

SALSBURY CORPORATION

1161 EAST FLORENCE AVENUE
LOS ANGELES

Zone 1

E. F. SALSBURY

December 20, 1945

Colonel Roscoe Turner
Municipal Airport
Indianapolis, Indiana

Dear Roscoe:

Just to let you know I have not forgotten you, I am enclosing recent letter to our stockholders.

We have had to go through an awful lot of motions on our over all program. I have personally taken quite a beating in my own company, but things are looking better under this new set-up.

Hope to get East before long and will drop in on you.

Best wishes and good luck.



E. F. Salsbury

P.S. I will be glad to send you one of our airguns if you would care to have one.

SALSCOR COMPANY

formerly

Salsbury Corporation

Board of Directors

E. F. Salsbury

Ford W. Harris

Sherman Asche

Russell J. Wenger

F. K. Woll

Officers

E. F. Salsbury

President

F. K. Woll

Vice President
and Secretary

Russell J. Wenger

Vice President,
in charge of operations

F. C. Mitchell

Vice President,
in charge of engineering

Ferrill E. Robey

Treasurer

Plant and Office

1161 East Florence Ave.

Los Angeles 1, California

October 15, 1945

To Stockholders of Salscor Company
(formerly Salsbury Corporation)

Your company has passed through a period of transition during the past two years. Financial reports have been available to stockholders attending our annual meetings. For your current information, however, we enclose Balance Sheet as of June 30, 1945 and Profit and Loss statements for the year ended December 31, 1944 and the six months ended June 30, 1945.

Operations during 1944 reflect major adjustments and write-downs after transfer of the Motor Glide business to Avion Inc. under a license agreement of December 6, 1944.

Early this year it was decided to develop an air tool for use in the welding, automobile repair and certain other trades (descriptive bulletin is enclosed). The cost of developing this tool is largely reflected in the current operating losses during the first six months of this year. Substantially all costs are currently being charged to expense, few items being capitalized. Production of this air tool is expected to reach a profitable volume by the end of this year.

Your company has two licensees in good standing, as of this date - the Nutting Truck and Caster Company of Faribault, Minnesota and Avion Inc. of Los Angeles.

The Nutting license covers the right to use our patents in the manufacture and sale of industrial trucks in the United States and Canada. This licensee has made much slower progress than originally expected, due in part to the manpower shortage caused by the war.

The Avion license covers world rights for all applications and uses of our vehicle patents, except those rights covered in the Nutting license. Avion has aggressively carried on the development of a new, ultra-modern design motor glide and other items covered by the license agreement in addition to a six H.P. engine for use in the Motor Glide, industrial truck, etc. Substantial production is planned to be in full swing by early spring of 1946.

In organizing its new Motor Glide program, Avion called upon several key members of your company for assistance. As our interest is so closely tied with that of Avion, the directors of your company released Messrs. Woll, Thostenson, Kurtz and Salsbury to devote the major part of their time to Avion's new program. The latter has become Vice President in charge of sales and a director of Avion. Since the end of 1944 your President and Secretary have served without salary or other compensation from Salsbury Corporation.

The manufacturing operations of your company, consisting primarily of production of the air tool above mentioned, are in charge of an experienced production executive, Russell J. Wenger, Vice President. Mr. Wenger joined

our organization early in 1944. He was formerly in charge of manufacturing operations at the Bendix plant in North Hollywood with 1,000 employees under his direction.

Financial, accounting and office management is under the able care and supervision of Ferrill E. Robey, Treasurer. Mr. Robey joined our office force in 1937 and has been a loyal and dependable member of our organization since that date.

Sales for the air tool east of the Rockies are covered by a distributor arrangement with the Robinson Welding and Supply Company of Detroit, operating under the trade name of Salsbury Tool Company of Michigan. For the Western States, Mr. Wm. Coburn is in charge of Sales and is operating as an employee of the company, on a commission basis.

Mr. F. C. Mitchell has been semi-retired since undergoing a major operation early this year. However, he is available for consultation on engineering and financial matters. His assistance has been most helpful.

Our patent work is in the hands of Mr. Ford W. Harris, director. His counsel on patent, financial and general corporate matters has been of inestimable value to your company for many years.

The Company has 23 employees today. We occupy the plant leased five years ago at 1161 East Florence Avenue, Los Angeles. No change in facilities is planned in the near future.

Since the end of the war, Avion Inc. has fully retired from the aviation business and is devoted entirely to the development and promotion of the Salsbury Motor Glide business. As a result, Avion decided it would be advantageous to capitalize on the goodwill and trade value of the Salsbury name in the Motor Glide business and requested the right to use this name in its corporate name. Your directors concurred in this view and Avion has the right to use the name Salsbury during the term of our license agreement. Avion Inc. is, therefore, changing its name to Salsbury Motors Inc.

To avoid confusion of names locally, it was decided to change the name of Salsbury Corporation to Salscor Company. This has been accomplished by filing an amendment to our articles of incorporation with the Secretary of State in Sacramento. Your company, therefore, is now known as Salscor Company.

A new corporation, Salsbury Corporation Limited, was incorporated recently as a subsidiary of Salscor Company. It is being held in inactive status.

We look forward to operations in 1946, when royalty income and manufacturing operations are expected to earn a reasonable return on the capital invested in your company.

Sincerely yours,

E. F. SALSBURY
President
Salscor Company

SALSBURY CORPORATION

Balance Sheet as of June 30, 1945

A S S E T S

CURRENT ASSETS			\$27,568.41
Cash on Hand and in Banks		\$ 432.36	
Notes and Accounts Receivable		6,406.43	
Notes Receivable	\$ 3,038.60		
Accounts Receivable	4,159.71		
Total	<u>7,198.31</u>		
Less: Reserve for Bad Debts	<u>791.88</u>		
Inventories		20,729.62	
Air Tools	2,244.91		
Raw Mat'ls, Work in Process, Finished Parts	17,691.29		
Finished Contract Products	335.60		
Completed Machines	136.48		
Supplies	<u>321.43</u>		
	<u>Cost</u>	<u>Depr'n Reserve</u>	<u>Net Book Value</u>
EQUIPMENT			20,972.98
Office Furniture & Fixtures	\$ 3,755.01	2,314.50	1,440.51
Transportation Equipment	980.62	827.71	152.91
Factory Equipment	33,959.86	14,617.12	19,342.74
Patterns, Dies, Etc.	<u>36.82</u>		<u>36.82</u>
	38,732.31	17,759.33	
INVESTMENT--Capital Stock--Avion, Inc.			15,556.78
PATENTS DEVELOPMENT			108,137.06
Cost Accumulated Since Inception			132,195.81
Less: Reserve for Amortization			<u>24,048.75</u>
DEFERRED AND OTHER ASSETS			<u>16,343.45</u>
TOTAL ASSETS			\$188,578.68

SALSBURY CORPORATION

Balance Sheet as of June 30, 1945

LIABILITIES AND CAPITAL

CURRENT LIABILITIES			\$37,831.54
Notes Payable		\$20,850.00	
Citizens Bank	\$15,000.00		
Others	<u>5,850.00</u>		
Accounts Payable		7,213.35	
Merchandise Purchases	6,546.81		
Salaries and Wages Accrued			
Insurance Accrued	124.14		
Interest Accrued	93.75		
Other Accounts Payable	<u>448.65</u>		
Taxes Payable or Accrued		2,723.01	
County	961.23		
State	501.30		
Federal	<u>1,260.48</u>		
Equipment Purchase Contract		1,973.73	
Customers Deposits		<u>5,071.45</u>	
LONG TERM NOTE			9,000.00
CAPITAL AND SURPLUS			141,747.14
Capital Stock		62,463.00	
Preferred Stock, 1,479 shares, \$25 Par Value	36,975.00		
Common Stock, 127,440 shares, \$0.20 Par Value	<u>25,488.00</u>		
Surplus		79,284.14	
Paid-in	181,522.00		
Earned (Deficit)	(90,988.98)		
Profit and Loss 1945	<u>(11,248.88) *</u>		
TOTAL LIABILITIES			<u>\$188,578.68</u>

S A L S B U R Y C O R P O R A T I O N

Profit and Loss Statement
Six Months Ended June 30, 1945

		<u>TOTAL FOR 6 MONTHS</u>
NET SALES		\$61,882.93
COST OF GOODS SOLD:		57,031.93
Material and Direct Labor	\$43,545.14	
Manufacturing Expense	<u>13,486.79</u>	
GROSS PROFIT		4,851.00
GENERAL ADMINISTRATIVE EXPENSE		<u>9,700.78</u>
OPERATING PROFIT		(4,849.78)
RESERVE CHARGES		7,581.78
Leasehold Improvements	752.34	
Depreciation	2,753.01	
Bad Debts	154.71	
Development	<u>3,921.72</u>	
NET OPERATING PROFIT		(12,431.56)
OTHER INCOME, NET		1,182.68
Other Income	3,671.31	
Deductions from Income	<u>2,488.63</u>	
NET PROFIT		(11,248.88)

S A L S B U R Y C O R P O R A T I O N

Profit and Loss Statement
Twelve Months Ended December 31, 1944

		<u>TOTAL FOR 12 MONTHS</u>
NET SALES		\$183,893.20
COST OF GOODS SOLD:		169,223.99
Material and Direct Labor	\$129,934.20	
Manufacturing Expense	<u>39,289.79</u>	
GROSS PROFIT		14,669.21
GENERAL ADMINISTRATIVE EXPENSE		43,630.40
OPERATING PROFIT		(28,961.19)
RESERVE CHARGES		16,460.92
Leasehold Improvements	826.40	
Depreciation	7,331.40	
Bad Debts	459.68	
Development	<u>7,843.44</u>	
NET OPERATING PROFIT		(45,422.11)
OTHER INCOME, NET		23,215.36
Other Income	32,097.34	
Deductions from Income	<u>8,881.98</u>	
NET PROFIT		(22,206.75)