

April 17, 1947

For your information, in case Mr. Buck or anyone else has not advised you, here are some late developments in the Globe Aircraft matter:

Liquidation proceedings, which started Tuesday, will be continued before Glenn Smith, referee in bankruptcy, tomorrow (Friday) at the Federal Courthouse.

The major issues before the referee Friday will be determining the status of claims of the RFC and of the Texas Engineering and Manufacturing Company. Both are seeking to foreclose. RFC ~~has~~ has a claim on about 80 per cent of the physical properties. TEMCO has a claim on 100 or more airplanes.

Within the last 48 hours an additional \$485,000 in federal tax revenues claims have been filed. A claim for \$118,000 in tax revenues previously had been filed.

All of which evidently means that the stockholders---all of them, common and preferred---are completely washed out, probably won't get a dime, unless they recover something through suits against the underwriters.

Understand now that a receiver, or liquidating officer, probably will not be named for 10 days or two weeks.

No indication as to who the receiver might be. Understand that Mr. Norris, the present trustee, is not interested. Mr. Newman has not committed himself one way or the other. Mr. E.N. Ratliff, a Fort Worth man ~~and~~ formerly with the First National Bank, has ridden out the entire storm at Globe and knows the situation from A to Z, also would make a desirable liquidation officer.

Will write Mr. Gerard after the hearing Friday, since I promised to keep him advised.

--Richhart