When interviewed on April 27th, 1937, Mr. Ritchie said:

"When this company was re-organized in 1934, its assets were appraised and the interests of the various classes of investors in the company were revised upon an equitable basis in keeping with this appraisal. Holders of 'A' certificates were issued new 'A' certificates, bearing 4% interest, for 65% of their holdings and 'first recovery' certificates for the balance of 35%. The equity of these 'first recovery' certificates is secondary to that of the 'A' certificates. The original reserve fund capital now constitutes a third equity under the title of 'second recovery' certificates.

"On December 31, 1929 there was $84,000,000 in 'A' certificates outstanding. On December 31, 1934 this amount had been reduced to $16,000,000. This reduction of $68,000,000, however, was largely occasioned by the 35% write-down of the 'A' certificates. Today the 'A' certificates are outstanding in the sum of $8,800,000. This reduction of $72,000,000 since re-organization has been brought about by a consistent process of liquidation which is still in progress.

"During 1935 there was quite an amount of owned real estate traded for 'A' certificates. This practice, however, has now been discontinued.

"The company is not, of course, as yet on a free withdrawal basis, but as properties are liquidated, dividends are paid to those 'A' certificate holders who wish to withdraw."