



Athens, Alabama,- September 2, 1934.

Mrs. Thomas C. McClellan,
Elliston Apartments,
Nashville, Tennessee.

Dear Sue:

On the 23rd the Citizens Bank & Trust Company will have been in process of liquidation for three years. The dividends to depositors have been five in number. They have amounted to 55% of balances in the aggregate. The Superintendent of Banks, Hon. J.H. Williams, is giving evidences of a determination to bring this trust to a close at an early date. One evidence of this determination to close out the trust is the fact that he is negotiating with the local bank to sell it the Citizens Bank & Trust Company's banking house in Athens together with its bank furniture and fixtures at \$12,000.00. The outfit cost approximately \$36,000.00, but had been charged down from year to year until it was being carried at approximately \$25,000.00 when the bank was placed in liquidation. It is carried at \$25,000.00 now in the assets of the trust.

It is of such a nature and sort that it will have to be sold to a bank, if sold to advantage. At the same time, to sell it for \$12,000.00 seems to give the purchaser a considerable advantage in the trade. Nevertheless, it appears there is but one other alternative, to revive the charter of the Citizens Bank & Trust Company.

You probably realize that the capital of the Citizens Bank & Trust Company was lost in the depression. You know that it was placed in liquidation because of this impairment of its capital. In this time you have come to realize, I presume, that the three hundred shares, representing a par value of \$7,500.00, that you own are worthless. If you have not done so, then you should realize it now in the light of the determination of the Superintendent of Banks to dispose of the assets, as in the case named above, for their present cash market value. Right now their cash market value does not amount to enough to pay the balances of depositors in full,- 100%.

I want to present you a plan for reopening the Citizens Bank & Trust Company under its old charter, which has valuable provisions, provisions that the present law has made illegal. It seems needless to enumerate them here. I am presenting this plan to you and other stockholders in the Citizens Bank & Trust Company before presenting it to the Superintendent of Banks. He ^{may} not approve it, even if you as a stockholder in the closed bank do approve it. I present it to you before I present it to him in order to be able to tell him what I have reason to say can be done, if he should approve the plan.

Here is the plan: Have all old stockholders, such as you, pay in in cash \$31.25 a share on all of your stock, which we will for convenience term an assessment on you at the rate of 125%. You own 300 shares. It would cost you \$9,175.00 to pay the assessment. If all the old stockholders paid the assessment, therebeing 1200 shares outstanding, the total amount of cash thus realized would be \$37,500.00. This would be thus applied- Paid-up Capital- \$30,000.00- Surplus paid-in \$7,500.00. We then would go to the Superintendent of Banks

and ask permission to reopen the bank, assume payment of all unpaid balances and obligations of Citizens Bank & Trust Company, and be given possession of all of its assets.

I realize the possibility of your being unwilling or unable, if willing, to pay in your assessment as above outlined. It is essential to the carrying out of the plan, however, that something be done with your stock. As above stated, it appears to be absolutely worthless as things stand. The only way that I have been able to think of to make it worth anything now or hereafter is in the way I have set out hereinbefore. Even in that way it may not prove to be worth anything. The future alone can determine that. You will have to make the decision as to that on your own responsibility. I make no recommendation to you of it nor do I intend for you to take this letter to be anything more than an effort to acquaint you with the situation as to your interests as they appear to me. I may be mistaken about them. I must not be held to account for any decisions you make in this connection.

But supposing you decide not to pay the "assessment". (You must understand here that there has been and that there will not be any actual legal, binding assessment made on you for your stock. The word "assessment" is not used in this letter in its literal sense, but merely to try to convey an idea that is in a remote way what I mean by what I am writing you.) then and in that event will you sell all of your three hundred shares in Citizens Bank & Trust Company, having a par value of \$7,500.00, FOR SEVENTY-FIVE DOLLARS?

I shall be obliged to you for an immediate reply, if that is possible, since it appears that the sale of the bank's building, furniture and fixtures, a valuable asset in my rather unsupported opinion as far as the Superintendent of Banks appears to me to be concerned, may be consummated in the next week or so. If bought by the Limestone County Bank, it will want ~~it~~ to occupy it at once before the cotton season opens up here.

Sincerely yours,

Wm. S. Peebles