

STATE OF SOUTH CAROLINA,
COUNTY OF GREENVILLE.

COURT OF COMMON PLEAS.

J. B. Ricketts, as Trustee,
Plaintiff,

vs.

Woodside Cotton Mills Company,
Mrs. Lou C. Woodside, Wade F.
Coley, Mrs. Sarah J. Wisor, Mary
Lou Bell, Margaret Kent Bell,
Mrs. Corrine G. Woodside, John W.
Arrington, Jr., J. E. Lipscomb;
and J. E. Lipscomb, Jr., Mrs.
Gertrude L. Lipscomb and M. L.
Gunn as Trustees of the Estate
of Alice J. Gunn, deceased,
Defendants.

D E C R E E

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The plaintiff trustee brings this action for the purpose of obtaining the instructions of the Court as to the further administration and liquidation of the trust, and for the purpose also of having conferred upon him such additional powers as may be needed to carry out the trust according to its intent and purposes.

The Trust was created by Farmers Loan & Trust Company by instrument in writing bearing date of February 15, 1922, and recorded in Deed Book 247, page 234, R. M. C. Office for Greenville County. Said trust company was a South Carolina corporation, with its office at Greenville. In the year 1937 it was adjudged a bankrupt and its affairs liquidated and its charter surrendered.

One form of business in which the trust company engaged was the sale of what is described as Mortgage Notes to the general public. The trust company would deposit securities usually first mortgages on real estate - with the trustee, J. B. Ricketts, and would then issue Mortgage Notes, in varying denominations, against the securities. The amount of Mortgage Notes so issued were presumed to bear a specified ratio to the value of the securities. The trustee held the securities for the ratable benefit of the holders of all outstanding Mortgage Notes. No Mortgage Notes have been issued since the year 1931. Since that time the trustee has been endeavoring to liquidate the securities to pay the Mortgage Note holders. The face value of the outstanding Mortgage Notes is about \$90,000.00. About 65% of this amount has been paid, leaving only about 35% unpaid. However some ten years interest remains unpaid, so that it will take about \$75,000.00 to pay the outstanding Mortgage Notes in full. In addition the trustee and his attorney have substantial claims for compensation.

The only remaining assets, with one or two minor exceptions, consist of certain real estate notes and mortgages executed by two corporations, now insolvent. These mortgages cover some 1,880 acres of farming and mountain land, and some 65 vacant lots near the City of Greenville. The trustee has actions pending in this Court for the foreclosure of these mortgages. Owing to the times, the trustee believes he may have to bid-in the properties in order to protect the Mortgage Note holders. If he does this, he will then have title to the property and will be able to sell it off in parcels to suit the purchaser. The trustee doubts, however, that under the terms of the trust instrument of February 15, 1922, he has power to fix the selling prices of parcels of the real estate or to execute deeds for same. The trustee therefore brings this action to obtain the necessary authority to sell and convey the real estate covered by the mortgages he is now foreclosing, in the event that he should bid them in at foreclosure sale.

When Farmers Loan & Trust Company went into bankruptcy the trustee, J. B. Ricketts, called a meeting of the holders of the outstanding Mortgage Note holders, who met, considered the situation, and named a committee to protect their interests in connection with the bankruptcy proceedings and in connection with all matters affecting the liquidation of the securities held for them by the trustee. This committee has continued to function at all times since, and the members are all parties to this action. The Trustee, J. B. Ricketts, is chairman, and John W. Arrington, Jr. and J. E. Lipscomb are the other members.

The outstanding Mortgage Note holders are fifty-three (53) in number; they reside in various parts of the country; and their respective holdings range from \$10.00, face value, to \$14,300.00, face value. Owing to the difficulty and expense of bringing them all before the Court, the trustee has made nine of the Mortgage Note holders parties defendant, whose holdings aggregate \$36,288.76, face value. The trustee regards the situation as one where some may be joined as representative of the entire class and a decree may be entered affecting the entire class. The trustee also made the other members of the Committee above mentioned parties defendant.