Exhibit C, referred to in the annexed depositions taken before me.

John Bissell,
Commissioner for Maryland

Report. June 3rd 1856

To the Stockholders:

At your last annual meeting the following resolution was unanimously adopted:

Resolved, That the President and Directors be and they are hereby authorized and empowered to sell and convey, or otherwise dispose of, such portion or 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.

In pursuance of it, and by the advice of the Board of Directors, I have negotiated and completed a sale of a portion of the unworked lands of the Company for the sum of $140,000. A larger sale was contemplated, but our chief object, the development of our property, encouraging and directing enterprise to the most accessible portion of the coal field, and furnishing additional transportation for our own Rail Road, was accomplished by this limited sale of a few hundred acres. Other considerations than price induced me to effect this sale; for, in addition to the price received for the lands, the revenue from our rail roads will be enhanced equal to $500 per acre for every acre sold, from profits of transportation alone, coal necessarily passing over the Company's Road and that *dislanée* for the canal, shipped from its wharves at Cumberland.

This sale renders it expedient to extend to the Hoffman mine, the Company's road, which, it is expected will be completed this month; And I would earnestly recommend its further extension to the justly celebrated "Astor" mine, which has, at great cost, been thoroughly developed and equipped.

The time, in my judgment, has arrived for the improvement of the property known as the "Commercial Mart" situated at the terminus of navigation, on the Chesapeake and Ohio Canal, at Cumberland.

For reasons not necessary here to repeat, it has hitherto been deemed best for the interest of the stockholders, to use the wharf property on Hill's Creek for our canal shipments, and to permit our own more convenient land to remain unimproved and unoccupied. The policy is no longer necessary, for the causes have passed away.

I therefore recommend its immediate improvement, by which the canal boats can receive their loads in one half the time, in better order, and be transported to tide water at a less rate of freight. The estimated cost of the improvement is about $10,000. This for the present will be sufficient for our wants, and will be the first step toward a large revenue to be derived from our wharf property.

At the suggestion of some of the large stockholders, I applied at the last session of the Maryland Legislature, for an amendement to our charter, authorizing the reduction of the capital stock of the Company. The bill became a law, subject to your approval and acceptance. I consider the bill, as passed a valuable one, and recommend its acceptance, without which, on your part, it would become null and void.

It will be the duty of the Board hereafter to determine in what manner the act shall be made useful to the interests of the stockholders, and to call them together for their sanction of what shall be advised. The following is a copy of the act:

An Act authorizing the Cumberland Coal and Iron Company to reduce the par of its Capital Stock.

Sec. 1. Be it enacted by the General Assembly of Maryland, That the Cumberland Coal and Iron Company may, at any general meeting of the stockholders thereof, or at any special meeting of the stockholders to be called for that purpose, upon notice to be given in such form and manner as is required for the call of special meetings of the stockholders, by the existing by laws of the Company, determine to reduce, and thereupon proceed to reduce, the par of its capital stock, as much as fifty per centum, in such form and manner as the said Company may deem the most expedient, provided the action to be taken on the subject shall not be in conflict with the Constitution and Laws of the State.

Sec. 2. And be it enacted, That this Act shall take effect from the day on which it may be passed.

We hereby certify the foregoing to be a true copy of the original bill, which passed the General Assembly of Maryland, at January Session, 1856. Given under hands, at the City of Annapolis, this 10th day of March 1856

(Signed) Chapman Harwood
Sec. Senate.

The extinguishment of the bonded debt has been a leading feature in the policy pursued by all the Boards of Directors since the organization of this Company, and in following a course marked out for me, and which meets my cordial approval, I cannot omit contrasting the course of this corporation in paying its debts, with that of many others, in paying dividends and constantly increasing their indebtedness. I therefore have appropriated a portion of the proceeds of sale, to the further extinguishment of the Bonds, to the amount of $112.000.

The unprecedented severity of the past winter, creating an "ice embargo" of nearly four month's continuation, had an unfavorable effect upon our business, as well as upon that of the whole country in the suspension of navigation, thereby lessening our ability to supply our customers with coal.

The Company's vessels and boats, owing to the causes named, were unemployed, resulting in no inconsiderable loss; the captains and crews were retained, though unable to perform any essential service, but could not be discharged without injustice to them.

Since the opening of navigation, the vessels and boats are actively and profitably employed, and the demand for our coal is greater than that of any former corresponding period, both for steam and manufacturing purposes; and it is not doubted the sales of this year will greatly exceed those of the past. This,