Toronto Litho Co. Ltd.

STAR FLOUR
THE GOLDIE MILLING CO. LIMITED
AYR, ONTARIO, CANADA.

March 15th, 1910.

Mr. James Goldie,

Rainbow Ranche,

Okanagan Centre, B. C.

Dear Jim:

A proposition has been made to us recently, on which we will have to give a decision immediately, and I would ask you to consider it from your own standpoint and let us have your reply immediately by wire.

A Trust Company in Montreal has recently obtained options on all of the larger oatmeal mills in Ontario. Two of these mills have flour mills in connection--Tillson's and Flavelle's, with a total capacity of about 1100 barrels. The oatmeal capacity is 2000 barrels. They want more flour capacity and have made us a proposition to put our plants in with them. We have figured this out, and I have suggested that we give them an option at $150,000 for the three plants.

As our books stand the three plants are valued at $88,000. This would leave 92,000 of what is practically liquid assets. Add to this $150,000 sale and $45,000 of rest account and we could liquidate our business on the basis of $287,000. Deduct from this $2000, the value of warehouses along the lines which would be included in the $150,000 sale, also strike off $5000 for incidental reductions and call our sale $280,000. This would be equivalent to

selling our stock at 155 1/2%, your share being $28,000 and the girls' shares about $23,300.

You understand that this is an outright sale, and that we would be completely out of business, and those of us engaged at the present time in the business would have to look elsewhere for employment, but I do not think that we would find any trouble in earning as much as we are doing now, and besides that we could be assured of at least 4 1/2% on our cash capital. Aside from the above proposition, I personally have been offered the general managership of the whole concern with J. D. Flavelle as president. The question as to whether this would be a money making scheme is for me to consider on the proposition as above, but what you have to consider is: Are you agreeable to the selling out of our milling business at $150,000 for the plants? Please give this your immediate attention and wire me at once either advising acceptance or rejection.

Business has been very quiet, but I look for it to pick up in the course of two or three weeks. Our profits are not going to be anywhere as good as last year.

Yours truly,

G. E. Goldie.