

October 17, 1932.

Mr. Paul C. Butcher, Personal Trust Officer  
Continental Illinois National Bank & Trust Company  
Chicago

Dear Mr. Butcher:

I have received your letter of October 11th. I regret that I misunderstood your attitude on buying with the consent of all parties, bonds that were not legal in Illinois.

The bonds mentioned in your letter of October 6th are, I believe, all high grade. There is, however, one thing that causes me to hesitate about their purchase, and that is that they are all selling at or above par and the possibility of any considerable price appreciation in them seems very remote.

Judging by the past experience of the trustees of the leading American institutions, even the most expert of trustees are certain to buy some issues that will go sour. The only way to have a chance to break even, therefore, is to buy bonds that have a considerable prospect of appreciation in the hope that the profits on successful selections will equal the losses on the mistakes certain to be made.

I shall be obliged, therefore, if you will submit half a dozen bonds which you consider desirable investments with the above considerations in mind.

Very truly yours,

Sam B. Warner

October 14, 1932.

Mr. Paul C. Butcher, Personal Trust Officer  
Continental Illinois National Bank & Trust Company  
Chicago

Dear Mr. Butcher:

I have received your letter of October 11th. I regret that I misunderstood your attitude on buying with the consent of all parties, bonds that were not legal in Illinois.

The bonds mentioned in your letter of October 8th are, I believe, all high grade. There is, however, one thing that causes me to hesitate about their purchase, and that is that they are all selling at or above par and the possibility of any considerable price appreciation in them seems very remote.

Judging by the past experience of the trustees of the leading American institutions, even the most expert of trustees are certain to buy some issues that will go sour. The only way to have a chance to break even, therefore, is to buy bonds that have a considerable prospect of appreciation in the hope that the profits on successful selections will equal the losses on the mistakes certain to be made.

I shall be obliged, therefore, if you will submit half a dozen bonds which you consider desirable investments with the above considerations in mind.

Very truly yours,

Sam B. Warner