Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

T. L. L. TEMPLE, PRESIDENT.
ARTHUR TEMPLE, VICE-PRESIDENT.

L. D. GILBERT, SEC'Y & GEN. MGR.
ROBERT L. WAITE, TREASURER.

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — HARDWOODS

ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET

Texarkana, Texas

August 29, 1928.

Mr. E. C. Durham
Diboll, Texas.

Dear Sir:

I am now in possession of the stock certificates of the Lufkin Hemphill & Gulf Railway Company, all of which stock, as you understand, is issued in my name except one share each to qualifying officers and directors,- so do you think it proper that I retain them in my possession, turn them over to Temple Lumber Company, or to the railroad company?

Yours very truly,

L. D. Gilbert

ldg.m

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

761-L-1

4

AT - - - - - - - - Diboll, Texas

August 31st, 1923

File--761-L-1

Mr. L. D. Gilbert,

Texarkana, Texas.

Dear Sir:

Replying to your letter of August 29th:

The capital stock of the Lufkin, Hemphill and Gulf Railway Company should be issued to the individual stockholders of the Temple Lumber Company and I should think that the several stockholders of the Lumber Company should receive Railway Company's stock in proportion to their holdings in the Lumber Company. At any rate the stock should be issued to the individuals and not to the Lumber Company but the certificates can be delivered to the Lumber Company for disposition. This is in line with the representation that we have been making to the government and Mr. Minton agrees with me that it is in accordance with the law.

Yours very truly,

ECD:BJ

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

Diboll, Texas

August 31st, 1923

File - 761-1
cc---- 761-L-1
cc --- 479-12

Mr. T. L. L. Temple,

Cuoque, New York.

Dear Mr. Temple:

The Interstate Commerce Commission's decision in the Tap Line Case was apparently based on the theory that a short line railroad owned by the same interest which controlled lumber companies shipping over that road should be limited as to the amount received as divisions out of through rates.

In some instances where there has been a change in the stock ownership of one or both companies so that the controlling interest is not identical the Commission has relieved the short line from its order in the Tap Line Case. This occured on the Fremont & Gulf Railway when Mr. Stanley Joyce took over all the stock of the Railway Company and sold to his brother, Mr. Daley Joyce his holdings in the lumber company.

I understand that there have been some transfer of stock of the Temple Lumber Company and the Southern Pine Lumber Company to members of your family and it has occured to me that if you now hold less than a controlling interest in one or both of the Lumber Companies it might be possible for us to get relief from the Commission's order in the Tap Line Case and in that event we could probably secure increases in our divisions on interstate traffic.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

I have just written to Mr. Gilbert suggesting that the stock of the Lufkin, Hamphill and Gulf be issued to the several individuals owning stock in the Temple Lumber Company and in the event that you do not own a controlling interest in the stock of the Temple Lumber Company it would be necessary for you or Gilbert to own the major portion of the stock of the LH&G in order to prove a separation of interests.

Very truly yours,

EDD:EJ

CC - Mr. L. D. Gilbert,
Texarkana, Texas.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

T. L. L. TEMPLE, PRESIDENT.
ARTHUR TEMPLE, VICE-PRESIDENT.

L. D. GILBERT, SEC'Y & GEN. MGR.
ROBERT L. WAITE, TREASURER.

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS

Texarkana, Texas

June 3rd, 1932.

Mr. E. C. Durham,
Diboll, Texas.

Dear Mr. Durham,

As you know, stock of the L. H. & G. Railroad is owned by the stockholders of the Temple Lumber Company. Mr. G. S. Smith has in his files stock certificates in the name of L. D. Gilbert for 55 shares and in the name of Mr. H. G. Temple for 31 shares. Neither Mr. Smith nor Mr. Temple knows why stock certificates for the number of shares mentioned were issued in these names. Probably you can give us some light on the subject?

Naturally we want to get Mr. Gilbert's name off of documents of this nature, as soon as convenient, for reasons quite obivious and will appreciate your advising Mr. Smith, sending copy of your letter to us here, to whom he shall transfer the stock now recorded in Mr. Gilbert's name.

Yours very truly,

SOUTHERN PINE LUMBER CO.,

Robt L Waite

Treas.

RLW: HLP

CC Mr. G. S. Smith,
Pineland, Texas.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

(4)

761-L-1

June 13th, 1932

Mr. R. L. Waite,
Texarkana, Texas.

Dear Mr. Waite:

Your letter of June 3rd with reference to stock of the LH&G Railway:

When Temple Lumber Company bought the Hemphill plant the sales contract provided that the stock of the LH&G be delivered to Temple Lumber Company and that all indebtedness of the Railway Company incurred prior to date of transfer be paid by the seller. The Railway Company's stock was therefore the property of Temple Lumber Company just as much so as the saw-mill or any of the other property acquired in the deal.

The law prohibits Temple Lumber Company from owning the stock of the LH&G Railway Company and accordingly it was necessary for the Railway Company's stock to be issued to the individual stockholders of Temple Lumber Company. The Railway Company's stock was pro-rated among the owners of the Temple Lumber Company's stock and certificates issued to Mr. Gilbert and Mr. Henry Temple the same as to the other lumber company stockholders.

The Railway Company's stock held by Mr. Gilbert could be transferred to the individual who acquires his Temple Lumber Company stock but from the foregoing statement it is evident that the railway stock could not be held by a lumber company.

If not practicable to transfer to some individual the stock might be acquired by the LH&G and held in its treasury. This could be accomplished by the Railway Company paying Temple Lumber Company and Temple Lumber Company reducing its indebtedness to the Railway Company in like amount.

Yours very truly,

ECD:BJS

CC - Mr. G. S. Smith,
Pineland, Texas.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

T. L. L. TEMPLE, PRESIDENT.
ARTHUR TEMPLE, VICE-PRESIDENT.

L. D. GILBERT, SEC'Y & GEN. MGR.
ROBERT L. WAITE, TREASURER.

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS

Texarkana, Texas

June 24, 1932.

Temple Lumber Company,
Pineland, Texas.

Gentlemen:

Attention Mr. G. S. Smith:

Referring to correspondence had regarding disposition of stock of the L. H. & G. Ry. Company now carried in the name of L. D. Gilbert.

Since Mr. Gilbert's holdings in the Temple Lumber Company were not acquired by anyone but were transferred to Treasury Stock, we can see no objection to following out the suggestion in the last paragraph of Mr. Durham's letter of June 13th to the writer, copy of which was sent your office, to let the L. H. & G. Ry. Company buy Mr. Gilbert's stock from the Temple Lumber Company and carry same as Treasury Stock.

Yours very truly,

SOUTHERN PINE LUMBER CO.

RLW:SW

Robt L Waite

Treas.

Mr E C Durham
Diboll
Good

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

761-L-1

Diboll, Texas
July 6, 1932

Mr. Arthur Temple,
Texarkana, Texas.

Dear Sir:

Please refer to Mr. Robert L. Waite's letter of June 24th addressed to the Temple Lumber Company, Pineland, Texas which reference to handling the LH&G Railway stock owned by Mr. Gilbert. If you approve the plan for having the LH&G require this stock and hold in its Treasury will you kindly advise the price at which it would be taken over by the Railway Company?

Yours very truly,

ECD-VW

CC - Mr. H. G. Temple,
Pineland, Texas.

CC - Mr. J. H. Hurst,
Hemphill, Texas.

CC - Mr. C. A. Jordan,
Diboll, Texas.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

T. L. L. TEMPLE, PRESIDENT.
ARTHUR TEMPLE, VICE-PRESIDENT.

L. D. GILBERT, SEC'Y & GEN. MGR.
ROBERT L. WAITE, TREASURER.

Southern Pine Lumber Company

MANUFACTURERS

YELLOW PINE — ANNUAL CAPACITY OF OUR OWN MILLS 200,000,000 FEET — HARDWOODS

Texarkana, Texas

July 8, 1932.

761-L-1

Mr. E. C. Durham
Diboll, Texas.

Dear Sir:

Referring to your letter of July 6th in regard to LH&G Railway stock which was in Mr. Gilbert's name. Think by all means that this stock should be carried as Treasury stock in line with your recent suggestion, and I should think that the transfer ought to be made at par. That would be my idea, but if you should think otherwise, we could adjust the price accordingly.

Yours very truly,

Arthur Temple

AT:IM

My understanding is the stock is at Pineland with G's name. Suggest you write Smith & Kendall to handle.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

Diboll, Texas

July 13th, 1932

File -761-L-1

Mr. Arthur Temple,

Texarkana, Texas.

Dear Sir:

Your letter of July 8th with reference to LH&G stock issued in Mr. Gilbert's name.

I discussed this with Mr. G. S. Smith at Pineland, Monday, and it is understood that at the maturity date of one of the Temple Lumber Company's notes in favor of the Lufkin, Hemphill and Gulf Railway Company the railway company will take over this stock at par and reduce the lumber company's indebtedness in the same amount.

Yours very truly,

ECD:BJS

CC - Mr. G. S. Smith,
Pineland, Texas.

Mr. J. H. Hurst,
Hemphill, Texaz

Mr. C. A. Jordan,
Building.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

SOUTHERN PINE LUMBER COMPANY

TEXARKANA, TEXAS

To E. C. Durham From Arthur Temple Date February 15, 1937.

We overlooked discussing with you one thing which Henry and I both had on our minds. That is the relationship of the LH&G to Temple Lumber Company, and the depreciation of the investment of approximately $100,000.00 which the lumber company is carrying on its books.

In our discussion of this subject over at Pineland, I maintained that with the capital stock of LH&G in the hands of individuals, Temple Lumber Company could not own the railroad and consequently the investment of something like $100,000.00 ought not to have been set up on their books and, even now, ought to be written off if possible. The point is, how can the stockholders own the railroad and the lumber company own it at the same time, even though the stockholders in the two corporations may be the same?

Sometime at your convenience, I wish that you would please explain how this situation can be; would also like to know if you see any way that the investment can be written down so that the investment will be charged off entirely when we cut out at Hemphill, if in fact it is proper for the lumber company to carry such an investment on its books.

AT:IM
CC- HGT.

Scanned from an Original at The History Center, Diboll, TX www.thehistorycenteronline.com 1993:022

Diboll 2-17-37.

761 2-1

Mr. Arthur Temple,

Texarkana.

Dear Arthur:

Your letter of Feby. 15, with reference to ownership of the stock of the LH&G Ry. Under the Knox purchase contract the railway company stock was thrown in as lagniappe and became the property of Temple Lumber Co. but Attorney R. E. Minton held that the lumber company could not lawfully own the railway stock and it became necessary to transfer it to individual stockholders of the lumber company . When that was done the lumber company should have charged the stock to accounts of individual stockholders and cleared the lumber company's accounts. I explained that repeatedly to Mr. W. N. Smith but do not know what action was taken. The railway company's records show the stock held by the several individuals. If the LH&G stock is being carried as an asset by Temple Lumber Co. I should think it should be written off in the manner above outlined and that no income tax on the amount would be involved.

After taking the Gilbert stock into the railway treasury at $5,500. the capital stock outstanding has been $94,500. There are practically no lianilities other than this. The railway has bills receivable from affiliated companies, principally Temple Lbr. Co., $67,500, net cash about $15,000 and estimated salvage value of $7317. which makes the stock worth nearly par as of this date.

Of the original $127,327 in the road investment account all has been written out except $2530. and the equipment account is being written off through depreciation.

Enclosed is copy of my letter of August 31, 1928 to Mr. Gilbert and letter of June 13, 1932 to Mr. Waite.

Very truly yours,

CC
HGT.