

LAW OFFICES OF
SPRAGUE, MOOT, SPRAGUE & BROWNELL,
45. ERIE COUNTY SAVINGS BANK BUILDING.

E. C. SPRAGUE.
ADELBERT MOOT.
HENRY W. SPRAGUE.
GEORGE F. BROWNELL.

Buffalo, N.Y. April 9th, 1896.

My dear Judge:-

I have your letter of April 7th, 1896, with reference to the Basis Publishing Company, and containing the By-laws of that Company.

I did not write asking for information because I doubted your word, but because I lacked information. I suggested that Mr. Tennant write to me, because he is your treasurer, and I wished information in authoritative form.

I have, however, reflected upon the matter and have concluded not to accept the stock. If my name appears upon the books of the Company as a stockholder, you will please have proper entries made to eliminate it. The reasons for my conclusion are these.- The certificate of stock to me is for \$800, while I only loaned \$500. In my hands, therefore, this \$800 of stock is not fully paid stock, even if it declares otherwise on its face. In the next place, greedy creditors often find it easy to attack stockholders and make them no end of trouble upon a claim that the stock which they hold is not fully paid stock, because they have not paid full value therefor, or because the stock was not issued to those from whom they obtain it, for full value. I have successfully defended enough suits of this kind to know that they can be defended, but I know, too, the trouble a little stock in such a Company may make one. I never had but one suit in my life, and that was for the debt of another person. I successfully defended it at an expense of four times what it involved, but I only succeeded by appealing the case.

Now, I do not wish to inconvenience or dishearten you in the least, and I suggest that you allow this stock to stand in your own name, and that you assign \$500 worth of it to me as collateral security for the \$500 which I put in. In that way, if your journal succeeds, as it seems likely to, you will get the profit on this transaction, and will be in position to take the stock when you like. If your journal does not succeed, I understand full well that you will be unable to repay the money, and I shall not cry. You know I put it in to help you, with the expectation that I might never see it again, and if I am disappointed in that respect, no one will feel better over that disappointment, unless it be yourself.

If these suggestions are not to your mind, I shall be glad to have you make such suggestion as may occur to you. Be assured I fully appreciate your generosity in making it \$800 instead of \$500. I appreciate, too, that your journal will probably be a success, as it is making headway a presidential year, when it is likely to have great influence, and obtain a great circulation. Therefore, believe me not ungenerous in feeling, in making the suggestion I have made.

I shall not write this to Mr. Tennant, and I will not say anything to Mr. Slicer or Mr. Howard till I hear from you on this subject. Meantime, I hold the stock you sent me, subject to your order.

With best wishes for yourself and family,
Sincerely yours,

To
Hon. A. W. Tourgee,
Mayville, N. Y.

