CASH (Continued):

Reconciliation of the First National Bank, East Chicago, Indiana (Continued):

COPY OF BANK CERTIFICATE

THE FIRST NATIONAL BANK IN EAST CHICAGO

EAST CHICAGO, INDIANA

April 14th, 1937

Mr. H. B. Fraser, Auditor
International Smelting and Refining Company
East Chicago, Indiaáa

Dear Sir:

This is to certify that the balance to the credit of the International Smelting and Refining Company, White Lead Department account, with this bank, as at the close of business March 31st, 1937, was $1,178.44.

Yours very truly,

THE FIRST NATIONAL BANK IN EAST CHICAGO

By - J. E. Miller (Signed)

Assistant Cashier

ACCOUNTS RECEIVABLE:

Customers Ledger:

Ledger Debit Balance, March 31st, 1937		$181,597.10
This balance is made up as follows:		
Not yet due	$139,313.11	
Past due (over thirty days)	42,283.99	
	$181,597.10	

Following is a list of accounts, which at March 31st, 1937, have been on the books for a period of ninety days or more, and also accounts which I believe some explanation is necessary.

(Continued)

N10158

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Aidner Paint and Wallpaper Company - Chicago, Illinois: $ 1.37

Balance represents discount taken on April, 1936 purchases, to which customer was not entitled. This balance will be charged off to "Discounts".

J. G. Beutler Company - Chicago, Illinois: $ 464.18

Balance due on invoices dating from May, 1936. Last purchase was made in October, 1936 and customer has made payment of $650.00 since that date, but of this amount $300.00 has been in N. S. F. checks. A very troublesome account and in future should be carried on a C. O. D. basis. Full recovery will be realized on this account.

B. G. Coffin Company - Chicago, Illinois: $ 48.00

Unpaid balance on invoice of September, 1936. This account is considered collectible.

Charles Dempter - Freeport, Illinois: $ 360.00

Balance dates from December, 1936. Customer is making monthly payments and account at July 15th was reduced to $150.00. Considered good.

Duro Paint Company - Cleveland, Ohio: $ 80.00

This account dates from April, 1936. As no satisfaction could be obtained from repeated letters and calls by salesmen, this account was turned over to the Chicago, Association of Credit Men in March, 1937 for collection. This account has not been transferred to "Uncollectible Accounts" and has also been omitted from "Overdue Accounts". As of June 30th this balance was reduced to $40.05.

See letter from Mrs Frazer [illegible]

Charles Goldberg - Newark, New Jersey: $ 30.15

Balance dating from October, 1936. I have called this account to Mr. Stolte's attention and he has instructed salesman in that district to try and make collection.

Lehr Hardware Company - Jackson, Michigan: $ 54.65

Balance of unpaid portion of invoices dating from July, 1936. Customer is making monthly payments and account should be cleared in near future.

(Continued)

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Kramers Paint Store, Inc - Chicago, Illinois: $ 691.89

This balance represents unpaid invoices dating from May, 1936. This concern is now operating under a creditors agreement, H. W. Cline, Manager of the Adjustment Bureau, of the Chicago Association of Credit Men, being appointed Trustee. This account has not been transferred to "Uncollectible Accounts" and has also been omitted from "Overdue Accounts". The last report, July 2nd, from the Trustee, indicates that the business will in time be able to clear up all old accounts. As of March 31st, this customer had a consigned stock of Lead in Oil amounting to $169.95.

E. U. Logan Glass and Paint Company - Billings, Montana: $ 840.91

Balance represents unpaid portions of invoices dating from May, 1936. This customer is always very slow pay, but account is considered good. Payment of current invoices is being made, together with some to apply against past due balance.

Louisville Paint Manufacturing Company - Louisville, Kentucky: $ 1.00

Error made by Cash Book Clerk in not allowing discount to the above named company. Correction will be made on this item.

The National Tile Company - Anderson, Indiana: $ 1.26

Amount due on freight charge of October, 1936. Have instructed customer to return original paid freight bill and upon receipt of same credit will be issued to clear this balance.

Pennsylvania Railroad Company - Philadelphia, Pennsylvania: $ 6.00

Unpaid freight claim of December, 1936. Collectible account.

Edward Possets - Cicero, Illinois: $ 304.22

Represents unpaid balance on invoices dating from June, 1936. The above was forced into involuntary bankruptcy in January, 1937, and our claim was filed March 3rd, 1937. This balance was not transferred to "Uncollectible Accounts" until June, and had also been omitted from "Overdue Accounts". It is felt that collection of this account is very doubtful.

(Continued)

ASSETS

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Realty Paint and Supply Company - Chicago, Illinois: $ 27.94

Balance dating from December, 1936. Account is considered collectible.

Rogers Park Paint Company - Chicago, Illinois: $ 47.94

Balance dating from December, 1936. Account is considered collectible.

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

Account dates from October, 1935. The above company refused to make payment claiming that materials furnished were of inferior quality. On June 11th, 1936 this account was placed in the hands of the Fifth Avenue Protective Association for collection. The Association was unable to get any satisfaction from the above named company, so account was turned over to an attorney to start suit. Case will come up for trial some time in October, 1937. This account had not been transferred to "Uncollectible Accounts" and has also been omitted from "Overdue Accounts".

Sterling Varnish Company - Haysville, Pennsylvania: $ 43.88

Balance in this account dates back to September, 1935 and covers cancellation of credit memorandum issued in error of commission on sales of materials to American Bridge Company. I was unable to locate any late correspondence pertaining to this account. Old correspondence indicates that the above company were very troublesome and we have discontinued doing business with them. This account is bad and should be cleared from the books.

J. B. Sullivan and Brothers - Chicago, Illinois: $ 20.50

Balance dating from November, 1935. There was no response to repeated letters and statements and account was turned over to the Chicago Association of Credit Men on July 22nd, 1936 for collection. Correspondence on file indicates that it may be necessary to bring suit in order to collect this account. This balance had not been transferred to "Uncollectible Accounts", also it has been omitted from "Overdue Accounts".

Whiting Motor Service - Whiting, Indiana: $ 3.61

Balance due on freight claim of June, 1936. This account was paid April 30th, 1937 and credited to Freight Claims in error. I have had the necessary adjustments made which will be reflected in July business.

(Continued)

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Uncollectible Accounts:

All accounts which are secured by securities, covered by claims, etc., are carried in "Uncollectible Accounts" until such a time as the exact status of the account is definitely established. The carrying of slow and doubtful accounts under the one classification tends to keep the books clear of any but active accounts. When definite status of account is known it is either cleared as paid or charged off to bad debts.

The following is a list of Uncollectible Accounts on the books at March 31st, 1937, and which unpaid or not charged off as of July 20th, 1937:

John P. Anderson - Manistee, Michigan: $ 58.45

An estate account dating from July, 1935. Account was placed in hands of an attorney but no results were obtained, so was turned over to the Grand Rapids Association of Credit Men. The last correspondence, May 17th, 1937, indicates that a percentage of balance may be recovered.

Belmont Paint and Supply Company - Chicago, Illinois: $ 157.06

Balance dating from April, 1936. This company filed voluntary bankruptcy in December, 1936. Our claim was filed on January 11th, 1937. Indications are that collection of this account is very doubtful.

Hackmeister Lind Company - Pittsburgh, Pennsylvania: $ 500.00

Balance dating from June, 1932. This company went into receivership in September, 1933, and our proof of claim was filed in December, 1933. The original claim was for $2,000.00 of which $1,500.00 was charged off in 1934 and 1935. The above balance is uncollectible and should be charged off.

Miles Paint Company - Yonkers, New York: $ 100.73

Unpaid balance dating from January, 1936. The above concern were given a consigned stock without a signed contract, and when forced into bankruptcy in April, 1936, all stocks, including Anaconda Lead Products Company consigned stock, were sold to satisfy creditors. Our proof of claim in the amount of $364.56 was filed in January, 1936. At December 31st, 1936, $200.00 was charged off and a final dividend of $63.83 was received in March, 1937. The above balance is not collectible and should be charged off.

See letter from [illegible] dated 7-3-

(Continued)

ASSETS

ACCOUNTS RECEIVABLE (Continued):

Customers Ledger (Continued):

Uncollectible Accounts (Continued):

Peptone Paints and Chemicals, Inc. - New York City, New York: $ 64.73

Unpaid invoice dating from July, 1936. Were forced into involuntary bankruptcy. Our proof of claim was filed in December, 1936. Can find no late correspondence in the file covering status of this account. Full recovery is doubtful.

Wellston Lumber Company - Wellston, Ohio: $ 69.25

Balance on invoices dating from May, 1935. Unable to get any satisfaction from repeated letters requesting payment and in April, 1936, account was turned over to the Chicago Association of Credit Men for collection. A payment of $15.00 was made on April 14th, 1936 which reduced account to present balance. The above company was placed in hands of receiver June 6th, 1936 and our proof of claim was filed November 17th, 1936. The last correspondence from the Receiver, May 25th, 1937, states that a 10% dividend may be expected soon. Full recovery of this account is very doubtful.

Companies and Individuals Ledger:

Ledger Debit Balance, March 31st, 1937 $5,411.76

All open items in this account were verified as being of a current nature.

NOTES RECEIVABLE:

Ledger Debit Balance, March 31st, 1937 $3,000.00

The following notes were found on hand, April 9thm 1937:

Date Issued	Date Due	Drawn by		Rate of Interest	Amount
12/19/35	12/19/37	M. W. Leep	No. 2	5%	$1,500.00
12/19/35	12/19/38	M. W. Leep	No. 3	5%	1,500.00
					$3,000.00

In December, 1935, M. W. Leep personally took over the indebtedness of the Wm. F. Zummach, Incorporated, Milwaukee, Wisconsin, an estate account, in the amount of $5,000.00. A cash payment of $500.00 was made and three notes of $1,500.00 each were given. Note No. 1 payable December 19th, 1936, was paid December 17th, 1936, together with interest on notes No's. 1, 2, and 3 to date.

(Continued)

ASSETS

NOTES RECEIVABLE (Continued):

Notes on hand are secured by Stock Certificate No. 952, 45 shares of $100.00 par value, of the Louisville Varnish Company, Louisville, Kentcky, issued to M. W. Leep and endorsed over to the Anaconda Lead Products Company. This certificate, together with agreement was found on file in this office.

M. W. Leep is Vice President and Treasurer of the Wm. F. Zummach Corporation who are Wisconsin state distributors for White Lead products.

The following notes were found to be on hand at April 9th, 1937, which had not been taken into account. These notes covered amounts of "Sales Commitments" on material invoices but not shipped. Instructions were given that these notes were to be taken into account as shipments were made.

See letter from HS Sr dated

Date Issued	Date Due	Drawn by	Rate of Interest	Amount
12/31/36	6/10/37	Atlas Paint & Wallpaper Company, Cleveland, Ohio	6%	$207.50 (1)
12/31/36	7/10/37	Atlas Paint & Wallpaper Company, Cleveland, Ohio	6%	207.50 (2)
12/31/37	8/ 9/37	Atlas Paint & Wallpaper Company, Cleveland, Ohio	6%	207.50
12/31/36	9/10/37	Atlas Paint & Wallpaper Company, Cleveland, Ohio	6%	207.50
				$830.00

(1) Note No. 1 together with interest was paid June 14th, 1937.

(2) Material was shipped on July 12th and in checking I found that as of July 19th note had not as yet been sent out. I called the to Mr. Stolte's attention and note was sent in for payment on July 19th.

TRADE ACCEPTANCES:

Ledger Debit Balance, March 31st, 1937 — $426.15

The following Trade Acceptance was found to be on hand at April, 9th, 1937:

Date Issued	Date Due	Drawn by	Amount
3/22/37	4/26/37	Thomas C. Mee & Company, Woonsocket, R. I.	$426.15

This Trade Acceptance was paid April 28th, 1937.

INVENTORIES:

Ledger Debit Balance, March 31st, 1937 — $195,929.43

This balance represents Inventories as of December 31st, 1936, and was verified as being made up of the following stocks.

(Continued)