

H.W.Cannon
PRESIDENT
Wm.H.Porter
VICE PRESIDENT
J.T.Mills Jr.
CASHIER

The Chase National Bank

New York, Jan. 18th. '97

James J. Hill Esq.

St. Paul, Minn.

Dear Mr. Hill:-

Messrs J.P. Morgan & Co have made a final adjustment of accounts under syndicate contract for the reorganization of the Northern Pacific Railroad Company and I hand you herewith copy of notice which I have received from which it appears that they complete their accounting by levying an assessment of 6% on the face of the subscription, making a total of 16% paid in.

Upon receipt of the 6% certain securities, consisting of Four per cent Prior Lien Bonds, Three per cent General Lien Bonds and shares of the new preferred and common stock will be delivered to the various members of the syndicate subject to syndicate control in accordance with Sec. 13 of the Syndicate Agreement. This section provides that the syndicate managers are authorized to sell the securities held by the members of the Syndicate at any time during the ensuing year at such prices as they think proper, and whenever sales are made they are to call upon the various members of the Syndicate for a proportionate share of the securities.

At the present market prices of the securities the profit on the par of the syndicate subscriptions amounts to about Six and two-thirds per cent (6 $\frac{2}{3}$ %) This, of course, is subject to fluctuation in the the securities and also subject to any difference that may arise from sale of the same from time to time during the ensuing year.

Unless otherwise instructed I will make payment of the \$50,000 on your account on February 1st. and either make a temporary loan here or you can instruct Mr. Nichols to give me a check, as may be most convenient, and I will receive from Messrs J.P. Morgan & Co the securities subject to the Syndicate Agreement and place same in special deposit in our vault. I have notified Messrs Moore & Schley and the other parties in interest in order that this last assessment may be paid and my subscription as Agent closed.

Yours Faithfully,

Agent.

H.W. Cannon

J. P. MORGAN & CO.,

P. O. Box 3036.

New York, January 15th, 1897.

H. W. Cannon
New York City

NORTHERN PACIFIC REORGANIZATION SYNDICATE.

Dear Sir,

We have the pleasure to inform you that we are now prepared to make a final adjustment of the accounts under the Syndicate contract for reorganization of the Northern Pacific Railroad Company.

In pursuance of this, we have charged to the Syndicate account, as of the 31st of December last:

1. Under Section I.

\$7,775,000 Prior Lien 4s,	}	For \$9,000,000 in money.
1,173,000 General Lien 3s,		
11,487 Shares new Preferred Stock,		
108,809 Shares new Common Stock,		

Also of the stock which the Managers were authorized to offer to the stockholders of the old Northern Pacific Railroad Company on payment of the so-called "assessment," but not taken by the stockholders and therefore to be paid for by the Syndicate:

8,060 Shares new Preferred Stock (out of 176,192 shares)	}	costing, \$2,283,280.00 "
149,532 Shares new Common Stock, (out of 666,192 shares)		

2. Under Section II.

\$3,031,000 General Lien 3s,	1,818,600.00 "
Making a total requirement of,	\$13,101,880.00 "

In reduction of this amount we have sold

\$3,275,000 Prior Lien 4s, netting	\$2,779,381.44
20,000 General Lien 3s,	9,998.56

Or together,	2,789,380.00 "
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Which, deducted from the above, leaves,	\$10,312,500.00 "
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to be paid by the Syndicate, for which amount we hereby call upon the Syndicate, payable on the 1st of February next.

Your participation is $\frac{5}{13}$ of the following figures.

Your participation in the Syndicate being out of a total of \$45,000,000, your contribution under this call is

\$ 1,300,000.

We are prepared to receive in part payment therefor, the participation receipt issued to you under our call for temporary advances, August 1st, last, for

\$ 130,000.

with interest from that date

to December 31st, 1896, say \$ 3,250.

in all

\$ 133,250.

Making the net amount payable by you

\$ 164,666.67

Fractional amounts of the new securities will be adjusted in cash at the time of your payments.

We shall, at the time of payment of this call, be prepared to pay the commission of \$3,000,000 due the Syndicate, of which your share on the above basis is

\$ 86,666.67

Your proportion of the securities, which will be delivered at the same time is as follows:

\$ 130,000

4% Prior Lien bonds,

\$ 120,871.11

3% General Lien bonds,

565 shares new Preferred stock,

7463 shares new Common stock.

These securities are to be held by you until further notice, subject to the Syndicate control, in accordance with Section 13 of the Syndicate Agreement.

Trusting the result will be satisfactory to you, we remain,

Yours very truly,

J. P. MORGAN & CO.,

DEUTSCHE BANK OF BERLIN,

} Syndicate Managers.

by