

Sep 20, 1936

FRIDAY

Dear Dad:

Thanks for the enclosures from Johnson and Lovell. The latter writes like a dope but I gather that his own securities affiliate, Commerce Union Co., was co-underwriter of the Times bonds. That certainly makes the cheese, etc. Thomas obviously isn't on very intimate terms with Lovell or he would have gotten a more direct reply. I'm assuming you told Tobe what we wanted to know as I don't see how you could have broached the subject without showing your hand.

Now, if Tobe can get some real information from Lovell it ought to clear up matters a lot. Also the participation of the Commerce Union Co. in the financing should put us into closer touch, assuming we can interest them in salvaging the ~~cash~~ chestnuts Pierce seems to have in the fire. However, we can't move, or think of it, until we know just how Pierce stands with regard to ~~his~~ his senior bankers as well as his local second mortgage issue. I have written R.O. Mitchell for more particulars in regard to that.

I have checked with the AP here and find that the directors meeting will be the first week in October. I shall meet Thompson if it is at all possible and will do all I can to impress him favorably.

Read over old man Johnson's hooey and I believe that if he can find anyone foolish enough to buy the stock in that paper and assume its obligations he'll be lucky. If his press was ~~is~~ worth anything I don't believe he ever would have agreed to extend grace on Doc Walker and his pals until November 4. How does his suggestion strike you? It looks illegal to me for this reason:

He suggests we buy out these three principal directors. If they ~~if~~ were issued new stock for the funds they have put in they are entitled to pro rata consideration with other stockholders, and nothing more. Johnson would cancel most of the ~~earlier~~ earlier-distributed stock which I don't believe can be done legally. However, lord only knows how they have the books fixed.

On the other hand, if these three got no new stock they are merely creditors of the paper, like Dodson except that their claims are unsecured. In that status they'd have to take their chances of getting paid, like any of the rest of the birds the paper owes money to.

If I were you I'd write him that it will take a receivership to straighten that thing out and that otherwise we wouldn't be interested. When, as and if they clean it up thoroughly we would be glad to hear from them.

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You know,,even if I got the paper it would still have to be re-converted into a weekly as a tri-weekly is unfeasible in Madison. Dodson's press is not what I'd want for a weekly so he has very little to offer. I've about given up hope on the Tenn. Valley News because if I wanted a weekly I'd take the Cullman paper--a clean out if somewhat archaic property--in a big white county. The census showing of Cullman, as I recall it, was very good indeed.

I was much interested in your attempts to make something off of Mayer. Trust your trip was fruitful and that Rankin can set aside that transfer. Let me know how you came out.

With much love,

Devotedly,

Wm