

P 9838

# ROMNEY-MOUNTAIN ORCHARD COMPANY

W. B. CORNWELL, RECEIVER

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ROMNEY, W. VA., March 10, 1915.

MY DEAR SIR:—

Referring to my previous letter to you relative to the affairs of this Company, another copy of which I enclose to refresh your memory as to details, the Court is apparently willing for us to operate the property this year for the purpose of trying to make a substantial payment on its debts and effect an arrangement with the creditors whereby the Receiver may be discharged and the property turned back to the stockholders.

The trees are heavily set with buds and all danger from their being winter killed is now past. The buds are dormant and will not bloom early and only a very late freeze, such as we had in 1913, will prevent a big crop. All the peach trees will be in bearing this year and under normal conditions there should be a crop of at least 75,000 baskets.

If business conditions are such that even a moderate price can be realized I would hope that we could net \$20,000 to \$25,000. The Cable Railway being complete and the water system installed only the expenses of cultivation and operating would have to be met.

With these conditions and the present promising outlook it would be a wanton sacrifice to allow the property to be sold now, especially in view of the depressed market here for orchard properties by reason of a number of large properties having been forced on the market by the combination of circumstances and unfavorable conditions that brought our Company to a Receivership. This splendid property, so favorably situated, would eventually realize our early expectations, under normal conditions, which we can only hope will return with this season. Are you willing to help us save it for you?

To give it proper cultivation, spray the trees, buy packages and carry the property up to the marketing of fruit will require \$10,000 to \$12,000. The Court will authorize the issuance of Receiver's certificates, making them a lien on the crop and the personal property. The value of the personal property owned by the Company and unencumbered now is about \$6,000. These certificates will, therefore be secured. Because of conditions here we can not negotiate them locally. I therefore desire to know from you promptly whether you will buy of these certificates an amount equal to 25 per cent of your stock, 10 per cent of the amount subscribed to be paid April 1st, and 15 per cent June 1st, the certificates to be taken up with first proceeds of the crop.

If each of the stockholders will make such a subscription I will be in a position, and feel reasonably safe in saying, to save our property.

Otherwise I can only yield to the demands of the creditors for its sale, which, because of market conditions of orchard properties here, would mean its sacrifice and the loss of all we have put into it.

Those of the stockholders who have seen the property know its intrinsic value. Some are familiar with the combination of circumstances that have brought about its present financial condition. I may add that ordinarily my Brother and I would have arranged this financing without appealing to the stockholders but our heavy investments in other orchard properties that have, for similar reasons, been unprofitable the past three years, as well as the money we have advanced through the South Branch Development Company and our liability on this Company's paper, makes it impossible for us to care for this season's needs.

Will you not kindly write me at once and advise me whether you are willing to help by subscribing for some of the Receiver's certificates as above suggested so I may be in a position to know what course to pursue.

W. B. CORNWELL.

P. S. If our expectations of a crop are realized the certificates can be taken up by Sept. 15. If the crop should be killed by a late freeze the certificates would not be issued.



ROBERT MOUNTAIN GARDEN COMPANY

W. B. CORNWELL, RECEIVER

Roxbury, W. Va., March 10, 1915

My Dear Sir:

Referring to my previous letter to you relative to the affairs of this Company, another copy of which I enclose to refresh your memory as to details, the Court is apparently willing for us to operate the property this year for the purpose of trying to make a substantial payment on its debts and subject an arrangement with the creditors whereby the Receiver may be discharged and the property turned back to the stockholders.

The trees are heavily set with buds and all danger from their being winter killed is now past. The buds are dormant and will not bloom early and only a very late freeze such as we had in 1913 will prevent an early crop. All the great trees will be in bearing this year and under a good crop there should be a crop of at least 10,000 baskets.

If business conditions are such that even a moderate price can be realized I would hope that we could net \$20,000 to \$25,000. The Cash Highway being complete and the water system installed only the expense of cultivation and operating would have to be met.

The market conditions and the general outlook for the year are very uncertain. The market has been depressed by a number of factors, including the fact that the market has been forced on the market by the condition of circumstances and unfavorable conditions that brought our Company to a realization. This condition, however, would eventually result in a recovery of the market. We are not willing to help in normal conditions, which we can only hope will return with this season. Are you willing to help us save it for next year?

To give it proper cultivation, cover the trees, bag packages and carry the property up to the marketing of fruit will require \$10,000 to \$12,000. The Court will authorize the payment of Receiver's certificate making them a lien on the crop and the personal property. The value of the personal property owned by the Company and unencumbered now is about \$60,000. These certificates will, therefore, be secured. Because of conditions here we can not negotiate them locally. I therefore desire to look from you promptly whether you will buy of these certificates an amount equal to 25 per cent of your stock, 10 per cent of the amount subscribed to be paid April 1st, and 15 per cent for the certificates to be taken up with that proceeds of the crop.

If each of the stockholders will make such a subscription I will be in a position, and feel reasonably safe in trying, to save our property.

Other than I am only held to the demands of the creditors for its sale, which I believe a market condition of unencumbered property here would mean its receipt and the loss of all we have put into it.

Those of the stockholders who have seen the property know its intrinsic value. Some are of the opinion that the property is worth more than the present financial condition. I may add that ordinarily my brother and I would have arranged this financing without referring to the stockholders but our heavy investments in other orchard properties that have, for similar reasons, been unprofitable the past three years, as well as the money we have advanced through the South Branch Development Company and our liability on this Company's paper makes it impossible for us to care for this season's needs.

Will you not kindly write me at once and advise me whether you are willing to help by subscribing for some of the Receiver's certificates as above suggested so I may be in a position to know what course to pursue.

W. B. CORNWELL

P. S. If our expectations of a crop are realized the certificates can be taken up by Sept. 15. If the crop should be killed by a late freeze the certificates would not be issued.