieutenant, U. S. Marine Air Corps  
RESEARCH DIVISION

ANDREW J. BISH, Private, U. S. Army

RESEARCH DIVISION

DORRIS A. WYNN, Lieutenant, U. S. Army Air Corps

★ ★ ★

### Reported A Prisoner of War

RESEARCH DIVISION

LESTER R. WYNN, Staff Sergeant, U. S. Army

work and willingness of its employees to operate whatever hours might be necessary in emergencies, or to meet urgent production schedules.

#### Retirement Annuity Plan

A voluntary retirement annuity plan proposed by management at the beginning of December, after many months of study and investigation, was accepted by more than 75 per cent of all eligible employees — the percentage required, according to the terms of the proposed contract with The Equitable Life Assurance Society.

The plan is designed to provide eligible employees, both salaried and hourly paid, with a regular monthly income in addition to the social security benefits they will receive from the Government when they become 65 years of age. Any full time employee who has completed five years of continuous service with the company and who has not reached 60½ years of age, may participate.

The plan has been approved by the U. S. Treasury Dept. and will be submitted in detail to our stockholders for adoption at the annual meeting on April 27, 1945.

Pending such adoption, the company has deposited \$250,000 in escrow with The Chase National Bank of the City of New York, to cover the total estimated cost for the first year, of which \$59,000 has been advanced by the company on behalf of the employees and is included in the balance sheet on page 14, under the caption "Accounts and

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Notes Receivable," the balance of the cost having been charged against the company's 1944 earnings.

The past service cost, to be borne entirely by the company, is estimated at \$73,500 per annum for 11½ years. This item, together with the company's share of the first year's future service cost estimated at \$117,500, constitutes a deductible expense under the present Federal tax laws.

#### Employee Relations and Welfare

The company's voluntary group disability and life insurance contract was broadened to increase accident and health benefits, also to include hospitalization and surgical benefits. The scope of the vacation plan was extended to include all employees with one year of service.

All annual agreements with unions were renewed or extended during the year in conferences between management and employee representatives, in keeping with the Government's wartime policies on wage stabilization and commodity price control.

Labor management meetings again proved their value in creating a better understanding of mutual problems. Many helpful suggestions were made by employees concerning safety, waste elimination, and practices designed to improve the flow of production. The management deeply appreciates such group and individual efforts.

With the wholehearted cooperation of all employees, the safety program was further standardized and intensified,

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with gratifying results. Notable also was the contribution of the sales department which, despite many difficulties, succeeded in maintaining good relations with our customers.

Expenditures for various phases of the employee welfare program during the year included the following:

|                                                                                                                                                     |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Company's Voluntary Expenditures:</b>                                                                                                            |                  |
| Retirement plan deposit placed in escrow .....                                                                                                      | \$191,000        |
| Vacation pay .....                                                                                                                                  | 167,769          |
| Physical examination of employees, provisions for first aid, and the company's contribution to employees' group disability and life insurance ..... | 43,378           |
| Pensions .....                                                                                                                                      | 29,352           |
| Extra compensation paid employees entering military service .....                                                                                   | 8,367            |
| Additional compensation paid salaried employees (other than directors and salaried) in December .....                                               | 43,491           |
| Federal and State Statutes:                                                                                                                         |                  |
| Provisions under the Workmen's Compensation Laws for accident compensation and disability benefits .....                                            | 73,622           |
| Social security taxes (unemployment insurance and old age benefits) .....                                                                           | 100,633          |
| <b>Total 1941 Expenditures for Employee Welfare .....</b>                                                                                           | <b>\$747,632</b> |

#### The Present Situation

In view of recent statements by our highest military authorities, the immediate and paramount job of every industrial organization is to see to it that there is no let-down in efforts to bring the war to a successful conclusion at the earliest possible date.

To that end, Roberoid products have been restricted to those which are utilized for war construction or for essential repairs and maintenance. They find a ready market in the farm building program necessary to increase the production of food and serve to alleviate shortages of lumber or other

critical building materials. Since the company will face no reconversion problem upon the termination of the war, its production can proceed to a normal peace time basis without interruption.

As to the future, I am confident that our country will continue to progress after the war and remain the finest place in the world in which to live and work. In that spirit, the management wishes to express its sincere thanks to our stockholders for their loyal support, and to our employees for their notable accomplishments throughout another difficult year.

Respectfully submitted,

*Arthur H. H. H.*  
President

February 27, 1945

THE RUTHERFORD CO. AND WHOLLY OWNED SUBSIDIARY COMPANIES  
COMPARATIVE CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1944 AND DECEMBER 31, 1943

ASSETS

| Current Assets:                                                | December<br>31, 1944 | December<br>31, 1943 |
|----------------------------------------------------------------|----------------------|----------------------|
| Cash .....                                                     | \$ 2,555,612.92      | \$ 3,187,380.83      |
| United States Government securities, at cost .....             | 932,000.00           | 550,000.00           |
| Accounts and notes receivable, less reserves<br>(Note 1) ..... | 2,293,834.22         | 2,812,851.04         |
| Investments (Note 2) .....                                     | 3,546,676.02         | 3,299,123.84         |
| Total Current Assets .....                                     | \$ 9,328,123.16      | \$ 9,849,355.71      |

INVESTMENTS AND ADVANCES:

The Rutherford Company Limited (England), a partly owned subsidiary company not consolidated:  
Investment in ordinary shares, at nominal value.....

1.00 ✓

Miscellaneous investments, at cost, and advances (less  
reserves: 1944, \$12,343.50; 1943, \$9,343.92) .....

30,602.81 ✓

39,313.73

Post war Return on Excess Profits Tax (estimated) (Note 3) .....

283,900.00 ✓

213,900.00

Profits and Losses, Less Reserves (Note 4) .....

9,850,143.20 ✓

9,303,738.72

Deferred Charges:

Unexpired insurance and deferred expenses in course  
of amortization .....

159,499.16 ✓

141,077.37

\$19,654,269.41

\$19,579,300.57

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LIABILITIES

| Current Liabilities:                                                                                                                                     | December<br>31, 1944 | December<br>31, 1943 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Trade accounts payable .....                                                                                                                             | \$ 614,845.69        | \$ 655,161.45        |
| Accrued wages and commissions .....                                                                                                                      | 190,576.30           | 179,193.93           |
| Similar liabilities (principally property, franchise,<br>social security, and withheld taxes, and deposits)                                              | 310,887.78           | 339,471.25           |
| Reserve for Federal income and excess profits taxes<br>(after deducting U. S. Treasury notes, tax series:<br>1944, \$1,433,000; 1943, \$1,210,000) ..... |                      | 320,000.00           |
| Total Current Liabilities .....                                                                                                                          | \$ 1,116,309.77      | \$ 1,494,826.63      |

Reserves:

For 1944 maintenance, compensation insurance, and  
other contingencies .....

1,055,210.66 ✓

1,022,257.84

For wartime contingencies (Note 5) .....

429,000.00 ✓

339,000.00

Capital Stock (Note 6) .....

13,034,163.60

13,034,163.60 ✓

EARNED SURPLUSES, per statement on page 16 .....

4,019,577.30

3,690,110.40

\$19,654,269.41

\$19,579,300.57

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THE RUTHERFORD CO.  
 ALSO WHOLLY OWNED SUBSIDIARY COMPANIES  
 COMPARATIVE CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
 For the Years Ended December 31, 1944 and December 31, 1943

|                                                                       | 1944             | 1943             |
|-----------------------------------------------------------------------|------------------|------------------|
| Sales, less returns, discounts and allowances                         | \$ 20,640,450.27 | \$ 27,330,360.12 |
| Cost of goods sold (figures P & M)                                    | 23,052,750.01    | 22,510,498.75    |
|                                                                       | \$ 4,777,400.26  | \$ 4,819,861.37  |
| Selling, advertising, administrative and general expenses (figures M) | 2,636,025.10     | 2,487,201.25     |
|                                                                       | \$ 2,140,303.00  | \$ 2,332,660.12  |

Costs observed, received from The Redwood Company Limited (England) (Normy) .....

|                                                                                                |                 |                 |
|------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Cash dividends received from The Hawaiian<br>Company Limited (England) (Note 9) .....          | 31,424.40       | 31,424.30       |
| Interest received .....                                                                        | 21,682.83       | 19,051.99       |
| Other earnings other income .....                                                              | 10,368.19       | 27,864.89       |
|                                                                                                | \$2,212,058.58  | \$ 2,410,921.30 |
| Other charges (shown to) .....                                                                 | 193,199.84      | 267,002.33      |
| Profit before provision for Federal income and<br>excess profits taxes (shown to) .....        | \$ 2,018,858.74 | \$ 2,143,918.97 |
| Provision for Federal income and<br>excess profits taxes (estimated) (shown to) .....          | 3,262,166.34    | 3,413,219.67    |
| Profit, excluding post-war refund of excess profits<br>tax .....                               | \$ 756,692.40   | \$ 730,699.30   |
| U.S. Post-war refund of excess profits tax<br>(estimated) .....                                | 70,000.00       | 81,500.00       |
| Net profit, including post-war refund of excess<br>profits tax (added to earned surplus) ..... | \$ 826,692.40   | \$ 812,199.30   |

**SIN VAYTODJ ANVCHISITS (CIRJAO) A I IOIWA ONV**

COMPARATIVE CONSOLIDATED STATEMENT OF EARNED STOCKHOLDERS' EQUITY

|                                                                                             | 1914                   | 1913                   |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| Financial surplus at beginning of the year.....                                             | \$ 3,690,140.48        | \$ 3,335,029.08        |
| <i>Add</i> Net profit for the year, including post-war refund of excess profits tax.....    | 826,694.40             | 812,519.30             |
|                                                                                             | <u>\$ 4,516,834.88</u> | <u>\$ 4,147,548.38</u> |
| <i>Divident</i> Dividends paid in cash, 1914, \$1.25 per share, 1913, \$1.15 per share..... | 497,227.30             | 437,076.90             |
| Financial surplus at end of the year, per balance sheet (there is)                          | <u>\$ 4,019,607.58</u> | <u>\$ 3,690,140.48</u> |

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## EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 1: ACCOUNTS AND NOTES RECEIVABLE.**  
**LESS RESERVE:**

|                                                    |                        |                        |
|----------------------------------------------------|------------------------|------------------------|
| Customers .....                                    | \$ 2,437,383.02        | \$ 3,039,083.13        |
| Supplies .....                                     | 9,922.03               | 10,703.18              |
| Employees .....                                    | 72,093.36              | 14,697.31              |
| <b>Total — Reserve for doubtful accounts .....</b> | <b>\$ 2,519,398.41</b> | <b>\$ 3,064,988.03</b> |
|                                                    | 224,739.19             | 221,610.01             |
|                                                    | <b>\$ 2,293,659.22</b> | <b>\$ 2,843,378.02</b> |

**NOTE 2: JOURNALISMS AND BIAS OF VARIATION:**

| Inventories                        | Evaluation basis applied to individual products           | December 31, 1944 | December 31, 1945 |
|------------------------------------|-----------------------------------------------------------|-------------------|-------------------|
| Raw materials and factory supplies | Average cost or spot prices                               | \$ 1,716,687.23   | \$ 1,673,106.86   |
| Products in process                | Appropriate cost based on standards                       | 318,070.79        | 415,801.55        |
| Finished products                  | Appropriate cost based on standards or net selling prices | 1,291,217.00      | 1,211,835.61      |
|                                    |                                                           | \$ 3,316,675.02   | \$ 3,299,133.01   |

NOTE 3: Post-war removal of excess profits tax relates to the following years: 1944, \$10,000; 1945, \$8,000; 1946, \$15,000.

NOTE 4: **PERMANENT AND TEMPORARY LOSS RESERVES:**  
(Land, mineral properties, buildings  
equipment, machinery and tools, outside  
estate, etc.)

|                                                                                                                                                    |                 |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| At repurchase values as appraised by The American Appraisal Company in 1912, 1912, and 1916; subsequent additions at cost.                         | \$16,899,413 01 | \$13,899,163 69 |
| At sale and salvage of useful values as determined by The American Appraisal Company, December 31, 1938                                            | 717,262 94      | 719,011 23      |
| <i>Total</i> —Reserves to reduce repurchase values to sound values as appraised, together with subsequent provision for amortization and depletion | \$17,617,316 01 | \$14,609,194 92 |
|                                                                                                                                                    | 7,157,592 71    | 7,305,640 10    |
|                                                                                                                                                    | \$ 9,830,113 20 | \$ 9,303,714 72 |

(1704 Jan 26 (Friday))

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# EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Note 5: Under the Reorganization Act, it was determined that no excessive profits were caused by the company in 1911. With respect to the contracts with the U. S. Government for 1911, it is the opinion of officers of the company that the profits thereon were not excessive. However, should such contracts be reorganized, it is believed that ample provision has been made thereon in the company's 1911 reserves for wartime contingencies.

## NOTE 6: CAPITAL STOCK:

| Authorized ... 1,000,000 shares of no par value   |                                              |
|---------------------------------------------------|----------------------------------------------|
| Issued ... 100,912 shares ... \$13,493,338.18     | (recapitalized and held in treasury at cost) |
| Less ... 41,136 shares ... 439,971.58             |                                              |
| Outstanding ... 59,776 shares ... \$13,053,366.60 |                                              |

Note 7: Cost of goods sold was computed on the basis of standard costs and adjusted at the year end when establishing the value of inventory.

Note 8: Cost of goods sold, selling, advertising, administrative and general expenses include provision of \$117,300 for estimated future service cost for 1914 under Employees Retirement Plan to be submitted to stockholders for adoption. Estimated past service cost for 1911 is included under "Other Charges."

Note 9: The equity of The Rubenoid Co. in the profits of The Rubenoid Company Limited (England), a partly owned subsidiary company not consolidated, exceeded the stockholders interest from that company for the year 1911 by approximately \$16,000; for 1913 by approximately \$13,000.

## NOTE 10: OTHER CHARGES:

|                                                                                                                   | 1914          | 1913          |
|-------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Cost on investments                                                                                               | \$ 3,732.00   | \$ 3,732.00   |
| Interest paid                                                                                                     | 1,620.83      | 883.66        |
| Title plant expense                                                                                               | 20,078.99     | 20,444.47     |
| Estimated past service cost for 1914 under Employees Retirement Plan to be submitted to stockholders for adoption | 73,300.00     | ...           |
| Provision for wartime contingencies                                                                               | 90,000.00     | 240,000.00    |
|                                                                                                                   | \$ 191,731.82 | \$ 267,050.13 |

Note 11: Depreciation and depletion provided during the year: 1914, \$767,306.66; 1913, \$691,437.91.

Note 12: Provision for excess profits tax for the year: 1914, \$700,000; 1913, \$619,000.

Note 13: Earned surplus at December 31, 1911 and December 31, 1913 includes estimated past war refund of excess profits tax of \$203,200 and \$213,200, respectively.

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PRICE, WATERHOUSE & CO.

AN EXAMINER  
NEW YORK

February 23, 1915

To the Board of Directors of  
The RUBENOID Co.

We have examined the consolidated balance sheet of The Rubenoid Co. and its wholly owned subsidiary companies as at December 31, 1914 and the related statements of profit and loss and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statements of profit and loss and earned surplus present fairly the position of the consolidated companies as at December 31, 1914, and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

- PRICE, WATERHOUSE & CO. -

*Price, Waterhouse & Co.*

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# BOOK VALUE OF CAPITAL STOCK

Appropriation of Balance Sheet Items per Share of Capital Stock, of which 397,006 Shares were Outstanding December 31, 1914

|                                                               | Book value per share of stock outstanding |
|---------------------------------------------------------------|-------------------------------------------|
| <b>CURRENT ASSETS:</b>                                        |                                           |
| Cash                                                          | \$ 2,333,612.94 ✓                         |
| U. S. Government Securities                                   | 912,000.00 ✓                              |
| Accounts and Notes Receivable (less reserves)                 | 2,293,034.22 ✓                            |
| Inventory                                                     | 3,346,676.02 ✓                            |
| <b>Total Current Assets</b>                                   | <b>\$ 9,129,123.16 ✓</b>                  |
| <b>CURRENT LIABILITIES (deduct)</b>                           | <b>1,416,309.77 ✓</b>                     |
| <b>Net Current Assets</b>                                     | <b>\$ 7,712,813.39 ✓</b>                  |
| <b>RESERVES</b>                                               | <b>1,404,218.66 ✓</b>                     |
| <b>Excess of Current Assets Over Liabilities and Reserves</b> | <b>\$ 6,308,594.73 ✓</b>                  |
| <b>OTHER ASSETS:</b>                                          |                                           |
| Properties (less reserves)                                    | \$ 9,030,143.28 ✓                         |
| Investments and Advances                                      | 30,603.81 ✓                               |
| Post war Refund of Excess Profits Tax                         | 283,900.00 ✓                              |
| Deferred Charges                                              | 139,499.16 ✓                              |
| <b>Total Other Assets</b>                                     | <b>\$ 10,326,146.25</b>                   |
| <b>Net Book Value</b>                                         | <b>\$ 17,033,740.98</b>                   |

# Summary of Capital Structure and Dividend Record of The RUBENSON Co. and Predecessor Companies\*

| Year | Shares Outstanding | Dividends Per Share | Total Dividends |
|------|--------------------|---------------------|-----------------|
| 1889 | 10,000             | \$ 3.00             | \$ 30,000       |
| 1890 | 10,000             | 3.00                | 30,000          |
| 1891 | 10,000             | 3.00                | 30,000          |
| 1892 | 10,000             | 3.00                | 30,000          |
| 1893 | 10,000             | 3.00                | 30,000          |
| 1894 | 10,000             | 3.00                | 30,000          |
| 1895 | 10,000             | 3.00                | 30,000          |
| 1896 | 10,000             | 2.00                | 20,000          |
| 1897 | 10,500             | 2.00                | 21,000          |
| 1898 | 11,017             | 2.50                | 27,542          |
| 1899 | 11,021             | 3.75                | 41,320          |
| 1900 | 11,026             | 10.00               | 110,260         |
| 1901 | 11,026             | 12.00               | 132,312         |
| 1902 | 11,028             | 15.00               | 165,420         |
| 1903 | 11,033             | 20.00               | 220,660         |
| 1904 | 11,095             | 18.00               | 200,710         |
| 1905 | 23,995             | 10.00               | 239,950         |
| 1906 | 44,397             | 9.00                | 399,573         |
| 1907 | 44,397             | 9.00                | 399,573         |
| 1908 | 44,397             | 7.00                | 310,779         |
| 1909 | 44,397             | 9.00                | 399,573         |
| 1910 | 44,397             | 9.00                | 399,573         |
| 1911 | 44,360             | 9.00                | 399,240         |
| 1912 | 44,450             | 8.00                | 355,600         |
| 1913 | 46,810             | 7.00                | 327,670         |
| 1914 | 47,750             | 3.00                | 143,250         |
| 1915 | 47,750             | 4.25                | 202,971         |
| 1916 | 47,750             | 3.25                | 155,229         |
| 1917 | 49,411             | 6.00                | 296,466         |

| Year | Shares Outstanding | Dividends Per Share | Total Dividends |
|------|--------------------|---------------------|-----------------|
| 1918 | 49,093             | \$ 5.00             | \$ 245,465      |
| 1919 | 49,562             | 2.00                | 99,124          |
| 1920 | 49,562             | 4.00                | 199,240         |
| 1921 | 49,562             | 4.00                | 199,240         |
| 1922 | 55,142             | 4.00                | 220,568         |
| 1923 | 55,142             | 4.00                | 220,568         |
| 1924 | 55,142             | 4.00                | 220,568         |
| 1925 | 55,142             | 4.00                | 220,568         |
| 1926 | 55,142             | 4.00                | 220,568         |
| 1927 | 55,142             | 2.00                | 110,284         |
| 1928 | 110,732            | 2.00                | 221,464         |
| 1929 | 141,541            | 4.00                | 566,164         |
| 1930 | 143,251            | 4.00                | 573,004         |
| 1931 | 159,047            | 4.00                | 636,188         |
| 1932 | 152,602            | 2.00                | 305,204         |
| 1933 | 152,602            | 1.00                | 152,602         |
| 1934 | 152,602            | 1.25                | 190,752         |
| 1935 | 152,602            | 2.50                | 381,505         |
| 1936 | 152,602            | 4.00                | 610,408         |
| 1937 | 152,602            | 4.51                | 688,320         |
| 1938 | 397,006            | 1.00                | 397,006         |
| 1939 | 397,006            | 1.10                | 436,706         |
| 1940 | 397,006            | 1.30                | 516,108         |
| 1941 | 397,006            | 1.75                | 694,761         |
| 1942 | 397,006            | 1.15                | 456,456         |
| 1943 | 397,006            | 1.15                | 456,456         |
| 1944 | 397,006            | 1.25                | 496,259         |
| 1945 | 397,006            | 1.25                | 496,259         |

## RUBBEROID PRODUCTS

|                                   |                                             |
|-----------------------------------|---------------------------------------------|
| Adhesion (Copolyth.) films for:   | Coal tar impregnated rag felt               |
| Boards                            | Coal tar pitch adhesive                     |
| Brake linings                     | Concrete primers                            |
| Cements                           | Flashing strips                             |
| Cloth facings                     | Road insulation board                       |
| Felts                             |                                             |
| Mill linings                      | Chemicals:                                  |
| Mitigated products                | Crude oil                                   |
| Paints                            | Naphthalene                                 |
| Papers                            | Tar acid oils                               |
| Slings and slings                 |                                             |
| Automotive Products:              | Felts:                                      |
| Heat insulation                   | Asbestos felt                               |
| Panel board                       | Automotive felt                             |
| Sound checking felt               | Carpet linings                              |
|                                   | Decking felt                                |
|                                   | Insulation felt                             |
|                                   | Rag felt for felt base floorings            |
|                                   | Rag felt for roofing products               |
|                                   | Slates' felt                                |
|                                   | Strong felt                                 |
| Boards:                           |                                             |
| Corrugated asbestos cement sheets | Floor Coverings:                            |
| Flat sheets of asbestos cement    | Carpet linings                              |
| Smooth asbestos cement board      | Felt base flooring felt                     |
| Flat board roof insulation        | Insulation felt                             |
|                                   |                                             |
| Building Papers:                  | Insulating Materials — Buildings:           |
| Reinforced kraft sheathing        | House felt                                  |
| Blue sheathing                    | Insulated felt                              |
| Red sheathing                     | Rock wool products                          |
| Weather proof sheathing           |                                             |
| Weather proof insulator           |                                             |
|                                   |                                             |
| Built up Roofing Products:        | Insulating Materials — Thermal:             |
| Asphalt adhesive                  | Asbestos cellular pipe coverings and blocks |
| Asphalt impregnated asbestos felt | Asbestos cement                             |
| Asphalt impregnated rag felt      | Asbestos laminated pipe coverings           |
| Asbestos reinforced felt          | Asbestos millboard                          |
| Blue slates                       | Asbestos paper (plain and corrugated)       |
| Cap sheets                        |                                             |
| Coal tar (rubbed)                 |                                             |

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## RUBBEROID PRODUCTS

|                                                           |                                                          |
|-----------------------------------------------------------|----------------------------------------------------------|
| Insulating Materials — Thermal:                           | Road Materials:                                          |
| (Continued)                                               | Pitch                                                    |
|                                                           | Road tar                                                 |
| Adhesion self insul                                       |                                                          |
| Pine pond insulating board                                | Rock wool Products:                                      |
| High temperature pipe coverings and felts                 | Dais                                                     |
| Magnesia (85%) pipe coverings and blocks                  | Blankets                                                 |
| Range boiler insulating jackets                           | Granulated wool                                          |
| Mineral wool blankets, blocks, felts, boards, and cements | Loose wool                                               |
| Sponge felt pipe coverings                                |                                                          |
| Wood felt pipe coverings                                  | Roofings in Roll Form:                                   |
|                                                           | Asphalt roll roofings                                    |
|                                                           | Cap sheets                                               |
|                                                           | Flashing strips                                          |
|                                                           | Kills surface                                            |
|                                                           | Mineral surfaced                                         |
|                                                           | Rag felt base                                            |
|                                                           | Sealed edge rolls                                        |
|                                                           | Smooth surfaced                                          |
|                                                           | Starting strips                                          |
|                                                           |                                                          |
| Insulating Materials — Electrical:                        | Slings:                                                  |
| Adhesion boards — plain and laminated                     | Asbestos cement                                          |
| Asbestos milled boards                                    | Asphalt (mineral surfaced)                               |
| Boards                                                    | Insulated asphalt brick                                  |
| Points                                                    |                                                          |
| Tape                                                      |                                                          |
|                                                           |                                                          |
| Packing Papers:                                           | Waterproofing Products:                                  |
| Laminated papers                                          | Cotton fabric impregnated with asphalt or coal tar pitch |
| Reinforced papers                                         | Integral compounds for ponding cement                    |
| Waterproof kraft papers                                   | Membrane waterproofings                                  |
| Case linings                                              | See also "Built up Roofing Products"                     |
|                                                           | Subway drains                                            |
| Paints, etc.:                                             |                                                          |
| Bulter and tank coatings                                  |                                                          |
| Concrete primer                                           |                                                          |
| Electric lacquers                                         |                                                          |
| Liquid film coatings                                      |                                                          |
| Non corrosive primers for metals                          |                                                          |
| Plastic and cement                                        |                                                          |
| Road coatings                                             |                                                          |
|                                                           |                                                          |
| Pipe and Pipe Line Products:                              |                                                          |
| Waterproof pipe wrapping felts (rag and asbestos base)    |                                                          |

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# BOARD OF DIRECTORS

HERBERT ABRAHAM  
C. F. BACHMANN  
W. C. COWARD  
C. E. DRECHOWITZ  
C. E. EVANS  
LOUIS HERSKOWITZ  
G. F. KERN  
S. P. MORSEY  
R. Q. POTTER  
R. M. RABINSON  
M. C. WILKINER  
STANLEY WILKINER

## OFFICERS

HERBERT ABRAHAM  
*President and Chairman of Executive Committee*  
S. P. MORSEY  
*Vice President*  
R. M. RABINSON  
*Vice President*  
STANLEY WILKINER  
*Vice President*  
G. F. KERN  
*Treasurer*  
K. H. HEDDER  
*Secretary*  
T. H. DRECHOWITZ  
*Comptroller*  
JOA L. GERS  
*Assistant Secretary*

## EXECUTIVE COMMITTEE

HERBERT ABRAHAM  
C. F. BACHMANN  
S. P. MORSEY  
M. C. WILKINER

## EXECUTIVE OFFICES

300 Fifth Avenue, New York 10, N. Y.

*Sales Office* - Baltimore, Md.; Chicago, Ill.; Erie, Pa.; Midla, Mass.; Montecapella, Minn.; Mobile, Ala.; New York, N. Y.

*Particulars* - Baltimore, Md.; South Broad Road, N. J.; Erie, Pa. (Lake and 16th Street plants); Gloucester City, N. J.; Eden, Va.; Joliet, Ill.; Midla, Mass.; Montecapella, Minn.; Mobile, Ala.; Port Neches, Texas; St. Louis, Mo.

*Arrangement with The Trust Company*

*New York Transfer Agent*  
BANK OF NEW YORK  
New York

*New York Registrar*  
THE CHASE NATIONAL BANK  
New York

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GAF 13696

Proxies for use at the annual meeting of stockholders to be held at the office of the company, South Broad Road, N. J. on April 27, 1945, at 1:30 P. M., will be requested by the management of the corporation at a later date. Beginning on or about March 30, 1945, proxies and proxy statements will be mailed to stockholders.

*The data herein are published solely for the information of the company's stockholders and employees. No statement in this publication shall be deemed to constitute a representation of any kind by the company.*