

dairymen within the District of Columbia are men of amply means and believing that conditions above outlined are only temporary, are able to tide over the acute situation, believing that it would be to their best interest to do so because many of the smaller competitors will be forced out of the market.

Fifth. While your petitioner was not instructed so to do by the Court, he is nevertheless during the past few months of his operation been making inquiry to see what, if any, sale of the milk business of the defendant might be made with the idea of reporting the same to the Court; that rather satisfactory negotiations were being conducted with a large milk concern in New York, but that when the acute conditions which he has heretofore described arose these negotiations stopped with the assurance, however, that upon conditions becoming more or less normal, they would be resumed, and your Receiver would be in position to obtain an advantageous offer which he would report to the Court. Your Receiver has also kept in constant touch with the holders of the bonds of the corporation, apprising them of the general condition and of his problems and his efforts to secure an offer of sale.

Sixth. That prior to the \_\_\_\_\_ day of \_\_\_\_\_, and as will more fully appear from his former reports filed herein, your Receiver was able to conduct the milk business of the defendant Company at a slight margin of profit, but that since the \_\_\_\_\_ day of \_\_\_\_\_ and by reason of the said conditions, he is unable and will be unable to conduct said business without sustaining a substantial deficit, and that in his opinion the only possible way in which to pay roll of the defendant can be met and the assets of the defendant Company conserved and the business he conducted and kept going as a going concern, will be by borrowing a reasonable sum of money, which in his opinion should be four thousand Dollars (\$4,000.00) upon Receiver's certificates which shall have preference and priority over the mortgaged indebtedness of the defendant Company; that the deficit which now exists amounts to about \$2,500.00 that the said deficit is an apparent rather than an actual total loss to the defendant corporation for the reason that the petitioner has been compelled to expend a good deal of money in improving sanitary conditions of the defendant Company's plant, so that the same might meet the requirements of the Health Authorities of Maryland and the District of Columbia; and in so doing the property and assets of the defendant Company have been enhanced in value greatly in excess of the amount so expended in fact the business could not have been continued at all unless said betterments had been made by your petitioner. Nevertheless, your petitioner says that a deficit has occurred and will occur in the future until the milk conditions above described have assumed a normal tone.

Your Receiver has conferred with the holders of the majority of the bonds and the substituted trustee of the mortgage or deed of trust, who has heretofore intervened in this cause, and upon information and belief says that the said majority holders of bonds and the said substituted trustee coincide in your petitioner's opinions and views upon this subject and believes that said Receiver's certificates should be issued as will more fully appear from the consent of the substituted trustee to the granting of the prayers of this petition attached hereto and marked Exhibit "A".

Seventh. Your Petitioner attaches to this petition a detailed statement of receipts and expenditures from the date of his last report; to wit, the 10th day of August, 1916, to and including the 17th day of October, 1916, and marks the same Exhibit "B", and prays that it may be taken and read as part hereof. *Not Signed*

"EXHIBIT B"

IN THE SUPREME COURT OF THE DISTRICT OF COLUMBIA.