

P6193  
1898

# West Virginia Debt Settlement.

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## AGREEMENT

under which the Certificates will be deposited.

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### COMMITTEE.

JOHN CROSBY BROWN, CHAIRMAN,  
J. KENNEDY TOD,                      GEORGE COPPELL,  
CLARENCE CARY.

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### ADVISORY BOARD.

THOMAS F. BAYARD,                      EDWARD J. PHELPS,  
W. PINKNEY WHYTE,                      GEORGE G. WILLIAMS.

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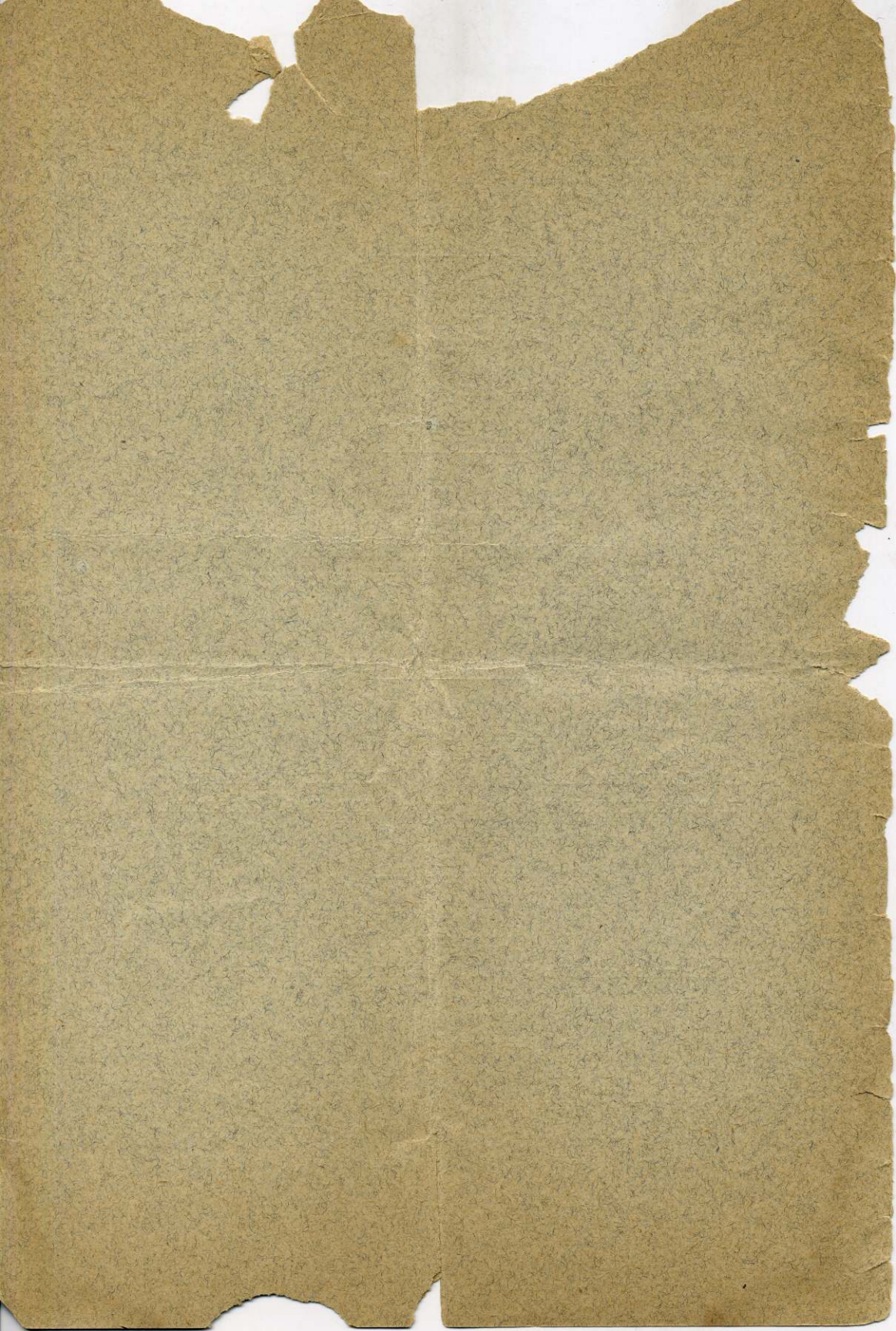
### DEPOSITORY.

BROWN BROTHERS & COMPANY, 59 Wall Street, New York City.

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SECRETARY OF COMMITTEE,  
ROBERT L. HARRISON,  
59 Wall Street, New York City.

COUNSEL,  
CARY & WHITRIDGE,  
59 Wall Street, New York City.



**This Agreement** between JOHN CROSBY BROWN, GEORGE COPPELL, J. KENNEDY TOD and CLARENCE CARY, herein styled "The Committee," parties of the first part, and such holders of the certificates herein mentioned as deposit hereunder, parties of the second part.

WHEREAS, the present State of Virginia enacted laws providing for issuing certificates for one-third of the debt of the original State, and more than \$12,000,000 of such certificates recite:

"That payment will be provided for in accordance with such settlement as shall hereafter be had between the States of Virginia and West Virginia in regard to the public debt of Virginia existing at the time of its dismemberment."

AND WHEREAS, it is believed that West Virginia's proportion of said debt, if ascertained as provided by the Ordinance under which Virginia was divided, is less than the amount of the certificates which have been issued by Virginia; and it is considered that, under such circumstances, neither State should, or will, incur any obligations respecting said debt unless its legislature has an undoubted guarantee that substantially all of the certificates will be promptly surrendered in exchange for whatever amount West Virginia agrees to pay and the creditors of West Virginia may agree to accept.

WITNESSETH:

1st. The following gentlemen shall constitute an Advisory Board in this behalf, to wit: Thomas F. Bayard, W. Pinkney Whyte, Edward J. Phelps and George G. Williams.

The function of said Board is to examine such plan of settlement as may be proposed by the Committee, representing the holders of the certificates, and submitted to

them in accordance with this agreement, and to state their recommendation thereof or the contrary.

Said board may add to their number, and any vacancy may be filled by the remaining members.

2d. The function of the Committee is:

(a.) To bring about the deposit, under this agreement, as far as may be practicable, of said certificates, or of the trust receipts heretofore issued to represent them.

(b.) To formulate a plan of settlement, and, after it has been recommended by the Advisory Board, cause the same to be published and submitted to depositing creditors for their acceptance as herein provided.

(c.) To act as agent of the depositing creditors in carrying out the purposes of this agreement.

(d.) The Committee shall appoint one or more depositories to receive said certificates or trust receipts, and issue therefor its proper receipt.

Subject to the restrictions herein, the Committee shall have power to perform any act to accomplish a settlement, and this includes power to make arrangements with either Virginia or West Virginia to insure the prompt surrender of all or any of the certificates in exchange for such amount as West Virginia may pay and her creditors agree to accept, and also includes power to execute, in behalf of the depositing creditors, any release or acquittance which will exclude any demand on Virginia beyond the amount she may receive from West Virginia; PROVIDED that no settlement shall be concluded until it has been recommended by the Advisory Board, and has also been submitted to creditors and accepted as follows, to wit:

(1.) As soon as a plan of settlement has been recommended by the Advisory Board, the Committee shall, before proposing it to the State, advertise for at least twice a week for three weeks in two of the

newspapers published in New York City and London, that a plan of settlement has been formulated, and notifying parties in interest where said plan may be obtained in said cities without cost.

(2.) If within thirty days after the first publication of said advertisement holders of a majority of the face value of the deposited certificates notify the Committee, in writing, either directly or through any depository, of their unwillingness to accept the proposed settlement, then said settlement shall not be consummated. If the Committee is not so notified within said thirty days, then it shall be assumed that the proposed plan, being satisfactory to a majority, is accepted by all the depositing creditors, and it shall be offered to said States or either of them to be carried into effect by appropriate legislation.

3d. After a plan of settlement has become effective (of which fact the declaration in writing of the Committee to the several depositories shall be conclusive), each depository shall, in the manner directed by the Committee, surrender to either State, as may be necessary, any or all of the certificates deposited with it, and receive in exchange therefor the amount or kinds of securities called for by the plan of settlement.

The amount so received in settlement shall be immediately delivered to depositing creditors, in accordance with the terms of settlement.

The Committee may arrange for the purchase and sale of such fractional interests as may be necessary to equalize distribution.

4th. Each depositor shall, when he receives his new bonds in settlement, pay to the depository, for account of the Committee, such a commission as the Committee may assess for the charges and expenses of settlement, including the compensation of the Committee, Counsel and Advisory Board, but such assessment shall in no event

exceed five per cent. in cash on the par of any certificate deposited under this agreement.

If the Committee decide at any time that a settlement satisfactory to holders cannot be promptly effected, they may publish a notice requiring holders to pay so much of twenty cents per \$100 of certificates as may be necessary to reimburse the expenses actually incurred by the Committee. Any certificate, assessment on which is not paid within six months after such notice has been published twice a week for three consecutive weeks in two of the newspapers in New York and London, may be sold by the Depository and the proceeds, after paying its assessment, held for the holder of its corresponding receipt.

Any certificate may be withdrawn from deposit at any time after October 1, 1902, upon payment of its *pro rata* of expenses, not to exceed twenty cents per \$100 of certificates, unless a settlement has been previously arranged, or unless an arrangement has been made with Virginia for obtaining a settlement with West Virginia.

5th. The Committee may add to their number, and any vacancy may be filled by the remaining members. By unanimous consent of the members of the Committee any member may act by proxy.

IN TESTIMONY WHEREOF, the Committee have hereto set their hands this 28th day of July, 1898,

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