

SALSBURY CORPORATION

1515 EAST 75TH STREET
LOS ANGELES, CALIFORNIA

July 22, 1937.

Col. Roscoe Turner,
40 East Oak Street,
Chicago, Illinois.

Dear Roscoe:

Thank you for your letter of July 12th which I received a couple of days ago. We have been getting some additional publicity out here, and I am enclosing copy of last Saturday's society page of Herald-Express.

I expect to be in Chicago some time next week as I find it necessary to check up on the Kenosha situation. They failed to make their payment of \$2,000 on July 10th, and it will apparently be necessary to revamp that situation. I also find that a substantial amount of additional capital will be required to carry on this Motor Glide business as a whole and it is necessary that I take in some additional interests in order to carry on with this program. To date I have invested personally approximately \$70,000 in this business, which is about 7 times what I thought necessary when we had our original discussion. Unless something is done immediately I will find myself placed in a very embarrassing position, and I wish you would let me know by return air mail as to just what kind of an arrangement we can reach insofar as you and I are concerned.

I am enclosing herewith condensed balance sheet as of May 31st in order that you may appreciate the situation more fully, and, as I stated before, this corporation includes other activities in addition to the Motor Glide, which makes it rather difficult to set up our program along the lines of our original discussion.

I am sure that you will appreciate my position in this situation as it has been a very long, hard pull for me as I have devoted almost two years of my time to this project and invested a very substantial amount of capital in it, and at the present time the outlook is not overly bright. Before I make any definite commitment for additional outside funds I would like to know just where you and I stand together.



SALSBURY CORPORATION

July 22, 1937.

Col. Roscoe Turner.

If you have any capital of your own, or any of your associates are in position to consider additional financing, I will be very glad to hear from you along this line.

Kindest regards and best wishes,

Sincerely yours;

E. F. Salsbury

E. F. Salsbury.

EFS:K
Encl.

P.S. Tell Miss Lyons that I appreciate her note regarding the movie short. Many people saw it here in Los Angeles and it made quite a hit.

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

BALANCE SHEET

MAY 31, 1937.

A S S E T S

CURRENT ASSETS:

Cash on hand and in bank	\$ 5,558.93	
Accounts receivable	11,837.12	
Inventory	<u>22,241.59</u>	\$39,637.64

FIXED ASSETS:

Tools, dies, and patterns	3,735.00	
Shop equipment	429.97	
Automobile equipment	688.47	
Office equipment	957.50	
Experimental equipment	94.00	
	<u>\$5,904.94</u>	
Less: Reserve for depreciation	<u>472.65</u>	5,432.29

DEFERRED CHARGES TO OPERATIONS:

Office alterations, balance	567.58	
Prepaid insurance and taxes	384.56	
Prepaid expenses	862.50	
Cash deposits	1,505.25	
Advances to salesmen and other employees	2,174.88	
	<u>2,174.88</u>	5,494.77

ORGANIZATION, DEVELOPMENT EXPENSES, PATENTS,
AND RESULTS OF OPERATIONS TO MAY 31, 1937
(Exhibit II)

66,939.77

\$117,504.47.

L I A B I L I T I E S

CURRENT LIABILITIES:

Taxes payable	\$ 1,422.39	
Wages and salaries	198.58	
Notes payable	15,000.00	
Accounts payable	23,334.19	
Deposits on sales not delivered	6,509.18	
Miscellaneous	<u>395.68</u>	\$ 46,860.02

DUE OFFICER, (Investment of E.F.Salsbury)

70,644.45

\$117,504.47

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

INCOME AND EXPENSES
YEAR ENDED MAY 31, 1937.

INCOME:

Net sales	\$65,072.27	
Royalties	<u>1,500.00</u>	\$ 66,572.27

EXPENSES:

Materials	\$72,063.88	
Shop expense	439.76	
Rent	650.00	
Insurance	212.49	
Taxes	634.35	
Wages	6,615.38	

Salaries:

Salesmen	\$3,046.10	
Office	2,715.44	
Officers	<u>7,800.00</u>	13,561.54

Selling:

Commissions	\$1,881.07	
Traveling	1,883.10	
Automobile expense	74.19	
Advertising	6,042.88	
Freight outward	881.70	
Royalties	425.36	
Chicago office	476.08	
Miscellaneous	<u>148.62</u>	11,813.00

Administrative:

Automobile expense	\$ 164.89	
Traveling	1,867.98	
Office supplies and postage	1,857.04	
Professional services	1,715.43	
Telephones and telegrams	1,555.08	
Bad accounts written off	265.43	
Interest and discount - net	51.51	
Miscellaneous	335.58	
Depreciation	<u>472.65</u>	8,285.59

Organization, patents,
and development ex-
penses

	<u>19,236.05</u>	<u>133,512.04</u>
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Balance (Exhibit I)

\$ 66,939.77