

Feb. 16th. 1932.

J. E. McAllister Esq.
68 King Street, Toronto.

Dear Mr. McAllister :-

I have your latter regarding "Family Corporation"

The proposition is all right to work under after we get rid of the Surplus and Advances to Shareholders. I have had no reply from our Auditora in questions in my letter to them Jan. 19th. as to the amount that we would be allowed to write off, and as to the amount which could not be attacked. One of their men should be in the Valley within a few days and from him I should get some advice. As I see it at the present time, your scheme would not correct the difficulty of the Surplus as it now stands on the books. I think that if we made a move of this kind at this time they would be as hard as possible on the question of "advances to share holders"

I fully expect that they will make us pay taxes on all Advances since 1930 season. If this is done then there is, as I understand it, very little they can attack, except when the Company is finally wound up. In 1925 the Surplus shown on the books was about \$50,000. This is the amount I believe that they cannot attack, but it would remain as liability which would have to be faced at any time in the future when the Company is liquidated.

By winding up the present Company and opening up under a Private Company with the shares divided as follows, 25% to Dormer, 25% to Mrs. Goldie and 50% to James Goldie, would clean up the question of Surplus and Advances to Shareholders and put us in the position where we would pay only once on the profits of the Ranch. If this form of company could not be properly arranged to protect your interest, then I think that we would have to wind up the present Company, take out a new charter as a Public Co. and at the same time create another ~~Company~~ Private Company as above. This Private ^{Co.} would then lease ~~the~~ and operate the orchard.

The question we must decide now is, do we want to get rid of the \$50,000. Surplus or leave it to our heirs or successors to handle.

I wish that you would look into this problem and write me again with your advice as soon as possible.

Yours sincerely,

To
J. E. McAllister
R. S. Dormer.