

Rocky Mount, N. C., May 22nd, 1885.

MY DEAR SIR:—

I deem it my duty as President of ROCKY MOUNT MILLS, to advise you fully, as to its condition, and to suggest, what seems to me, an easy solution of the apparently difficult problem—How shall we pay the debts of the Mills?

It will be seen from the statement of Assets and Liabilities, that the total indebtedness of the Mills now amounts to	\$82,040.40
that we have assets other than the Mills themselves, amounting to	28,268.99
leaving a Nett indebtedness of	53,771.41
Add to this 1500 Shares of Capital Stock, which I propose to value at \$5	7,500.00
making a total of	61,271.41

Now I propose to estimate the value of Rocky Mount Mills, including Cotton Mills, Grist Mill, Saw Mill, Store House &c., &c., with 346½ acres of Land attached at \$62,000.00, and I propose that all the Creditors of Rocky Mount Mills, other than the Judgment Creditors, surrender their debts against the Mills with interest to May 20th, 1885, and take in lieu thereof their value in Capital Stock of the Mills, this will give us a subscription to the Capital Stock of about \$41,400.00 to start upon—Then we propose to charge each share with Five Dollars in Cash making them worth Ten Dollars, this will give us an additional of \$15,000.00

add to this	41,400.00
and we have	56,400.00
this will leave to be raised	5,600.00
	62,000.00

this calculation puts the shares in the Capital Stock @ \$41.33½ per share, so that the 56,400.00 will take up 1,364 shares and leave 136 shares belonging to the new corporators to be, by them, sold or divided @ \$41.33½ which will pay the entire Capital Stock of the New Company, we will then have on hand, in cash, the amount paid in by stockholders 1,500 @ \$5 7,500.00
136 shares @ \$41.33½ about say 5,600.00
making a total of 13,100.00

with this we can pay the Pamlico Insurance and Banking Co. in full and leave a good payment to B. F. Newcomer. This will leave out of the New Corporation the assets of Rocky Mount Mills other than the 346½ acres, and with these assets we can pay the balance due to Newcomer and all our current expenses to date, so as to leave the Mills entirely out of debt, not owing one cent, and costing the New Corporators only \$62,000.00.

Now considering the fact that the Mills will be sold at public sale, on the first Monday in July, 1885, to satisfy the two outstanding Judgments, aggregating \$28,356.00 including costs to this date, and the further fact that if so sold the creditors will, in all probability, lose every cent they have against the Mills, I ask if any creditor or stockholder will hesitate to take this chance of putting himself on a plane with the Judgment Creditors, when it costs the creditors nothing and the stockholders only \$5 per share to make the shares now entirely worthless, worth \$10, and at \$10 a share to be placed on a level with the Judgment creditors. I suggest further that the stockholders, either, accept this proposition at once or surrender their stocks for cancellation and that the capital stock be reduced at the rate of \$5 per share, for every share so surrendered, thus allowing the creditors and the stockholders who desire to do so, to reorganize and prevent a sale under execution.

You will find on the back of this circular the amount you are entitled to in the capital stock and how and when the same is payable, under this plan. Please sign and return at once to me, if you favor this course. If the suggestions I here make are not accepted, I shall wash my hands of further responsibility as President, and say to the creditors and stockholders that each must look out for himself.

Awaiting your reply, I have the honor to be,

Very respectfully,

B. H. BUNN,

President.

I hereby promise and agree to subscribe to the Capital Stock of ROCKY MOUNT MILLS,
the sum of \$ 454.69 of which sum \$ is the principal and
interest of my claim against said Mills, and \$ 225.00 the value of my stock,
and \$ 228.69 the sum I am to pay in cash. This Subscription to be due
and payable when all of the Creditors, other than Judgment Creditors, shall have agreed
to the terms contained in the within Circular.

I hereby promise and agree to subscribe to the Capital Stock of ROCKY MOUNT MILLS,
the sum of \$ of which sum \$ is the principal and
interest of my claim against said Mills, and \$ the sum I am to pay in
cash. This Subscription to be due and payable when all of the Creditors, other than
Judgment Creditors, shall have agreed to the terms contained in the within Circular.