NOTE.—It will be observed that, after deducting Management salaries, all expenses, providing for bad and doubtful debts, and annually writing off 7 per cent. for depreciation of plant, the net profits have been at the rate of $45,669.91 per annum. In consequence of increased business of the past nine months it is estimated that the net profits for the current year will be over $60,000, and continue to largely increase, so that the $28,000 required to pay the 7 per cent dividends upon the First Preference Stock is more than assured.

DISTRIBUTION OF PROFITS—RESERVE ACCOUNT.

The First Preference Stock is entitled to preferential (cumulative) dividends of 7 per cent per annum payable **quarterly** on **March, June, September** and **December** the **First**.

Of the remaining profits, not less than 10 per cent nor more than 20 per cent thereof, shall be transferred to a reserve account to better ensure the above mentioned dividends (to be used in the business of the Company), and this policy is to be continued until the reserve reaches 20 per cent of the First Preference Stock issued and outstanding, at which sum it will be maintained, and if drawn upon will in like manner be restored.

The Second Preference Stock is non-cumulative and is entitled to dividends out of the then remaining profits up to 5 per cent per annum payable yearly. After which all three Stocks—**First and Second Preference and Common**—are entitled to **participate equally** in any further profits of each fiscal year.

In the event of the liquidation or dissolution of the Company the **First Preference Stock** is to be paid in full before anything can be paid on the Second Preference, and the **Second Preference** then stands next for payment in full before anything can be paid on the **Common Stock**.

These provisions make the First Preference Stock unusually attractive, as its own 7 per cent. (cumulative) dividends and safety are not only guarded, but the Directors of the Company believe it **will be earning and paying larger dividends in a comparatively short time**.

MANAGEMENT OF THE COMPANY.

The Directors and Managers of the Company are gentlemen of standing and **long experience** in this class of business, inasmuch as all of them were **instrumental** in making the old firms such a **substantial success** and their goods so favorably known from one end of Canada to the other.

WORKING CAPITAL, Etc.

The Company, after all adjustments are made, will have a working capital of $125,000, besides $100,000, of First Preference Stock in the treasury; will have no liabilities, mortgages, **or debts of any kind,** and will possess a **union of the three businesses profitably established for upwards of forty years,** during all of which time the manufactured goods and standing of the firms were of the highest class.

TORONTO STOCK EXCHANGE.

Application will be made in due course to have the **First Preference Stock** listed on the Toronto Stock Exchange in the usual way.

LETTER FROM MR. EMIL C. BOECKH

Attention is directed to the annexed letter from **Mr. Emil C. Boeckh, of Toronto,** the President and General Manager of the Company.

TORONTO, Sept. 28th, 1901.

HON. GEO. E. FOSTER, Vice-President and General Manager,
The Union Trust Company, Toronto.

"Dear Sir,—In connection with the issue of the Prospectus and Stock of **United Factories, Limited**, it may prove of interest to "add a few words as to "WHY WE UNITE."

"The primary object has been to give permanence to a line of industries which have grown up with the country, and which through "consolidation will continue to grow without fear of the interruptions which are liable to occur in an ordinary company or partnership "business.

"These industries are, in their very nature, difficult ones to establish, requiring technical knowledge, perfect organization, and careful "attention to details, so that the possibility of undesirable competition is reduced to a minimum

"Arrangements have been made to retain the present managers, who are all interested very largely in the financial success of the "Company through holdings of shares acquired in the transfer of their respective businesses.

"Through many years' connection in the markets of the world, for the buying of Bristles, Broom Corn and other raw materials, and "possessing important timber limits, through which its lumber is acquired at first cost, and through extensive additions to its plant already "made, the Company will be in a position to greatly increase its business and profits in the future.

"An important objective point which the new Company will achieve is the manufacturing and marketing of a better article than has "been possible in the past, and **at no increase in cost.**

"There are no articles in general use better known to the trade and consumers in Canada, than **Boeckh's Standard Brushes and** "**Brooms, Bryan's London Brushes and Cane's Newmarket Woodenware**, and the Company holds a most valuable asset in these "well and favorably known brands. **Brushes and Brooms** are in demand in every home, warehouse, factory, mill, stable and public "building, and on boats, railways, farms, etc., and are distributed through dealers in hardware, paints and oils, groceries, harness, drugs, etc., "and the Company has a very strong connection with the leading houses in these lines. Owing to the rapid development of the packing indus- "tries of the Dominion, both for export and for home consumption, the Company is assured of a **constantly increasing trade** with pork "packers, confectioners, canners and manufacturers of pickles, paints, oils, varnishes, syrups and jams, all of whom are very large consumers of "wooden packages of all kinds.

"**Judicious advertising**, one of the secrets of modern business success, will form an important feature in the policy of the "Company.

"It is a well-known fact that after passing a certain point, **and which we have passed**, increased business can be done with "comparatively little extra expense, thus assuring greater profits while the retail prices are not disturbed.

"**The First Preference Stock** is strictly a safe investment, which will earn a practically guaranteed dividend of 7 per cent., and "owing to the provisions made for participation in further profits, and judging from our steadily increasing business, **I am of opinion the** "**First Preference Stock in a reasonable time will be earning and paying 8 per cent. and higher.**

Yours very truly,

EMIL C. BOECKH."

SUBSCRIPTIONS FOR STOCK.

The Directors and their associates **have taken $200,000 of the First Preference Stock at par.** It is their intention **to hold the stock**, and in the meantime have mutually agreed in writing to withhold it from the market. They have also taken the whole of the Second Preference Stock, **thus leaving only $200,000 of the First Preference Stock** for sale, which is now open for public subscription.

TERMS OF SUBSCRIPTION.

A deposit of 5 per cent. is to be made on application, 25 per cent. on allotment, and the balance in two instalments of 35 per cent. each in one and two months respectively from date of allotments, but subscribers may make payments in advance, and will be entitled to dividends from such advanced dates. If no allotment is made the deposit will be returned without deduction, and if a partial allotment is made the deposit will be applied towards the payments of the instalments. The first dividend for the broken period and quarter will be made on March 1st, 1902.

SUBSCRIPTIONS RECEIVED.

The Union Trust Company, Limited, is authorized to receive subscriptions for shares of the said $200,000 First Preference Stock at par. Application may be made personally or by ordinary letter addressed to The Union Trust Company, Limited, Temple Building, Toronto. Make all cheques payable to the said Company. The books will be closed within seven days.

Head Office, Toronto, October 5th, 1901. UNITED FACTORIES LIMITED.