

\$400,000

Shaffer Sulphite Pulp Mill

of

Shaffer Box Company

Tacoma, Washington

First Mortgage Serial 6½% Gold Bonds—Series "A"

Dated May 15, 1928

Due 1930 to 1943

Coupon bonds in denominations of \$500 and \$1,000. Registerable as to principal only. Interest payable May 15 and November 15th. Principal and interest payable at The National Bank of Tacoma, Tacoma, Washington, or at its correspondent bank in Seattle, Washington. Redeemable at any interest date on sixty days' notice at 102 and interest.

THE NATIONAL BANK OF TACOMA, TACOMA, WASHINGTON, TRUSTEE

CAPITALIZATION

[As at date of May 29, 1928]

*First Mortgage Bonds, Series "A" (this issue).....	\$400,000.00
Preferred Stock, \$100 par—Authorized, 9,000 shares; issued and outstanding, 2,598 shares; subscribed, not fully paid, 3,140 shares. Total.....	\$573,800.00
†Common Stock, non par—Authorized, 12,000 shares; issued and outstanding, 8,310 shares; subscribed, not fully paid, 1,570 shares. Total.....	9,880 shares
*Additional bonds may be issued only under restrictions hereinafter described.	
†Book value as of March 31, 1928, after giving effect to sale of bonds and stock, \$325,333.97.	

MATURITIES

\$10,000 due May 15, 1930	\$25,000 due May 15, 1937
15,000 due May 15, 1931	30,000 due May 15, 1938
15,000 due May 15, 1932	30,000 due May 15, 1939
15,000 due May 15, 1933	35,000 due May 15, 1940
15,000 due May 15, 1934	35,000 due May 15, 1941
15,000 due May 15, 1935	40,000 due May 15, 1942
20,000 due May 15, 1936	100,000 due May 15, 1943

The Board of Trustees of the Company is made up of the following well-known men:

- | | |
|---|---|
| W. R. Rust, Tacoma
Capitalist
Director, National Bank of Tacoma | W. W. Seymour, Tacoma
Pres., North Pacific Public Service Co.
Pres., Ellensburg Gas & Water Co.
Pres., Seymour Land & Timber Co. |
| Frank Beers, Dupont
Mgr., E. I. du Pont de Nemours & Co. | Ralph Shaffer, Tacoma
Pres., Shaffer Box Co.
Pres., Shaffer Terminals, Inc. |
| Fred C. Brewer, Tacoma
Vice Pres.-Treas., Shaffer Box Co. | R. H. Pangborn, Tacoma
Vice Pres., Shaffer Box Co. |
| Paul C. Harper, Seattle
Pres., Wm. P. Harper & Son | |
| L. J. Hull, Seattle
Pres., Alitak Packing Co. | |

PRICES

All Maturities—Par to net 6½%

Application will be made in due course to list these bonds on the Seattle Stock Exchange.

All legal matters incident to the issuance of these bonds have been passed upon by Messrs. Kerr, McCord & Ivey, of Seattle, for the underwriters; Mr. W. H. Pratt, of Tacoma, for the company, and Messrs. Hayden, Langhorne & Metzger, of Tacoma, for the Trustee.

These bonds are offered if, as and when issued and received by us, subject to approval of counsel.

founded 1892
Wm. P. Harper & Son
Municipal, Corporation, Mortgage
Bonds
721 Second Ave., Seattle, Wash.

SHAFFER BOX COMPANY

BALANCE SHEET MARCH 31, 1928

(Giving effect as at that date to the sale of \$400,000.00 First Mortgage 6½% Serial Gold Bonds since consummated and the application of the proceeds, (a) in part reduction of liabilities, (b) addition to funds available for construction, and (c) increase in working capital; and giving effect to the subsequent receipt of Stock Subscription Notes amounting to \$60,200.00):

ASSETS.

CAPITAL ASSETS:

Plant site (at cost).....		\$ 85,553.75	
Buildings, machinery and equipment (at cost).....	\$637,962.85		
Less—Reserve for depreciation.....	246,322.55		391,640.30
Advances on construction of pulp mill.....		32,874.65	\$ 510,068.70
(Construction of pulp mill in progress, estimated by Company to cost \$450,000.00; contracts for \$190,220.00, \$16,315.00 payable in stock, were signed at March 31, 1928).			

AVAILABLE FOR NEW CONSTRUCTION:

Amounts due on Capital Stock Subscription Notes.....	\$267,686.55		
Certificates of deposit.....	100,000.00		
Proportion of proceeds from bond issue.....	81,602.40		449,288.95

INVESTMENTS:

Land not used in business (at cost).....	\$ 25,926.00		
Stocks and bonds.....	1,900.00		27,826.00

CURRENT ASSETS:

Inventories (valued at cost or market, whichever lower).....	\$207,398.65		
Accounts and notes receivable.....	28,516.97		
Cash surrender value of life insurance policies.....	6,420.00		
Cash in banks and on hand.....	133,849.99		376,185.61

DEFERRED CHARGES TO OPERATIONS.....

31,120.18

ORGANIZATION EXPENSES.....

57,969.16

\$1,452,458.60

LIABILITIES.

CAPITAL AND SURPLUS:

7% Cumulative Preferred Stock, new issue—Authorized, 9,000 shares \$100.00 each; \$900,000.00. Issued and outstanding 1620 shares.....	\$162,000.00		
Subscribed, not fully paid, 3140 shares.....	314,000.00	\$476,000.00	
7% Cumulative Preferred Stock, original issue—Authorized 1,000 shares \$100.00 each; \$100,000.00. Issued and outstanding 978 shares.....		97,800.00	
(Convertible into new issue of Preferred Stock at par—authorizations received for 784 shares).			
Common Stock—			
Authorized 12,000 shares of no par value.....			
Issued and outstanding 8,310 shares.....	\$249,650.00		
Subscribed, not fully paid, 1,570 shares.....	23,550.00	273,200.00	
Earned surplus.....		52,133.97	\$ 899,133.97
FIRST MORTGAGE 6½% SERIAL GOLD BONDS.....			400,000.00

DEFERRED LIABILITIES:

Purchase contract on lease basis for automatic sprinkler system, payable \$8,979.50 annually.....			44,897.50
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CURRENT LIABILITIES:

Accounts payable and accrued wages.....	\$102,788.84		
Taxes accrued and provision for income taxes.....	5,638.29		108,427.13
			\$1,452,458.60

We have examined the books and accounts of the Shaffer Box Company as at March 31, 1928, and the Agreement dated May 4, 1928, for the sale of \$400,000.00 6½% First Mortgage Serial Gold Bonds, together with Stock Subscription Notes subsequently received. We certify that the above Balance Sheet is, in our opinion, a fair and accurate statement as at March 31, 1928, of the financial position of the Company, giving effect as at that date to the provisions of the Agreement mentioned and the additional Stock Subscription Notes.

PRICE, WATERHOUSE & CO.

Seattle, Wash., May 28, 1928.