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October 8, 1970

Mr. C. J. Olander  
Oy Polykem AB  
Et. Rautatiek 10  
Helsinki 10  
Finland

Dear Mr. Olander:

Mr. Lawrence, of Futuro Corporation of Colorado, has asked that I reply to your questions concerning (a) the bankruptcy status of Futuro Corporation (Philadelphia), (b) the status of the license-agreement which you signed with H. L. Fruchter.

Our lawyers in Philadelphia advised us that Futuro Corporation has filed a petition for an arrangement under Chapter 11 of the Bankruptcy Act in the United States District Court for the Eastern District of Pennsylvania. This petition has been assigned Bankruptcy No. 70-482, and apparently has been assigned to Referee Emil F. Goldhaber. The law firm of Cohen & Novack, 226 South 16th Street, Philadelphia, Pennsylvania, is listed as the attorney for Futuro Corporation. John T. Welsh, Esq., 62 East Court Street, Doylestown, Pennsylvania, has been appointed Receiver by the court, and Nathan I. Miller, Esq., 700 Bankers Security Building, Philadelphia, Pennsylvania, is the attorney for the Receiver.

A Chapter 11 proceeding is one in bankruptcy. Basically, this is a proceeding whereby the debtor acknowledges that he is insolvent or unable to pay his debts as they mature. The debtor either sets forth the arrangement to pay off his unsecured creditors, or that he intends to propose an arrangement pursuant to the provisions of the chapter. The debtors then meet and decide whether they will accept the proposed arrangement. Acceptance of an arrangement by a majority of the creditors or by a majority of each class of creditors is sufficient to permit an application for confirmation by the Referee and a subsequent confirmation of the arrangement. The will of the majority is enforced upon the minority, provided that the approved plan is confirmed by the court.

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As a listed creditor you should have been advised of the proposed plan. I am unable to advise you what the status of the case is at present.

We have no way of knowing what the status of the license-agreement above referred is at the present. I would not expect that Mr. Fruchter or Futuro would knowingly volunteer this information to my clients. The Receiver above referred to, Mr. John T. Welsh, would probably be under a duty to reveal this information to you. I, therefore, take the liberty of suggesting that you write to him and ask him. We, of course, would be most interested in any information you may receive.

Very truly yours,

NEEF, SWANSON AND MYER

  
Edward C. Eppich

ECE:dp

cc: Futuro Corporation of Colorado  
Att: Mr. John M. Lawrence 