"returns on the property actually worked.
"The mines with their present equipment of buildings, tools, and facilities for transportation, are of immense intrinsic value, and afford full and ample basis for an almost unlimited amount of business, and I would therefor suggest the propriety of augmenting the resources and facilities of the Company, by disposing of such portion or portions of the property as are unnecessary for its profitable and successful business."

"It is believed, however, that the increasing value of that portion of the property undeveloped is more than equal to the deficiency in revenue.

"Still, as immediate and regular semi-annual returns are desired, the remedy is as already suggested, in disposing of portions of the land, or, if preferred, leasing on royalty, or both."

"In conclusion, I would state, that on my accepting this office, I invited the stockholders to come and examine into the business and transactions of the Company. I again solicit the exercise of that right and duty before giving credence to any casual report calculated to depreciate the value of your property."

Which said report was approved of by the stockholders at said meeting, and unanimously adopted, and was placed on the files of said complainant, and published by it.

And this respondent says, that, on said report being made, the said stockholders, at their said meeting, unanimously passed and adopted a resolution, of which the following is a copy:

"Resolved, That the President and Directors be and they are hereby authorized and empowered to sell and convey, or otherwise dispose of, such portion of parcels of the property of the Company as they may deem advisable; and also to institute and carry into effect such other measures as they may think proper for the interests of the Company."

Which said resolution was duly recorded in the book of minutes of the said complainant.

This respondent says, that the said resolution was not presented by this respondent, but he says, that the same was, as he believes, presented by Hezekiah B Loomis, and was drawn in pursuance of request and solicitations made by stockholders of the complainant then residing in Connecticut.

This respondent says, that nothing was immediately accomplished under the said resolution last mentioned, in selling said lands, or any of them, for the paramount reason, among others, that the said Bonds of the complainant, amounting to over $500,000, and secured by a Mortgage Deed upon all the coal lands, railroad and railroad equipments of the complainant (a copy of which said Mortgage Deed is hereto annexed, marked Exhibit No. 6.) were to mature on the 1st day of January then next, and it was then certain that the complainant could not pay the same at that time, and it soon became eminently probable that the complainant could not succeed in getting the same extended, it was therefor apparently unavoidable that the said Mortgage Deed would have to

be foreclosed, and a judicial sale of the entire property ~~thereby~~ covered thereby, be made, for the payment of said Bonds, and it was therefor uncertain whether the complainant could give any valid title to the said property; and during the continuance of this uncertainty, and up to and until the final consummation of the extension of the said Bonds as hereinafter stated, it was practically impossible for the complainant to sell any of its lands, and nearly impossible from the continuous and absorbing efforts of the President and Directors to prevent such foreclosure and sale, for them to give any attention to the carrying out of the said resolution of the stockholders of the 4th of June, 1855; and therefore, nothing was done under said resolution until after the completion of the arrangement to extend said Bonds, and until the necessities of the said Company had become very urgent; and in or about the month of September, 1855, the President of said Company was requested by Mr. David Watkinson, then one of the largest holders and owners of stock in said Company, to visit him in Hartford, for the purpose of conferring on the subject of the policy to be pursued by said Company in its financial affairs, and with reference to its large amount of lands; or that this respondent should be sent; that this respondent, in consequence of the engagement of said President, did visit Hartford for the purpose aforesaid, and the said Watkinson, and other stockholders of said Company, of Hartford, met at the house of said Watkinson, and urged upon this respondent their conviction of the necessity of disposing of a large portion of the coal lands of the complainant; and insisted that this respondent should bring up the matter before the Board at the earliest opportunity, in pursuance of the said resolution of said stockholders, of June 4th, 1855; and this respondent then, in consideration of the large interest of said Watkinson, and of his earnest solicitude to that effect, and of the requests of other stockholders, pledged himself to endeavor to effect said sale, and to bring the matter before the Board at the earliest opportunity.

And this respondent says, that in consequence, and in pursuance of the desire and request of the stockholders as aforesaid, he offered, on the 9th day of Oct., 1855, at a meeting of the complainant's Board of Directors, the following resolution:

"Resolved, That the President appoint a Committee of of Five Directors whose duty it shall be to proceed to the Company's property in Maryland and ascertain how much and what part of their coal lands can be sold without interfering with the working and facilities of the Company, and if practicable, that they apportion and set of by meets and bounds, such portions as they in their judgement shall deem advisable, and report the result of their commission to this Board, at the earliest day practicable."

That thereupon, the said President appointed this respondent, Joseph Torry, M. N. Falls, (of Baltimore) William Pettit and Francis Blood-good, Directors of the said complainant, to be the said committee; whereupon on motion of Mr. Torry, the President was added to the said committee.