

ROBERT HAGENOW CO.
HIDES AND SKINS
15 PARK ROW
NEW YORK, N. Y.

December 21, 1944.

The Honorable Stanley Forman Reed,
Associate Justice of the Supreme
Court of the United States,
Washington, D.C.

Re: Otis & Co. against
United Light & Power Co.

Dear Honorable Sir:

Please permit me as layman to state my opinion on the above case which probably is before you now, or will come before you shortly.

The plaintiff's assertion that the indenture of the preferred stock gives him a claim to the entire available assets because of the present liquidating value of the defendant company being admittedly insufficient to satisfy his claim and also regardless of the causes of the liquidation of the defendant company, is incorrect, erroneous and unfair because:

- 1) The cause of liquidation at this moment is by an Act of Government and neither voluntary nor by bankruptcy. An Act of Government like an Act of God abrogates all contracts, consequently also the written rights to the assets the plaintiff may have as per indenture of the preferred stock. (Precedent: Abrogation of "Gold clause" in the indentures of many bonds.)
- 2) Admittedly the value of the assets of the defendant are not enough to satisfy the preferred stock holders, let alone to leave something for the common stocks. This valuation, however, is based upon the liquidation value of today, but such valuation may change at a later date and there is a good chance that the value of the assets may increase later on to satisfy the preferred holder not only 100% but 150%. Should this happen, the preferred stock holders would profit unfairly, were all the assets of the defendant distributed now to the preferred stock holder, and the common holders would be wiped out.

Consequently, I consider it only fair and just that the judgement of the Lower Courts should be sustained.

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To Hon. Stanley Forman Reed

ROBERT HAGENOW, NEW YORK, Dec. 21, 1944

I extend to you the Season's Greetings and may God continue to bless you with His wisdom and good health and may the New Year bring us all a speedy victory.

Respectfully yours,

Robert Hagenow

RH:LM