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CIVILAW

In the Matter of Studebaker Corporation, Debtor

"indebtedness to the staggering total of over twenty million dollars"

Opinion, January 28, 1935







he darkest year in the history of the Studebaker Corporation, manufacturer of one of the finest automobiles in America, was 1933. The company filed for protection under the federal bankruptcy law, and its president committed suicide.

The future of Studebaker's employees, stockholders, and creditors was in the hands of the federal district court in Indiana as it decided bankruptcy case no. 1143. Would the judge order the company to shut down? Or would he approve a proposed reorganization which might save the company?

The court saved Studebaker from the auction block by approving the reorganization, and cars again rolled off the production line. Studebaker inaugurated a milestone second century of production in 1952.

Unless credited otherwise, documents are from the National Archives, Records of District Courts of the United States.

1. Common stock certificate, specimen, 100 shares, 1935.

2. Common stock certificate, specimen, less than 100 shares, 1935.

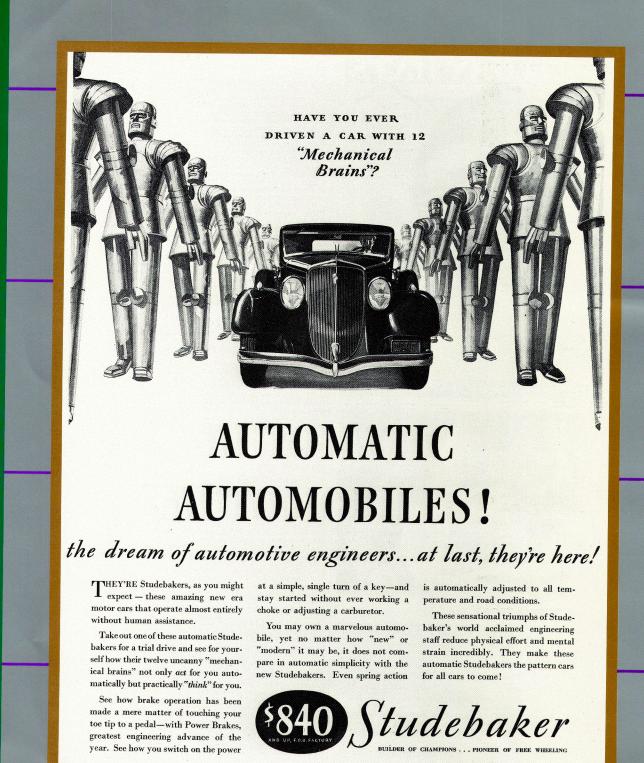
3. Studebaker advertisement, *The Saturday Evening Post*, March 23, 1933, p. 79.

Studebaker National Museum, South Bend, Indiana 4. Judge Slick's decision, January 28, 1935.

5. Harold Vance, right, future chairman of the board, stands at the end of the assembly line, 1932. Studebaker National Museum, South Bend, Indiana

6. Notice, *The New York Times*, March 20, 1933, p. 11. Studebaker National Museum, South Bend, Indiana

7. "Ten-year Convertible 6% Debenture Due January 1, 1945," specimens, issued January 1935.



STUDEBAKER CARRIES ON

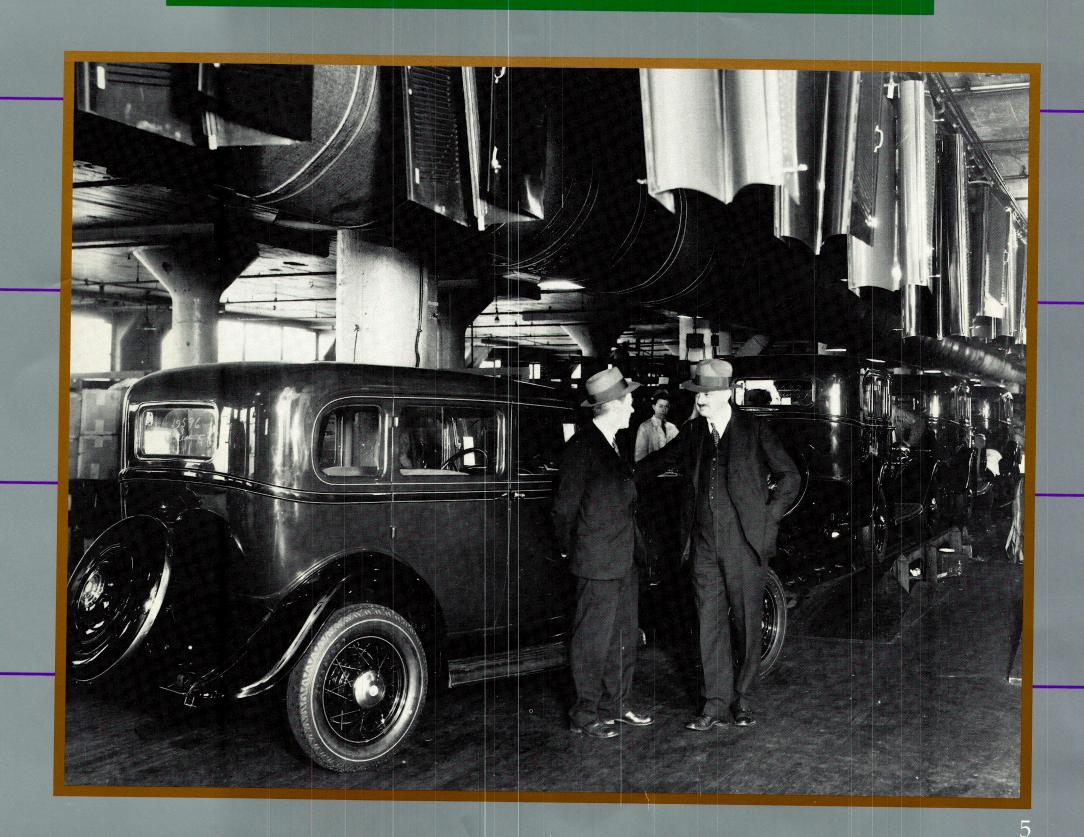
Receivership proceedings find world's oldest vehicle manufacturer with assets exceeding liabilities by over \$70,000,000

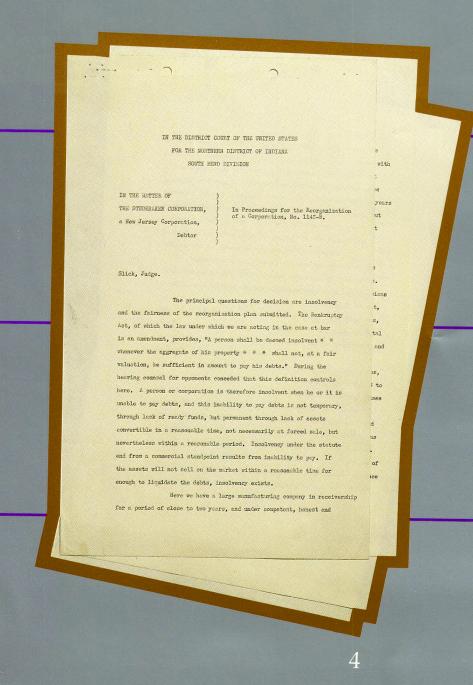
FACTS LEADING TO COURT ACTION REVEALED

STUDEBAKER is still Studebaker in spirit, scope and service. There has been no change, except for the better, in the policies and program of the historic Studebaker institution. And Studebaker is fortunate that the men appointed to administer its affairs are H. S. Vance, Vice President of The Studebaker Corporation; Paul G. Hoffman, Vice President of The Studebaker Corporation, and A. G. Bean, President of The White Motor Company—men schooled in the traditions which have given Studebaker its world-wide prestige. The great South Bend platus of Studebaker, closed since the announcement of the bank moratorium, re-open Tuesday, March 21, under the direction of these seasoned automotive executives.	entanglements in connection with the proposed merger with The White Motor Company are adjusted. The Studebaker-White Merger Six months ago it was decided unanimously by the respective Beards of Directors of The Studebaker Corporation and The White Motor Company that many economies and commercial advantages would result from a merger. A plan look-ing toward this merger was submitted to the totokholders of The White Motor Company. Within a short time 95 per cent of The White stock was turned in, manifesting the almost unanimous approximately, 3 per cent of The White stock have threatened litigation against the merger unless their stock were purchased at a price which Studebaker Directors felt to be unreasonable and upon terms which it was impossible to meet. Studebaker recognizes the right of minority stockholders to text any price they please on their White stock—even, as in this case, a price higher than it has commanded on the open market at any time since 1929. In addition to private regulation for this minority stock, Studebaker offered a plan of consoliation under the studebaker Corporation issued \$14,900,000 in notes in connection with the acquisition of the assets of The White	tude of the small minority group of assets of White have not yet been mer with those of the beautiful of the state of the
The New Strength of Studebaker The Studebaker Corporation and its sub- sidiaries (including The White Motor Com- pany and The Pierce-Arrow Motor Car Company, which are not included in this receivership) had, on January 1, 1933, ex- cluding good-will, net assets of \$77,022,293 in excess of all liabilities and a book value, excluding good-will, net assets were \$21,781, 253, or \$8.89 per share of common stock. Cash alone was more than \$97,000,000. Directors of Studebaker consented to the friendly receivership, despite the com- pany arround and the student of Stude- hader would be notested united to state hader would be notested unit or of Stude-		

STUDEBAKER

Builder of Champions—Pioneer of Free Wheeling





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