

MINUTES OF MEETING OF THE BOARD OF AUGUST 11TH, 1926.

The Board of Public Works met in the office of the State Treasurer, Annapolis, at twelve o'clock noon.

Present:

Hon. Albert C. Ritchie, Governor  
 Hon. Wm. S. Gordy, Jr., Comptroller  
 Hon. John M. Dennis, Treasurer.

The Board proceeded to open proposals for the August 15th, 1926 issue of bonds of the "General Construction Loan of 1924", advertisements for which appeared in the Baltimore American and Baltimore Sun on July 12th, 16th, 19th, 23rd, 26th, 30th, August 2nd and 6th, as follows:

STATE OF MARYLAND,  
 TREASURY DEPARTMENT,  
 \$820,000 FOUR AND ONE-HALF PER CENT.  
"GENERAL CONSTRUCTION LOAN OF 1924."

Annapolis, Md.

Pursuant to Chapter 280 of the Acts of the General Assembly of Maryland of 1924, providing for the issue of the Certificates of Indebtedness here-in mentioned and described, and pursuant also to a resolution of the Board of Public Works of Maryland passed on April 7, 1926, and on file and open to inspection in the office of the said Board in Annapolis, Maryland, the Treasurer of the State of Maryland will receive bids or proposals for Certificates of Indebtedness of the State of Maryland as follows:

\$820,000 FOUR AND ONE-HALF PER CENT. CERTIFICATES OF INDEBTEDNESS  
 KNOWN AS  
"GENERAL CONSTRUCTION LOAN OF 1924."

Said Certificates of Indebtedness will all be dated August 15, 1926. They will bear interest at the rate of four and one-half per centum (4½%) per annum, payable semi-annually on the 15th days of February and August, respectively, in each and every year during the continuance of the loan. The principal of said loan will be payable upon the Serial Annuity Plan, as more fully set forth in said Act of 1924, Chapter 280, as follows:

"GENERAL CONSTRUCTION LOAN OF 1924."

Series "AAA"	\$48,000	August 15, 1929
Series "BBB"	50,000	August 15, 1930
Series "CCC"	52,000	August 15, 1931
Series "DDD"	54,000	August 15, 1932
Series "EEE"	57,000	August 15, 1933
Series "FFF"	60,000	August 15, 1934
Series "GGG"	62,000	August 15, 1935
Series "HHH"	65,000	August 15, 1936
Series "III"	68,000	August 15, 1937
Series "JJJ"	71,000	August 15, 1938
Series "KKK"	74,000	August 15, 1939
Series "LLL"	78,000	August 15, 1940
Series "MMM"	81,000	August 15, 1941

The said Certificates of Indebtedness will be of the denomination of \$1,000 each subject to registration as to principal and all will be issued with interest coupons attached.

This loan and the interest payable thereon is exempt from the Federal income tax and from State, County and Municipal taxation.

The said bids or proposals must be delivered to the Treasurer of the State, at his office in Annapolis, Maryland, before 12 o'clock noon on August 11, 1926. Each bid must be for cash on delivery and must be enclosed in a sealed envelope addressed on the outside, "Proposal for General Construction Loan of 1924." Each bid must be accompanied by a certified check upon some responsible banking institution, drawn to the order of the Treasurer of Maryland for five per centum (5%) of the par value of the amount bid for. All bids or proposals will be opened at 12 o'clock noon on August 11, 1926, in the presence of the undersigned.

On the opening of said proposals as many of said Certificates of Indebtedness as have been bid for, not exceeding, however, the amount for which proposals are invited, may be awarded by the Governor, the Comptroller of the Treasury and the Treasurer, or a majority of them, to the highest responsible bidder or bidders therefor for cash; and if two or more responsible bidders

have made the same bid and such bid is the highest and the Certificates so bid for by such highest responsible bidders are in excess of the whole amount of Certificates as offered for sale, then such Certificates of Indebtedness may be awarded in a ratable proportion to such responsible bidders bidding the same price.

The undersigned may, in their discretion, accept one bid for all of said loan or separate bids for parts of said loan as may produce the largest amount; and they may, in their discretion, accept bids which may be for parts of said loan, but are not for all, and they reserve the right, in their discretion, to reject all bids or any bids.

The Certificates of Indebtedness awarded will be delivered to the successful bidder or bidders upon receipt of the amount of the successful bid or bids on Monday, August 16, 1926, at the office of the State Treasurer, Annapolis, Maryland.

Bidders are referred to the said Chapter 280 of the Acts of the General Assembly of Maryland of 1924 as containing the full terms and provisions of this loan.

The constitutionality and validity of said Acts of Assembly authorizing the issuance of said Certificates of Indebtedness have been favorably passed upon by the Attorney-General of Maryland, who will also certify that all necessary legal formalities prescribed for said issue have been duly complied with.

(Signed) Albert C. Ritchie, Governor  
William S. Gordy, Jr.,  
Comptroller of the Treasury  
John M. Dennis, Treasurer.

The following proposals were read:

MERCANTILE TRUST & DEPOSIT COMPANY  
OF BALTIMORE

August 11, 1926.

The Honorables  
Albert C. Ritchie,  
Governor of Maryland.  
William S. Gordy, Jr.,  
Comptroller of the Treasury.  
John M. Dennis,  
Treasurer of Maryland.

Annapolis, Maryland.

Gentlemen:-

Referring to the \$820,000. State of Maryland Four and One Half per cent Certificates of Indebtedness known as "General Construction Loan of 1924", to be dated August 15th, 1926, and maturing August 15th, 1929 to August 15th, 1941, inclusive, advertised to be sold on this day and date, as per the attached advertisement, which is hereby made a part of this bid:

For all or none of this entire offering we respectively offer to pay you for each \$100. par value the sum of \$103.3649 and accrued interest.

This bid is made with the understanding that the bonds shall be legally and validly issued and sold and that we shall be furnished, free of cost to us, with the favorable opinion of the Attorney-General of Maryland.

In accordance with the terms of your advertisement, we enclose herewith certified check to the order of the Treasurer of Maryland for \$41,000, being 5% of the amount of the bonds bid for. In the event that our bid is not accepted please return this check to us immediately.

Very truly yours,

MERCANTILE TRUST & DEPOSIT COMPANY OF BALTIMORE.  
Baker, Watts & Company, of Baltimore.  
Stein Bros. & Boyce, of Baltimore.  
Estabrook & Company, of New York.

BY MERCANTILE TRUST & DEPOSIT COMPANY OF BALTIMORE  
(Signed) Charles W. Johnson  
Manager Bond Dept.

*Accepted*

ALEX. BROWN & SONS  
Baltimore

August 11, 1926

Treasurer of the State of Maryland,  
Annapolis, Maryland.

Dear Sir:-

For all or none of \$320,000 par value State of Maryland Certificates of Indebtedness, known as General Construction Loan of 1924, to be dated August 15, 1926 and to mature annually August 15, upon the Serial Annuity Plan, in various amounts from \$48,000 in 1929 to \$81,000 in 1941, both inclusive, and bearing interest at the rate of  $4\frac{1}{2}\%$  per annum, bids for which are to be received by you until 12 o'clock noon August 11, 1926, we hereby bid at the rate of \$103.2741 and accrued interest per \$100 par value thereof. We enclose certified check in the amount of \$41,000 which covers your requirement.

Yours very truly,

(Signed) Alex. Brown & Sons

-----  
OWEN DALY & COMPANY

Baltimore

August 11, 1926

Hon. John M. Dennis,  
Treasurer, State of Maryland,  
Annapolis, Maryland.

Dear Sir:-

For all but no part of  
\$320,000 STATE OF MARYLAND  $4\frac{1}{2}\%$  Certificates of Indebtedness "General  
Construction Loan of 1924"

Dated August 15, 1926

Maturing without option of prior payment as follows:

Series "AAA"	\$48,000	August 15, 1929
Series "BBB"	50,000	August 15, 1930
Series "CCC"	52,000	August 15, 1931
Series "DDD"	54,000	August 15, 1932
Series "EEE"	57,000	August 15, 1933
Series "FFF"	60,000	August 15, 1934
Series "GGG"	62,000	August 15, 1935
Series "HHH"	65,000	August 15, 1936
Series "III"	68,000	August 15, 1937
Series "JJJ"	71,000	August 15, 1938
Series "KKK"	74,000	August 15, 1939
Series "LLL"	78,000	August 15, 1940
Series "MMM"	81,000	August 15, 1941

Principal and semi-annual interest (February 15 and August 15) payable at the office of the Fiscal Agent in the State of Maryland, Baltimore, Maryland.

Coupon Certificates \$1,000 denomination, registerable as to principal only.

Exempt from State, County and Municipal taxation in Maryland

we will pay 103.103% and accrued interest from date of delivery which is equivalent to par and accrued interest plus a premium of \$25,444.60.

This bid is made with the understanding that prior to the delivery of the bonds to us we will be furnished with a duplicate original copy of the unqualified opinion of the Attorney General of the State of Maryland, to the effect that the bonds are legal and binding obligations of the State, payable principal and interest from unlimited taxes against all the taxable property therein.

In accordance with the Notice of Sale and our bid, we enclose certified check for \$41,000, and would request that you return this check should the bonds not be awarded to us.

Yours very truly,

THE NATIONAL CITY COMPANY  
OWEN DALY & COMPANY

BY: OWEN DALY & COMPANY  
(Signed) Owen Daly & Co.

-----  
THE EQUITABLE TRUST COMPANY  
Baltimore

Tuesday, August 10, 1926.

John M. Dennis, Esq., Treasurer,  
State of Maryland,  
Annapolis, Maryland.

Dear Sir:-

Referring to attached advertisement asking for bids for \$820,000 Four and One Half Percent General Construction Loan of 1924, authorized by Chapter 280 of the Acts of the General Assembly of Maryland of 1924, which bonds will be dated August 15, 1926 and will mature serially from August 15, 1929 to August 15, 1941, inclusive (which advertisement is hereby made part of this bid), on behalf of ourselves and our associates, we hereby offer to pay the sum of \$1030.75 and accrued interest from date of bonds to date of delivery, for each \$1,000 par value, all or none, of the said \$820,000. Bonds.

As evidence of our good faith, we enclose our certified check for \$41,000, being the amount requested in the advertisement (5% of the face value of the Bonds). Should our offer be accepted, you are to retain this check and apply it in part payment of the Bonds at time of delivery, but if we are not the successful bidders we request that you return the check at once.

The above bid is made subject to approval by our counsel as to legality of this issue.

Yours very truly,

JOHN P. BAER & COMPANY  
THE EQUITABLE TRUST COMPANY

By Sifford Pearre,  
Vice-President, The Equitable Trust Co.

-----  
GRAHAM, PARSONS & CO.  
New York

August 10, 1926

Hon. John M. Dennis,  
Treasurer of the State of Maryland,  
Annapolis, Maryland.

Dear Sir:-

We herewith bid you \$842,869.80 (which is equivalent to 102.789%) for all or none of -

\$820,000 STATE OF MARYLAND 4½% General Construction Loan of 1924  
Certificates of Indebtedness  
dated August 15, 1926, \$1,000 denomination and maturing as follows

without option of prior redemption:-

Due \$48,000 August 15, 1929	\$65,000 August 15, 1936
50,000 August 15, 1930	68,000 August 15, 1937
52,000 August 15, 1931	71,000 August 15, 1938
54,000 August 15, 1932	74,000 August 15, 1939
57,000 August 15, 1933	78,000 August 15, 1940
60,000 August 15, 1934	81,000 August 15, 1941
62,000 August 15, 1935	

In addition thereto, we agree to pay, if awarded these bonds, accrued interest from date of issuance to date of delivery.

We enclose herewith certified check for \$41,000 payable to the order of the Treasurer of the State of Maryland, representing 5% good faith deposit required in connection with this bid. The amount of this check is to be credited against the purchase price of these bonds should this bid be accepted, or returned to us should this bid be declined.

Very truly yours,

Redmond & Co.,  
First National Bank of New York,  
Graham, Parsons & Co.,  
Phelps, Fenn & Co.,

By Graham, Parsons & Co.

-----

GUARANTY COMPANY OF NEW YORK

BANKERS TRUST COMPANY

ROBERT GARRETT & SONS

Baltimore, Md., August 11th, 1926.

Treasurer of the State of Maryland,  
Annapolis, Md.

Dear Sir:-

For all or none of the \$820,000 STATE OF MARYLAND General Construction Loan of 1924, in the form of Coupon Certificates of Indebtedness, to be dated August 15th, 1926, bearing interest at the rate of 4 $\frac{1}{2}$ % per annum, payable semi-annually on February 15th and August 15th, principal maturing serially from August 15th, 1929, to August 15th, 1941, inclusive, in amounts as set forth in your official advertisement of sale, the further particulars and terms of which are hereby made a part of this bid,-

we will pay you the sum of EIGHT HUNDRED AND TWENTY THOUSAND DOLLARS (\$820,000.00) and accrued interest from date of Certificates to date of their delivery, plus a premium of TWENTY-TWO THOUSAND TWO HUNDRED AND TWENTY-ONE DOLLARS AND EIGHTEEN CENTS (\$22,221.18), which is at the rate of 102.7099 and accrued interest per each \$100 par value of Certificates.

This bid is made subject to your furnishing us with the approving opinion of the legality of these Certificates and the validity of their sale by the Attorney General of the State.

As evidence of good faith in compliance with the terms of this proposition, we enclose certified check to the order of the Treasurer of Maryland for FORTY-ONE THOUSAND DOLLARS (\$41,000) representing 5% of the par value of all or none of the above Certificates bid for, which check in the event we are not awarded the Certificates kindly return to our representative.

This bid is for the Joint Account of the undersigned.

Very truly yours,

GUARANTY COMPANY OF NEW YORK  
BANKERS TRUST COMPANY  
ROBERT GARRETT & SONS

By Robert Garrett & Sons

-----

On motion duly made and seconded it was unanimously decided to accept the proposal of the Mercantile Trust and Deposit Company of Baltimore, at their price of 103.3649, that being the highest price offered.

The Board took up the question of the Saunders Range property. An appraisal made by Mr. M. J. Lindsay, Chief Supervisor of Assessments, and Mr. Strouse, Assistant Engineer of the Public Service Commission, showed the property to be worth between \$80,000 and \$85,000. The Secretary was directed to proceed with advertising for proposals for the purchase of the property. The Board set Wednesday, September 1st, at twelve o'clock noon as the time for opening the proposals.

*military  
Dept.*

There being no further business the meeting adjourned.

*Joseph O'Meara*  
Secretary.