PLAINTIFF'S EXHIBIT WRG-1554

1940

...verall Mfg. Co. ... stock; par $20: ... outstanding, 12,-

PREFERENCES—Has preference as to assets and cumulative dividends. In liquidation, entitled to $20 per share and dividends.

CALLABLE—In whole or in part on any dividend date on 60 days' notice at $20 per share. Prior preferred stock may be retired before dividends can be paid on participating preferred or common.

VOTING RIGHTS—Has one-fifth vote per share.

OTHER PROVISIONS—Consent of at least 75% of prior preferred is necessary to create a prior or equal preferred stock; to mortgage property; to issue indebtedness maturing later than one year; to guarantee indebtedness; to sell assets or merge with another company.

Company may, without such consent, acquire property up to 60% of fair value thereof, subject to mortgage or refund any such mortgage.

DIVIDENDS—Payable quarterly, Mar. 1, etc. (first dividend payable Sept. 1, 1933).

No dividends paid.

ISSUED—Under plan dated June 26, 1933, together with participating preferred stock (see No. 2 below), to holders of old 8% cumulative preferred stock, in ratio of one new prior preferred share and one new participating preferred share for share of old 8% preferred.

2. Crown Overall Mfg. Co. 6% participating non-cumulative preferred stock; par $100:

AUTHORIZED—12,740 shares; outstanding, 12,740 shares; par $100.

PREFERENCES—Has preference over common as to assets and non-cumulative dividends and, after common has received dividends at rate of $5 per share for that year, participates equally with common, share for share, in further dividends. In liquidation, entitled to 110.

CALLABLE—In whole or in part at 110 on 60 days' notice on any dividend date after all prior preferred has been retired.

CONVERSION RIGHTS—On redemption of participating preferred stock, in whole or in part, the shares to be redeemed shall be convertible, share for share, into common stock within 60 days after notice of call.

VOTING RIGHTS—Has equal voting power per share with common.

OTHER PROVISIONS—Consent of at least 75% of participating preferred is necessary to create a prior or equal preferred stock, etc., as described under prior preferred stock above.

Without consent of 75% of participating preferred, company may not issue any more than 12,000 common shares, except for conversion of participating preferred into common nor amend articles of incorporation as provided.

Company may not purchase participating preferred while prior preferred is outstanding nor purchase common while prior preferred or participating preferred are outstanding.

DIVIDENDS—Payable quarterly, Mar. 1, etc.

No dividends can be paid hereon until all prior preferred has been retired or purchased on the open market.

No dividends paid.

ISSUED—Together with 6% prior preferred stock, to holders of old 8% preferred stock (see No. 1, above).

3. Crown Overall Mfg. Co. common; no par:

AUTHORIZED—12,000 shares; outstanding, 12,000 shares; no par.

DIVIDEND RESTRICTIONS—No dividend may be paid on common until all prior preferred has been retired and/or purchased and until 6% has been paid on participating preferred; thereafter dividends on common may be paid up to $5 per share. Participates in further dividends with participating preferred equally per share.

No dividends paid.

ISSUED—Under plan dated June 26, 1933, to holders of old $100 par common, one new no par share for each old $100 par share.

Transfer Agent: Central Trust Co., Cincinnati, Ohio.

Registrar: First National Bank, Cincinnati, Ohio.

DEWEY & ALMY CHEMICAL CO.

History: Incorporated under Massachusetts laws in 1919.

In 1933, company sold its entire 45½% interest in Dartex, A. G., Frankfurt A. M., Germany.

Walpole Factories, Inc. (formerly Multibestos Co., Walpole, Mass., acquired in May, 1930) was liquidated in Dec., 1935, after sale of its land and buildings. Prior to this, in 1934, practically all of its assets, other than land and buildings, were sold to Dewey & Almy Chemical Co. (Mass.).

In 1936, Multibestos Co. (Texas) was liquidated.

Subsidiaries: Controls Dewey & Almy Co., Mass. (formerly Multibestos Co., a sales company organized in 1934); Dewey & Almy Chemical Co. of Canada, Ltd.; Dewey & Almy Chemical Co. (Ill.) and Dewey & Almy Proprietary, Ltd. (Australia). Canadian subsidiary controls Dewey & Almy, Ltd. (Eng.).

Business: Manufactures sealing compositions for tin cans, machines for applying and drying sealing compositions, soldering fluxes, labeling adhesives, shoe soles and heels, soda lime, meteorological balloons, and other rubber specialties, sold under the trade names Dewalco, Gold Seal and Darex.

English subsidiary of Canadian company imports goods from Canada for sale in England.

Property: Plants located at Cambridge, Mass.; Oakland, Calif.; Chicago, Ill.; and Naples, Italy. Subsidiaries' plants located at La Salle, Quebec and Melbourne, Australia.

Officers: Bradley Dewey, Pres.; Charles Almy, Vice-Pres.; H. S. Ferguson, Treas.; H. L. Gilbert, Jr., Sec. and Clerk, Cambridge, Mass.

Directors: Bradley Dewey, Charles Almy, S. H. Lawton, Cambridge, Mass.; Merrill Griswold, A. L. Putnam, W. T. Snow, Boston, Mass.; H. S. Ferguson, C. H. Egan, Belmont, Mass.; P. L. Reed, Westwood, Mass.; A. Besse, New York; F. G. Allen, O. K. Anderson, Richmond Mayo-Smith, J. A. Lunn, T. T. Miller.

Annual Meeting: Second Monday in March.

No. of Employees: Dec. 31, 1938, 550.

Office: North Cambridge, Mass.

Consolidated Income Account, years ended Dec. 31:

Dec. 31:	1939	1938
Gross sales	$5,082,627	$3,793,373
Costs & exp.	4,088,403	3,314,889
Deprec. & obsol.	147,788	147,138
Operating profit	846,436	331,346
Margin of profit	16.65%	8.73%
Other income	34,059	42,267
Total income	880,495	373,613
Misc. charges	43,754	21,650
Fed. taxes, etc.	212,200	81,900
Net income	624,539	270,063
Pr. pref. divs.	--------	57,491
Preferred divs.	111,938	99,981
Common divs.	192,640	54,310
Surplus for year	319,961	58,281
Earn. surp., 1-1	474,460	441,420
Adjustments	100,000	25,242
Earn. surp., 12-31	694,420	474,460
Earn., pfd. shares	$28.32	$12.01
Earn., com. shares	2.65	[1]0.82
No. of pfd. shs.	22,054	22,494
No. of com. shares	193,535	191,775

[1]After dividend requirements on $5 preferred stock.

Sales and Earnings:

Year	Net Sales	Net Income	Earn. on Com.
1937	$4,335,544	$402,482	[1]$1.35
1936	3,647,401	341,557	[2]3.04
1935	3,918,713	345,671	[2]3.09
1934	3,393,202	236,189	[2]1.28

[1]Common and class B common.
[2]Common and class A common.

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1939	1938
Cash	$148,820	$127,988
U. S. securities	--------	100,031
Notes receivable	1,659	2,894
Accts. rec., net	449,419	292,679
Ins., cash val.	93,776	84,832
[1]Raw mat., etc.	714,137	431,358
[1]Fin. goods, etc.	439,082	345,814
Total current	$1,846,893	$1,385,596
[2]Ld., bldgs., etc.	1,114,604	950,066
Formulae, etc.	1	1
Prepayments	18,928	26,925
Total	$2,980,426	$2,362,588
Liabilities:		
Accts. payable	$319,787	$175,657
Tax reserve	212,200	81,900
Res. for losses	39,506	12,679
Accruals	65,435	76,133
Total current	$636,928	$346,369
Price decline res.	100,000	--------
Cont. redemp. res.	4,576	4,005
Deferred income	14,306	7,559
[3]$5 pfd. stock	1,110,556	1,132,713
[4]Common stock	240,440	218,283
Capital surplus	179,200	179,200
Earned surplus	694,420	474,459
Total	$2,980,426	$2,362,588
Net curr. assets	$1,209,965	$1,039,227

[1]Lower of cost or market.
[2]After depreciation and obsolescence: 1938, $1,344,327; 1939, $1,453,010.
[3]No par shares: 1939, 22,054; 1938, 22,494.
[4]Common and class B common no par shares: 1939, 193,535; 1938, 191,775.

Accounts certified by Lybrand, Ross Bros. & Montgomery.

Capital Stock: 1. Dewey & Almy Chemical Co. $5 cumulative convertible preferred; no par:

AUTHORIZED—22,500 shares; issued, 22,494 shares; converted into common stock, 440 shares; outstanding, Dec. 31, 1939, 22,054 shares; no par.

PREFERENCES—Has preference as to assets and cumulative dividends.

LIQUIDATION RIGHTS—In liquidation, entitled to $100 per share plus accrued and unpaid dividends.

CALLABLE—As a whole or in part at any time on 20 days' notice at $105 per share. Preferred stock may also be purchased or called for the retirement fund (which see).

VOTING RIGHTS—Entitled to elect two directors in the event a preferred dividend is in default for more than six months.

RETIREMENT FUND—Beginning in 1945, a sum equal to 5% of net earnings for previous year after deduction of all preferred dividends or a sum sufficient to purchase or redeem 2% of preferred stock outstanding on April 15, whichever sum is lower, must be set aside and used in each year for redemption or repurchase and cancellation of preferred stock.

CONVERTIBLE—Each preferred share is convertible into four common shares at any time prior to Jan. 1, 1942 and into three common shares thereafter and prior to Jan. 1, 1943. Provision for adjustment of the number of shares obtainable on conversion is made in case common or class B common stock is issued in addition to the number of shares of such stock now authorized.

OTHER PROVISIONS—Vote of two-thirds of preferred is necessary to create a stock having priority or on a parity with preferred stock.

PREEMPTIVE RIGHTS—Has no preemptive rights.

PURPOSE—Issued in Dec., 1938 in exchange for prior preference stock and class B preferred stock (see Capital Changes, below).

DIVIDENDS PAYABLE—Quarterly, Mar. 15, etc., to stock of record about Mar. 1, etc. (cumulative from Dec. 16, 1938).

Initial dividend of $1.25 per share paid Mar. 15, 1939. Regular dividends paid quarterly thereafter.

2. Dewey & Almy Chemical Co. common; no par:

AUTHORIZED—350,000 shares (increased from 37,600 shares to 40,156 shares in Apr., 1930, to 50,000 shares in 1930, to 65,000 shares in Dec., 1931, and to 350,000 in Sept., 1937); outstanding, 186,335 shares; reserved for conversion of preferred, 88,216 shares; no par.

In Sept., 1937 the formerly outstanding class A common shares were exchanged for shares of this issue on the basis of 3 common for one class A share.

VOTING RIGHTS—Has no voting power.

DIVIDENDS PAID—

Class A common:

1925	$1.00	1926	$3.00	1927	$4.00
1928	6.00	1929	[1]1.00	1930	0.50
1931-34	nil	1935	0.25	1936	1.00
1937	2.00				

Common:

1937	$0.15	1938	$0.30	1939	$1.00

[1]Also paid 900% stock dividend.

3. Dewey & Almy Chemical Co. class B common; no par:

AUTHORIZED—7,200 shares; outstanding, 7,200 shares; no par.

In Sept., 1937 the formerly outstanding common shares were exchanged for shares of this issue on the basis of 3 class B common for one common share.

VOTING RIGHTS—Has sole voting power, subject to preferred restrictions (see No. 1, above).

DIVIDENDS PAID—Same as common (No. 2, above).

Transfer Agent: Stocks transferred and registered at company's office.

Capital Changes: Company retired class A preferred and $7 cumulative preferred at 105 in Sept., 1937.

On Dec. 6, 1938, stockholders approved a proposal providing for exchange of $7 prior preference and $7 class B preferred stocks for a new issue of $5 convertible preferred stock, plus cash or common stock. Holders of $7 prior preference stock received a share for share exchange for the new convertible preferred, and received additionally either ½ share of common, or $10 in cash, while holders of class B preferred received for each share one share of new convertible preferred and ½ share of common.

Subscription Rights: All stockholders of record April 10, 1930, had right to subscribe to blocks of two shares of class A preferred (since retired) and one share of class A common (now "common") at $204.50 per block (includes $200 and $3.50 accrued dividends to June 1, 1930, for both shares of preferred.