

It might be in order to point out that some feeble efforts were made by Dr. Hall to sell stock in Raleigh Chemicals, Ltd., he engaging the interest of Skelton & Co. of Toronto, who apparently made no particular effort after its checking of Hall. Later, when Eucosone Laboratories, (Canada) Ltd. was formed, the offices of Jordan Securities Co. of Toronto was enlisted who made a commitment for \$10,000.00 the first month and \$25,000.00 for two succeeding months thereafter. Before their campaign began, the Ontario Securities Commission suspended their license for an offense alleged to be for selling stock (other than Eucosone) in the State of Michigan. Later negotiations were opened with the Miller Co. In submitting for approval to the proper authorities tentative arrangements with Miller it was suggested Skelton might be more preferable. Because of Skelton's precarious financial condition, nothing came of either suggested arrangement. No effort has been made looking toward further financing since February 1938. Prospectus submitted to the Securities Commission in 1937 was approved substantially as submitted. Authority for sale of stock, in whole or in part, is still outstanding.

Sales: Persistent sales effort was indulged in for a sustained period. Six travelling detail men were employed in Ontario, Quebec, Maritime Provinces and Manitoba. These contact men were engaged exclusively with medical and dental men. Executive activity, in addition to general supervision, was directed to wholesalers and jobbers in Proprietary medicines. No effort to engage interest in marketing these products, in any other part of the Empire nor in Canada other than the Provinces set forth in the foregoing, has been made.

Costs: Detailed Cost and Profit sheets applicable to most of the items marketed are attached. These Costs are all inclusive with exception of Executive salaries.

SUMMARY:

We have here a product, prepared in a number of convenient forms, of proven merit. A product of benefit to most of mankind and to animals as well. A product that can be sold through ethical and trade channels with more than a fair degree of profit. Much of the missionary work in making sales contacts has already been done. The reflection to earnings is one of conjecture, but surely with but a modest volume of business, the minimum earned on each outstanding share of preference stock up to 35,000 of its 50,000 authorized, is not an unlikely conclusion. In connection with stock now outstanding or committed for exchange, we have briefly the following exhibit:-

AUTHORIZED: 50,000 Shares Preference - 250,000 Common

Issued.....	50,000 shares	Preference	1400
As subscribed and paid for	"	Common	2800
Attorney Fees (Raleigh Chemicals, Ltd. settlement)	"	Preference	200
	"	Common	400
Roy E. Saunders (Assignment from Charles Bennett-exchange for cash)	"	Preference	2801
	"	Common	5602

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