

NEW ISSUE

413 100 *and*
 236 900
 100
 136 900

\$650,000.



Portland Woolen Mills

First Mortgage 6½% Serial Gold Bonds

Dated November 1, 1923

Due Serially November 1, 1927-1938

Interest Payable May 1st and November 1st

Interest Payable Without Deduction for Any Federal Income Tax Up to 2%.

Coupon Bonds in \$100, \$500, \$1,000 and \$10,000 Denominations

Principal and interest payable in U. S. gold coin of or equal to the present standard of weight and fineness at The Bank of California, N. A., or through Ladd & Tilton Bank and Clark, Kendall & Co., Inc., Portland, Oregon.

Bonds callable as a whole or in part on any interest date upon 60 days prior notice in reverse of numerical order at 102 and interest up to November 1, 1928, and 1/4% less each two years thereafter up to and including 1936, after which remaining bonds are callable at 100 1/2.

THE BANK OF CALIFORNIA, N. A., TRUSTEE

The following information is summarized from a letter of Mr. E. L. Thompson, Treasurer of the Company:

THE COMPANY The Portland Woolen Mills was organized in 1901 and is now the largest woolen mill west of Ohio. The Company manufactures overcoatings, suitings, blankets, automobile robes and woolen upholstery. The Company employs in excess of 500 people and has an aggregate annual output of \$2,000,000, using over 4,000,000 pounds of raw material annually in the fabrication of its woolen goods. The Portland Woolen Mills is equipped with the most modern machinery (140 broad looms and 9,500 spindles). The mill consists of 18 buildings occupying six acres of ground with deep water shipping facilities. Every process of manufacture from the sorting and scouring of the wool to the finished product is done at the mill.

SECURITY This issue of 6½% Serial Gold Bonds, which is the sole funded debt of the Company, will be secured by a First Mortgage on the entire fixed assets of the Portland Woolen Mills, consisting of six acres of real estate with deep water shipping facilities, plant, buildings, machinery and equipment. These properties have been appraised by the Standard Appraisal Company and show sound depreciated values in excess of \$800,000 and replacement values of over \$1,000,000. Under the terms of the Trust Indenture securing these bonds the Company covenants to maintain net quick assets at all times equal to the total amount of bonds outstanding. The mortgage further provides for the issuance of additional series of bonds up to 75% of the cost of additions and betterments, provided, however, that the total issue of bonds outstanding at all times shall not exceed net quick assets and that net earnings for the 12 months preceding the issuance of such new series of bonds shall have equalled the amount necessary to retire principal of bonds maturing during that current year together with twice the interest requirements on the bonds outstanding and those to be issued. Assets equal \$2,522 for each \$1,000 bond.

PURPOSE OF ISSUE The proceeds from this issue of First Mortgage Serial Gold Bonds will be used to retire current indebtedness and for additional working capital to take care of the Company's rapidly increasing business.

EARNINGS The Company's earnings statement as certified by Messrs. Alex C. Rae & Company, certified public accountants, shows that earnings, after all federal taxes, for ten years ending December 31, 1922, averaged \$86,624.32 per annum. The Company's net sales for this same period aggregated \$20,000,000. For the six years ending December 31, 1922, the average annual profits were \$100,105.19. The maximum interest requirement on this issue is \$42,250 per annum.

LEGALITY All legal matters in connection with the issuance of these First Mortgage Serial Gold Bonds will be passed upon by Messrs. Wood, Montague & Matthiessen, Attorneys, Portland, Oregon.

AMOUNTS AND MATURITIES

\$20,000.....	November 1, 1927	\$40,000.....	November 1, 1933
20,000.....	" 1, 1928	45,000.....	" 1, 1934
30,000.....	" 1, 1929	45,000.....	" 1, 1935
30,000.....	" 1, 1930	50,000.....	" 1, 1936
35,000.....	" 1, 1931	50,000.....	" 1, 1937
40,000.....	" 1, 1932	245,000.....	" 1, 1938

Price 100 and Interest to Yield 6½%

Founded 1892
Wm. P. Harper & Son
 Municipal, Corporation, Mortgage
 Bonds
 Hoge Bldg. Seattle, Wash.

PORTLAND WOOLEN MILLS

Portland, Oregon

November 1, 1923.

LADD & TILTON BANK,
Portland, Oregon.

CLARK, KENDALL & Co., INC.,
Portland, Oregon.

Gentlemen:

Referring to your purchase of \$650,000 First Mortgage 6½% Serial Gold Bonds of the Portland Woolen Mills, I take pleasure in giving you the following information:

CORPORATE HISTORY

The Portland Woolen Mills was organized in 1901. Since that time its business has grown in such proportions that it is now the largest woolen mill west of Ohio. The Company manufactures overcoatings, suitings, blankets, automobile robes and upholsterings for enclosed automobiles. The Company was successful from its inception and today has over 500 employees. The plant is working on a day and night shift basis with an annual payroll in excess of one-half million dollars. The Company uses over 4,000,000 pounds of raw material annually in the fabrication of its woolen goods. The total annual output of the mill exceeds 1,250,000 yards with an average value of over \$2,000,000. Every process of manufacture from the sorting and scouring of the wool to the finished product is done at the mill. The Portland Woolen Mills is equipped with the most modern machinery (140 broad looms and 9,500 spindles.) The mill consists of 18 buildings occupying six acres of ground with deep water shipping facilities. The Company is shipping its products to large Eastern manufacturers, middle Western Districts and the Pacific Coast, as well as supplying hundreds of thousands of yards to jobbers in Portland. Among the large Eastern manufacturers to whom the Company ships woolen goods are Hart, Schaffner & Marx, Steinbloch, Kuppenheimer, Kirschbaum, Alfred Decker & Cohen, United Custom Manufacturers, David Adler & Sons, Ed. V. Price, Montgomery Ward, Sears Roebuck and many others. During the last two years, the Company has supplied the great automobile manufacturers with upholstering material for enclosed cars. A large order has just been completed for the Ford Motor Car Company, showing that goods can be manufactured on the Pacific Coast, in volume, in competition with the best mills in the United States. Shipments to Atlantic Sea Ports are made by steamer through the Panama Canal from the Company's own docks, which are also served by transcontinental railways.

CAPITALIZATION

(Upon completion of present financing)

	<i>Outstanding</i>
First Mortgage 6½% Serial Gold Bonds (this issue).....	\$650,000.00
Preferred Stock (fully paid).....	250,000.00
Common Stock (fully paid).....	250,000.00

SECURITY

These bonds will be secured by a First Mortgage on all of the Company's fixed assets consisting of real estate (six acres with deep water facilities), buildings, machinery, equipment, etc. Under the terms of the Trust Indenture, the Company covenants to maintain net quick assets at all times equal to the total amount of bonds outstanding. Assets equal \$2,522 for each \$1,000 bond.

FUTURE ISSUES

The mortgage will provide for the issuance of additional series of bonds up to 75% of the cost of additions and betterments, provided, the total issue of bonds at any time shall not exceed net quick assets, and that net earnings for the twelve months preceding the issuance of any new series of bonds shall have equalled the amount necessary to retire principal of bonds maturing during that current year, together with twice the interest requirements on the bonds outstanding and those to be issued.

APPRAISAL

The Company's fixed assets have been appraised as of October 11, 1923, by the Standard Appraisal Company. Their appraisals show sound depreciated values in excess of \$800,000 and replacement values of over \$1,000,000.

PURPOSE OF ISSUE

The proceeds from the sale of these First Mortgage Serial Gold Bonds will be used to retire current indebtedness and will provide the Company with additional working capital with which to take the fullest advantage of its rapidly increasing business.

EARNINGS

The Company's earnings statement as certified by Messrs. Alex C. Rae & Company, certified public accountants, shows that earnings, after all taxes for ten years ending December 31, 1922, averaged \$86,624.32. The Company's net sales for this same period aggregated \$20,000,000. For the six years ending December 31, 1922, the average annual profits, after all federal taxes, were \$100,105.19. The maximum interest requirement on this issue is \$42,250 per annum.

FIRE INSURANCE

Fire insurance for the full amount of the bond issue is carried on the buildings and equipment of the Company. These policies will be assigned to the Trustee for the additional protection of the bondholders.

LEGALITY

All legal matters in connection with the issuance of these First Mortgage Serial Gold Bonds will be passed upon by Messrs. Wood, Montague & Matthiessen, Attorneys, Portland, Oregon.

FINANCIAL STATEMENT

The appended statement based upon a balance sheet prepared by Messrs. Alex C. Rae & Company, certified public accountants, Portland, Oregon, as of September 30, 1923, reflects the financial condition of the Portland Woolen Mills as of that date after giving effect to the proceeds of the present financing.

MANAGEMENT

The officials of the Company are men of long experience extending over the period of growth of the business. The technical staff and directors in the various manufacturing departments are men from England and Scotland, as well as especially trained Americans, who have had their education in textile and technical universities of America and Europe, thus assuring a continuation of the high quality and successful marketing of the Company's products.

Yours very truly,

PORTLAND WOOLEN MILLS

(Signed) By E. L. Thompson, Treasurer.

Messrs. Alex C. Rae & Company, certified public accountants, Portland, Oregon, whose reports are on file in our office, have examined the books and accounts of the Portland Woolen Mills as of September 30, 1923, and, after giving effect to this financing, we summarize therefrom as follows:

ASSETS

<i>Current and Working Assets—</i>	
<i>Cash in banks and on hand</i>	\$ 53,633.69
<i>Accounts Receivable</i>	345,732.55
<i>Materials, Products and Work in Process</i>	1,043,000.00
<i>Total Current and Working Assets</i>	\$1,442,366.24
<i>Investments</i>	\$ 480.00
<i>Real Estate</i>	27,964.50
<i>Plant and Equipment</i>	549,182.39
<i>Deferred Charges</i>	29,000.00
<i>Total</i>	<u>\$2,048,993.13</u>

LIABILITIES, ETC.

<i>Current Liabilities</i>	\$ 124,844.71
<i>First Mortgage Serial 6 1/2% Gold Bonds</i>	650,000.00
<i>Notes Payable Secured by Wool, etc.</i>	409,232.03
<i>Reserve for Depreciation</i>	275,476.52
<i>Capital Stock</i>	500,000.00
<i>Surplus</i>	89,439.87
<i>Total</i>	<u>\$2,048,993.13</u>