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July 18, 1931.

Mr. Joseph D. Harkins,
Attorney at Law,
Prestonsburg, Ky.

Dear Sir:

Re: The Guardian Trust Company
vs. By-Products Coal Company

I acknowledge receipt of yours of the 16th with enclosure.

As to the three party agreement, it is my recollection that on the day you were here it was agreed in conferences at The Guardian Trust Company, in Mr. Shepherd's office, that the next move was for the By-Products Coal Company to come to the Bank with a prospective purchaser, with a plan for raising the required future working capital in the sum of about \$40,000., and with a request to accede to the proposition made by The Elkhorn Coal Company. We felt that it was their move, meaning Mr. Burton, because the Elkhorn Coal Company proposition had been conditioned upon their being able to raise the required working capital.

Since then Mr. Burton has been endeavoring to interest various parties in the proposition as purchasers and his efforts to have Mr. Jacobs inspect the mine, of which you know, have been directed to that purpose. Those efforts not yet having culminated in success, we have not been approached as yet with the proposition which our conference led us to expect. It is certainly true, however, that Mr. Burton has been doing his best to put himself in a position to make such proposition to the bank.

The present development, that is the filing of the Hatfield suit, appears to me to have precipitated the matter so that the Bank will have to decide immediately whether it can agree to the proposed modification of the Elkhorn Coal Company's lease and upon receipt of a draft thereof from Mr. Howard or yourself, we will present it to the Bank for consideration.

In the meantime, it becomes important to know within what time the Bank must file its answer and cross petition in the case. Will you therefore kindly advise us in that respect and also as to whether The Guardian Trust Company, Trustee, is now in court in this case or