Deed to said Sherman and Dean, of which Exhibit A is exhibited as a copy, and had been induced, by fraud, to enter into the contract of transportation, of which Exhibit B, of said bill, is a copy, yet, as between the complainant and this respondent, there is no equity whatever, on the part of the complainant, to disturb this respondent in the enjoyment of its property, fairly purchased and honestly acquired, and for a full and valuable consideration; or to refuse to fulfil its plain duty, under the said contract of transportation, to which this respondent has lawfully, fairly, honestly, and for a valuable consideration, become entitled, as assignee of such contract, and as owner of the said property.

And this respondent further answering says, that although it is not necessary or material, as it is advised, for this respondent to answer, categorically, those allegations of the said bill which relate to alleged transactions prior to the incorporation of this respondent; yet, as this respondent is grievously prejudiced by reason of the continuance of the Injunction granted in this case, and is very desirous to procure a dissolution of the same as early as practicable, and inasmuch as an answer, which should omit to answer any one material allegation, might, possibly, be deemed short, and be made an objection to the granting of a motion for dissolution of the said Injunction, this respondent is further advised to answer the residue of the allegations of said bill.

And this respondent now says that not only is it true that this respondent, at the time of the execution and delivery of said Deed, of which Exhibit A of said bill is a true copy, and at the time of the assignment of said contract of transportation, had no notice of any of the alleged frauds stated and charged in said bill; but it is also true that this respondent has not now any knowledge, information or belief that any fraud whatever was practised upon the complainant by said Sherman and by said Dean, or by either of them, or by the then President of the complainant, or by any of its directors or officers, in the making of the said contract, which resulted in the execution and delivery of said Conveyance, of which said Exhibit A is a copy, and of the contract of transportation of which said Exhibit B is a copy. On the contrary, from information and belief, based on careful personal investigations, made by the President of this respondent on its behalf, into the facts and circumstances of the case, this respondent denies, as unfounded and untrue, all the charges of fraud contained in said bill in relation to said Deed and contract, and in relation to either of them.

This respondent states, from information and belief, that said property was sold by the complainant, to said Sherman and Dean, in virtue of authority conferred on the President and Directors by the stockholders, and was purchased by said Sherman and Dean, after repeated endeavors to induce other persons to purchase had utterly failed; and that said sale was duly notified to the Directors, and was duly reported to the stockholders, and by various unequivocal acts, was knowingly, distinctly and irrevocably ratified and confirmed.

And this respondent here states, on information and belief, as a prominent fact, that after the execution and delivery of said Deed, of which said

Exhibit A is a copy, and of said contract of transportation, of which Exhibit B is a copy, and prior to the annual meeting of the stockholders of the complainant, held on the first day of June, 1857, a number of the stockholders of the complainant visited the property of the complainant, in Allegany County aforesaid; and at the same time examined that portion which had been conveyed by said Deed, of which Exhibit A is a copy, to the said Sherman and Dean; and that at said annual meeting held in June, 1857, the sale so made as aforesaid, and the conveyance thereof, and the said contract of transportation, were discussed and fully considered, and were fully approved, with the exception of certain stipulations contained in the said contract of transportation, which said Sherman and Dean were requested to release, and which they freely consented to release, and did in fact release, by a formal instrument duly executed and delivered and accepted by said complainant; and this respondent has been able to procure, and now produces, a copy of the proceedings at said meeting, and which is herewith filed, marked Exhibit No. 2; and also a copy of the release executed by said Sherman and Dean, and which was duly delivered, marked Exhibit No. 3; and also a copy of the resolutions of the Board of Directors of complainant, accepting said release, marked Exhibit No. 4, all of which are filed as part of this answer.

This respondent further answering says that it has no knowledge, information or belief of the state of the accounts between said complainant and said Sherman, so as to enable this respondent to answer positively as to the state of the accounts between them; but from information and belief, (founded on the result of such examination as the President of this respondent, acting on behalf of this respondent, has been able to make into the state of said accounts) this respondent, on the basis of information and belief, denies that the said Sherman is indebted to the said complainant as charged in said bill, or otherwise. The allowances actually made to said Sherman by the complainant for losses stated to have been incurred by him on behalf of the complainant, in negotiating the extension of its bonds, and for losses on sales of bonds stated to have been subsequently made by him for the use and purposes of the complainant, were founded, according to the information and belief of this respondent, on actual transactions, fully authorized by the Board of President and Directors of the complainant. And the compensation allowed to said Sherman, for his trouble and services, was, as the respondent is informed and believes, knowingly and advisedly made by the said Board, and was considered by said Board as a fair, reasonable and just remuneration for services rendered, and which were deemed at the time, and in the actual condition of the Company, most valuable services; and which, on the basis of information and belief, this respondent states, saved the Complainant from the disastrous consequences of a sale of its property, for the payment of the said bonds, at their maturity, under the Deeds of Trust to James Brown and others hereinafter referred to and exhibited.