1935 — No. 1.

On February 26, 1935 the regular quarterly meeting of the Board of Directors of The Ruberoid Co. was held at the office of the company, 500 Fifth Avenue, New York City. There were present Messrs. Herbert Abraham; W. B. Harris; Stanley Woodward; M. C. Whitaker; C. F. Batchelder; E. Q. Potter; Alex Jarecki; L. C. Rugen.

The President made a full report of the annual meeting of the stockholders of The Ruberoid Co. which was held at Bound Brook, N. J. on February 15, 1935, and stated that the present Board had been reelected with the addition of two new Directors, namely, S. P. Moffit and C. H. Smith, to fill vacancies, also that the total number of shares represented in person and by proxy at the meeting amounted to 103,036 representing 78% of the total number of shares issued and outstanding.

On motion duly made and seconded, Mr. M. C. Whitaker was appointed Chairman and E. M. Johnson Secretary of the meeting.

The resignations of S. P. Moffit and C. H. Smith as Directors of The Ruberoid Co. were presented and on motion duly made were unanimously accepted, same to become effective immediately.

The meeting proceeded with the election of officers for the ensuing year. On motion duly made and seconded, Herbert Abraham was unanimously elected President; E. H. Morris, T. M. Rianhard, Stanley Woodward, W. B. Harris and L. C. Rugen Vice Presidents; W. B. Harris Treasurer; G. F. Bahrs Assistant Treasurer; and E. M. Johnson was appointed Secretary.

On motion duly made and seconded, it was unanimously resolved that the present members of the Executive Committee be reappointed for 1935, viz: Herbert Abraham, T. M. Rianhard, M. C. Whitaker, C. F. Batchelder, W. B. Harris. Mr. Whitaker thereupon resigned the chair to Mr. Abraham.

The President read the minutes of the last quarterly meeting of the Board of Directors held November 27, 1934, also the minutes of the Executive Committee meetings held November 27, 1934 and January 22, 1935, which were unanimously approved.

The President presented the Balance Sheet as of December 31, 1934, also the Profit and Loss Statement for 1934, as prepared by Price, Waterhouse & Co., which on motion duly made and seconded were unanimously approved.

In connection with the foregoing, the President made the following comparisons between the 1934 and 1933 showings, viz:

(a) Net sales in 1934 amounted to $8,572,302. vs $7,053,034. in 1933, representing an increase of 21.5%.
(b) Gross operating profit in 1934 amounted to $2,238,932. vs $1,677,537. in 1933, representing an increase of 33.5%. In 1934 the gross operating profit amounted to 26.1% of the net sales vs 23.8% for 1933.
(c) Overhead expense in 1934 amounted to $1,752,109. or 20.4% of the net sales vs $1,543,224., representing 21.9% of the net sales in 1933.
(d) Operations in 1934 resulted in a profit of $415,807. (4.9% of net sales) vs $146,968. (2.1% of net sales) in 1933.
(e) Net current assets amounted to $5,479,081. in 1934, vs $5,424,207. in 1933, representing an increase of $54,874.
(f) Cash and securities amounted to $3,296,152. in 1934 vs $3,073,196. in 1933, representing an increase of $222,956.
(g) Inventories at the close of 1934 amounted to $1,781,965. vs $2,053,115. at the close of 1933, representing a decrease of $271,150.

The President presented figures showing the results of the Eternit business for the year 1934, and pointed out that the net sales of Eternit products increased from $549,146. in 1933 to $999,999. in 1934, amounting to 82.1%.

The President presented the Profit and Loss Statement of The Ruberoid Co. for January 1935, giving comparisons with the figures for 1931, 1932, 1933 and 1934 respectively, as follows:

January	1931	1932	1933	1934	1935
Net Sales (Less Deduct)	553,927	423,759	212,651	337,384	383,885 69-1/3% of 1931 90-1/2% of 1932 180-1/2% of 1933 113-3/4% of 1934
Profit or Loss	917	44,120	81,898	43,647*	37,935*

* Inclusive of Eternit

The President presented the Cash Statement as of February 23, 1935, as follows:

Bank balances	$1,033,186.19
Bonds	1,301,874.79
Tax Title to Pier Property (Lang)	2,885.60
Regular Demand Deposits	507,530.09
Savings Banks	13,759.72
	$2,859,236.39
Less minority interest (The Lang Company)	36,251.48
	$2,822,984.91

The foregoing showed a decrease of $271,124.66 from the Cash Statement reported at the last meeting of the Executive Committee held January 22, 1935, which is accounted for by $53,000. advanced to the R. & S. Purchase Corporation, $38,000. losses in January, plus February losses, increase in inventory, greater volume of accounts outstanding and decline in collections.

Mr. Harris reported that on January 25, $100,000. worth of New York State Notes had matured and that on March 1 there would mature $50,000. worth of 4-1/2% Bonds of the City of New York, and on March 15 $50,000. worth of U. S. 2-1/2% Treasury Notes. After full discussion and on motion duly made and seconded, it was resolved to purchase $100,000. of U. S. Treasury 3% Bonds due June 15, 1946-1948, and $100,000. of Home Owners Loan Bonds 2-3/4% due August 1, 1949-1939, at the market.

The President reported in detail the following subjects which had been discussed at the meeting of the Executive Committee held this morning: (a) Lang investments; (b) method of writing off retired machinery in closing our books for 1934; (c) method of figuring depreciation during 1935; (d) report on trade conditions; (e) counsel's report re listing of Ruberoid shares; (f) "silicosis" suits at St. Louis and contemplated steps in connection with safeguarding ourselves against dust hazards; (g) investigations regarding the manufacture of carbon dioxide and the addition of "rock wool" to our line of manufactured products.

On motion duly made and seconded, it was unanimously

> RESOLVED that a quarterly dividend of twenty five cents (25¢) per share be and hereby is declared on the capital stock of the company, payable March 15, 1935 to stockholders of record as at close of business March 1, 1935.
>
> FURTHER RESOLVED that the proper officers of this corporation be and hereby are authorized to deposit with The Chase National Bank of the City of New York as dividend disbursing agent, such sum as may be required to pay such dividend.

The President reported the further steps that had been taken in connection with the listing of Ruberoid shares on the New York Stock Exchange.

On motion duly made and seconded, it was unanimously resolved that Hannon & Evans be retained as general counsel for the company for 1935 at a fee of $4800. per annum, also that Lester F. Dittenhoefer be retained as patent attorney for the company for 1935 at a monthly fee of $333.33, the latter to remain in effect as long as Mr. Dittenhoefer's services are satisfactory.

Mr. Harris made a full report regarding the operations of the R. & S. Corporation and stated that up to February 25 we had advanced $233,500. to this company and that our purchases of home improvement paper during the last three months have been as follows: December $72,094.59 - January $52,046.24 - February to date $49,975.47.

The President explained the circumstances which resulted in an impasse in our negotiations with the Vermont Asbestos Corporation and stated that it will be unnecessary to ratify the purchase contract discussed in detail at the November 27, 1934 meeting of the Board.

The President also outlined the developments in Washington, as a result of conferences between the Department of State and the Belgian Commission and stated that he had received reports to the effect that the reciprocity trade agreement between the United States and Belgium would doubtlessly involve a reduction in the tariff duties on asbestos-cement products, at present amounting to 1¢ per lb. on colored materials and 3/4¢ per lb. on uncolored materials.

Mr. L. C. Rugen outlined the installations completed and under way at Bound Brook pertaining to the manufacture of asbestos-cement shingles, the new press for manufacturing flat and corrugated sheets, the blowing equipment for refining asphalts, etc.

On motion duly made and seconded, Messrs. Price, Waterhouse & Co. were appointed auditors for the company for 1935.

The meeting thereupon adjourned.

E. M. Johnson

Secretary