Jan. 22, 1906.

My dear Mather:

I suggest the following modifications: First, in the agreement between the company and me, that document I have marked A; the first paragraph should be changed to read:

WHEREAS, the Company has been organized for the principal purpose, among its other powers and purposes, of publishing a monthly periodical to be called Mc Clure's Journal, or such other name as may be determined upon by S. S. Mc Clure, and desires immediately to enter upon the task of publishing such a periodical for circulation principally in the United States of America.

There is a change of one word in the second WHEREAS, and there is a change of one word in the third WHEREAS.

On the second page of this agreement which I have marked A, in the sub-division b, under the general division FIRST, there is a slight change in the printed text in your handwriting, in which you say, "or to contract with printing plants for doing the work of the company." That line should be left out.

The third page of this contract, which begins "The Publisher will not except in the State of Nevada," etc. This long paragraph requires serious modification, which should be something like this; following the two words "date hereof:"

In any of the said businesses just mentioned, namely, a People's University, a Universal Library of the World's Best Literature, a People's Life Insurance Company, a People's Bank, excepting in connection with this company. If another corporation or other corporations" and then that paragraph can go on just as it is. Then, after the line "the party of the first part hereto" put in a phrase like this:

Nothing in this agreement, however, will prevent the publisher from conducting and developing the business and enterprises of the S. S. Mc Clure Company, Mc Clure, Phillips & Company, Mc Clure's Newspaper Syndicate, precisely as if this company did not exist. The contract with the publisher includes absolute control of Mc Clure's Journal and the four subsidiary enterprises, a People's University, a Universal Library, a people's Life Insurance Company, a People's Jank, but

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the rights and franchises and enterprises, both now existing and contemplated by the other company, controlled by the said S. S. Mc Clure, shall have absolute freedom for development along whatever lines they undertake, excepting in regard to these four subsidiary businesses and Mc Clure's Journal, and further excepting that no publication similar to Mc Clure's Journal will be undertaken, within ten years, by either of the other companies.

I think the ideas I have set forth here if put into the paragraph on page 3 would satisfy Phillips and the others.

At the bottom of Page 3, beginning with "SECOND," there is an agreement in which I have to put in $150,000. in order to secure the delivery over to me of these shares. Now, you know I cannot get this money until I get these shares, and very little of the money will be in hand before next summer. The first money I am sure of is $75,000. next July from Mr. Lawson; but I ought to organize the company at once. Would it not be all right if I agreed to put into the company all the money I receive from the sale of preferred stock and all the money I will receive from the sale of common stock to Mr. Lawson? That, I think, would be the wiser plan. Nobody has questioned my good faith, and the easier this thing is worked out the better.

These small memoranda relating to increase of stock I don't bother about; I suppose they are all right.

BY-LAWS: In general, I trust to your judgment. The immediate government and direction of the affairs of the company should be vested in a board of directors. As a matter of fact, the immediate control of the company will be vested in me; but I suppose it is not necessary to say that, is it?

The paragraph about the Treasurer of the company rather bothers me, and also in regard to the signing of cheques. In the S. S. Mc Clure Company, by authorization of the Board of Directors, any of the officers can sign cheques and one signature goes. It is necessary for us to have such an arrangement here as it would be impossible to count upon two officers being present at any given time. Further, I don't think it would be wise to ask the treasurer to give a bond. We

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don't do so in these other companies. Mr. Phillips will be treasurer. I think that might just as well be left out.

Further, under capital stock, I think it would be all right to have two and a half million of the stock, but I would divide it differently; I would have 18,000 shares of the common stock and 7,000 shares of preferred stock. That really makes it better in many ways. It enables me to place the common stock which I give to each stockholder in Mc Clure's Magazine and give it par value; also the holders of preferred stock begin to earn dividends on their stock November 1, 1907, and, as you know, it is redeemable at the option of the company at 120 within ten years.

I notice in the ARTICLES OF AGREEMENT of the Universal Company that we have very general powers. I think these should be limited to the exact businesses, and I should limit it to the exact purposes of publishing Mc Clure's Journal and the other four jobs. These articles of agreement would really interfere with the contracts I have with the S. S. Mc Clure Company. Why not make this just exactly what we agreed to do?

I think the company might as well be called Mc Clure's Journal Company. I think we can easily enough decide to change the name if necessary.

I want you to make that paragraph which has caused so much trouble in this office, and the paragraph which occupies the most of the third page of the agreement between Mc Clure's Journal Company and me, just as clear and strong as possible. My agreement with the individual subscribers to the new company specifically limits this company to this Journal and those four businesses, as understood from the start, as written in every one of my prospectuses while I was raising the money, and I want all these agreements and articles of agreement to conform to that notion.

very sincerely yours,

S. S. McClure

Robert Mather, Esq.,
71 Broadway, City.

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