EXHIBIT 15

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re: **BERNARD L. MADOFF INVESTMENT SECURITIES LLC,** **Debtor,**	**Adv. Pro. No. 08-01789 (BRL)** **SIPA LIQUIDATION** **(Substantively Consolidated)** **Adv. Pro. No. 10-5287 (BRL)**
IRVING H. PICARD, Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC, **Plaintiff,** **v.** **SAUL B. KATZ, et al.,** **Defendants.**	**11-CV-03605 (JSR) (HBP)**

Bruce Dubinsky Deposition Binder

Tabs 26-80

Part II of III

ATTORNEY WORK PRODUCT
PRIVILEGED & CONFIDENTIAL

DUFF & PHELPS

EXHIBIT
D-25B
1-11-12

MACMILLAN, INC.

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1984	Times Charges Earned 1983	Interest Dates	Call Price	Price Range 1984	Price Range 1983
1. S.f. debenture 10¼s, 2001	A3	$25,767,000	19.55	39.45	M&N 1	[1]105.31	....	80 - 72½
2. Conv. sub. deb. 4s, 1992	Baa1	4,056,000			J&D 1	[1]100.60	180 -118	155 - 94½
3. Other long-term debt	....	340,000			....	.....	....	....

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1984	Earned per Sh. 1983	Divs. per Sh. 1984	Divs. per Sh. 1983	Call Price	Price Range 1984	Price Range 1983
1. $2.50 cum. conv. pfd.	$1	88,512 shs.	$373.63	$258.88	$2.50	$2.50	$2.50	....	....
2. Common	1	[2]9,517,000 shs.	[2]3.45	[2]2.60	0.90	0.72½	.....	47 - 25	38¾- 22½

[1]Subject to change, see text. [2]Based on average shs., as reported by company, on continuing operations. For other earned per sh. data, see under "Financial & Operating Data", below.

HISTORY

Incorporated May 6, 1920, in Delaware as The Crowell Publishing Co., successor to company of same name incorporated in Jan. 1906, under the laws of New Jersey. Name changed to The Crowell-Collier Publishing Co., May 26, 1939; name changed to Crowell Collier and Macmillan, Inc., on May 6, 1965; present name adopted on Jan. 1, 1973.

For acquisitions prior to 1980 see Moody's 1984 Industrial Manual.

On Nov. 30, 1979 Co. announced an asset redeployment program in order to refocus its operations on Publishing, Instruction, and Information services. Co. disposed of C.G. Conn., Ltd. (musical instruments), Macmillan Science Co., Inc. (science supplies and specimens), Macmillan Arts & Crafts, Inc. (educational supplies), Macmillan Ward Ostwald, Inc. (band uniforms and apparel), Mobile Music Man, Inc., (musical instrument rental) and Stechert Macmillan, Inc. (bookseller and periodicals agent).

In Mar., 1980, Co. sold Stechert Macmillan, Inc. to F.W. Faxon, Co.

In June, 1980 Co. sold substantially all the assets of the Ward division of Macmillan Ward Ostwald Inc.

Also in June, 1980, Co. sold certain assets of Conn Organ division to a subsidiary of Kimball International, Inc.

In Aug. 1981, Co. sold its Association Films unit to KDI Corp's Modern Talking Picture Service, Inc. Details were not reported.

In Aug. 1981, Co. sold its Brentano's Inc. bookstore chain to Hellebore, Inc. Details were not disclosed.

Also in 1980, Co. sold Alco-Gravure, Inc., its printing segment. Details were not disclosed.

In Feb. 1982, Co. sold its subsidiary Audio Brandon Films, Inc. to Films, Inc.

In May 1982, Co. sold its Cassell Ltd. London-based subsidiary to CBS Inc. Details were not disclosed.

In Sept. 1982, acquired MacLean Hunter Media Home Economics Product Line including the Learning Resource Imprint, a publisher of home economics texts.

In Dec. 1982, acquired Bradbury Press, Inc., a publisher of juvenile books.

In 1983 the Co. acquired three vocational education publishers—Bennett Publishing, McKnight Publishing and Pitman Learning. In addition, it acquired Business Mailers, a direct marketer for the health care industry; United Electronics Institute an electronics vocational school; and Washington Business School, an executive secretarial school.

In June, 1984, acquired the Zehring Co., Inc., a specialized financial publisher.

In 1984, acquired the Scribner Book Co., a college text, trade, reference and American Literature Publisher; the Harper & Row school Division, a school text book publisher; Macmillan Professional Journals, publisher of single sponsor journals for the health care industry; Dellen Publishing and PenWell Publishing, college text book publishers; The Stone School, an executive secretarial school; Four Winds Press, a juvenile imprint; Coop Mailings, a direct response advertiser; Collamore Press, a medical books imprint; The Zehring Co., a specialized financial directory publisher and Agnew TechTran, a provider of technical commercial translation services.

On April 15, 1985, Co. announced that it has completed the acquisition of six publishing concerns from ITT Corp. The purchase price was approximately $75,000,000.

To be included in Co.'s Infomation Services Group are the Michie Co., Marquis Who's Who and Intertec Publishing.

The former ITT companies to be integrated into Macmillan Publishing Co. are Bobbs-Merrill, G.K. Hall and Howard W. Sams & Co.

Proposed Unit Sale: In Mar., 1985, Co. announced that it would sell Gump's, the specialty retail and catalogue operation located in San Francisco, Beverly Hills, Houston and Dallas.

SUBSIDIARIES

As of Dec. 31, 1984 subsidiaries are as follows:

Associated Music Publishers, Inc. (New York)
The Berlitz Schools of Languages of America, Inc. (New York)
Berlitz Escola de Idiomas Ltda. (Brazil)
Berlitz Escuelas de Idiomas Ltda. (Chile)
Berlitz de Mexico, S.A. de C.V. (Mexico)
Berlitz Schools of Languages, KK (Japan)
Berlitz Schools of Languages Singapore (Pte.) Ltd.
Berlitz Sprachschulen GmbH (Germany)
Berlitz Thailand Limited (Thailand)
Instituto de Idiomas Colombia, S.A. (Colombia)
The Berlitz Schools of Languages of Argentina S.A. (Argentina)
The Berlitz Schools of Languages of Benelux S.A. (Belgium)
The Berlitz Schools of Languages Ltd. (England)
The Berlitz Schools of Languages of East Asia, Inc. (New York)
The Berlitz Schools of Languages of France S.A.R.L. (France)
Societe Civile Immobiliere Berlitz-Comines (France)
The Berlitz Schools of Languages of New York, Inc. (New York)
The Berlitz Schools of Languages of Canada Ltd. (Canada)
The Berlitz Schools of Languages (Switzerland) S.A. (Switzerland)
Agnew Tech-Tran, Inc.
Macmillan Investment Corp. (Del.)
Berlitz (Italia) s.r.l. (Italy)
Berlitz Limited (England)
The Berlitz Schools of Languages, Aalborg A.p.s. (Denmark)
Berlitz Schools of Languages AG (Zurich) (Switzerland)
Berlitz Schools of Languages B.V. (Netherlands)
Berlitz Schools of Languages, Copenhagen A.p.s. (Denmark)
Berlitz Schools of Languages GmbH (Germany)
Berlitz Sprachschulen GmbH (Austria)
Berlitz Ubersetzungdienst GmbH (Germany)
Escuelas de Idiomas Berlitz de Espana S.A. (Spain)
CCM Holdings Ltd. (England)
Collier Macmillan Ltd. (England)
Collier Macmillan Properties Ltd. (England)
Collier Macmillan Schools Ltd. (England)
G. Schirmer Ltd. (England)
J. Curwen & Sons Ltd. (England)
Crowell Collier & Macmillan (Publishers) Ltd. (England)
Collier Macmillan Canada, Inc. (Canada)
Collier Macmillan Proprietary Ltd. (Australia)
Collier Macmillan International, Inc. (Delaware)
Collier Macmillan Superannuation Pty Ltd. (Australia)
G. Schirmer, Inc. (New York)
Gump's, Inc. (Texas)
Katharine Gibbs School (Inc.) (New York)
Katharine Gibbs Realty Trust (Mass.)
Katharine Gibbs School—Huntington (Inc.) (Del.)
Katharine Gibbs School (Inc.) (Conn.)
Katharine Gibbs School (Inc.) (Mass.)
Katharine Gibbs School (Inc.) (New Jersey)
Katharine Gibbs School (Inc.) (Penn.)
Katharine Gibbs School (Inc.) (Rhode Island)
Lexington, Andrews International, Inc. (Del.)
Macmillan Berlitz Finance N.V. (Netherlands Antilles)
Macmillan Collier Finance N.V. (Netherlands Antilles)
Macmillan Book Clubs, Inc. (Del.)
Macmillan Capital Corp. (Del.)
BLT. Schools, Inc. (Kentucky)
Bradbury Press, Inc. (New York)
Business Mailers Inc.
Macmillan Financial Corp. (Del.)
Macmillan S.A. (Switzerland)
P.F. Collier, Inc. (Del.)
Crowell International Pty Ltd. (Australia)
P.F. Collier & Son Ltd. (Canada)
P.F. Collier GmbH (Germany)
P.F. Collier Export Co. (Del.)
Standard Rate & Data Service, Inc. (Del.)
National Register Publishing Co., Inc. (New York)
Dati e Tariffe Pubblicitaire S.r.l. (Italy)
Media-Daten AG, Zurich (Switzerland)
Media-Daten Verlagsgesellschaft m.b.H. (Austria)
Media-Daten Verlagsgesellschaft m.b.H. (Germany).
Medios Publicitarios Mexicanos, S.A. de C.V. (Mexico)
Tarif Media S.A. (France)
The Macmillan Foundation (Del.)
Macmillan Charter, Inc. (Del.)
Macmillan Acquiring Corp. (Del.)
The Scribner Book Companies Inc. (N.J.)
Atheneum Publishers, Inc. (N.Y.)
Berlitz Publications, Inc. (Del.)

BUSINESS

Co.'s operations are classified into five industry segments: publishing, instruction, information services, home learning and reference materials, and Gump's. Co. conducts operations in several industry segments in the United States and in foreign countries.

PUBLISHING

The Publishing segment consists of educational, general, and music publishing.

Educational Publishing

Educational publishing is one of the Company's three core businesses representing 34% of Co.'s sales and 74% of total Publishing segment sales, in 1984.

The Company publishes textbooks and other instructional materials for the preschool, elementary, high school, college and graduate school levels and for professionals. These are sold primarily through the Company's sales force, and by distributors and bookstores. The Company competes to have its titles for elementary and high school texts accepted for listing and adoption by textbook selection committees, school boards, teachers and others.

The Company's major elementary level instructional series are a multi-component reading series, a basal mathematics program and an English program for grades one through eight. In 1983, the Company added a series spelling program to its elementary level instructional series. The Company also publishes a variety of texts and series in Catholic education, elementary level language arts, social studies and vocational education.

In 1984, the Co. acquired the School Text Division of Harper & Row, Dellen Publishing (a college textbook publisher), the college text list of PennWell Publishing, Collamore Press (medical books imprints), Scribner (college text, American Literature and trade publishes), and Four Winds Press (a juvenile imprint).

In 1985, the Co. will introduce new programs in elementary mathematics, social studies, literature and high school history.

During 1983, the Company acquired three vocational publishers: McKnight, Bennett and a division of Pitman Learning, Inc.

In the computer software area, the Company offers software programs designed to allow students and teachers to use computers as supplemental instructional tools and for analysis of student skills and recommendations for remedial instruction. A software division was established in 1983 to develop software for use in scientific, technical and professional fields.

In 1984, the Co. introduced Asyst™ a three module software package of data acquisitions, analysis and graphics for this market.

General and Music

The Company publishes and sells general books. In general publishing, the Company faces severe competition for authors and editors and retail display space. Sales of the Company's general books are made by its sales force to wholesalers, distributors and bookstores. In 1983 the Company began to diversify its distribution network by selling general books through specialty stores, gift and stationery stores, and other mass-market outlets.

The acquisitions of Scribner's trade operations and Four Winds Press enhanced the trade division's results in 1984.

The Company publishes sheet music, earns royalties from performances of such music and acts as agent for a number of domestic and foreign music publishers. The Company entered a new market in 1983 with its publication of a three-volume choral textbook series for high school students.

INSTRUCTION

The Instruction segment, the second core business of the Company, consists of the Company's Berlitz and Katharine Gibbs schools and United Electronics Institute.

The Company presently operates 217 Berlitz schools throughout the world offering language instruction, using the Berlitz method, to business executives, government personnel and private individuals. New language training centers are scheduled to be opened in 1985 in Taiwan, Hong Kong and Indonesia. Berlitz also provides translating and interpreting services and sells Berlitz travel guides, dictionaries and language instruction cassettes. In January 1984, Berlitz acquired Agnew Tech-

Tran, Inc., a translating and interpreting company located in Los Angeles.

The Company currently operates eleven Katharine Gibbs ("Gibbs") schools located in the eastern United States, an increase from seven in 1982. During 1983, the Company opened two new Gibbs schools in Pennsylvania and Virginia, and acquired a secretarial school in Maryland which has since become a Gibbs school. Another new school, in northern New Jersey, opened in the spring of 1984. The Stone School, acquired during 1984, broadens the Co.'s position in office skills instructions.

The Company entered a new area of instruction with its acquisition in 1983 of United Electronics Institute, a vocational training school located in Tampa, Florida, which offers a two-year program in electronics to high school graduates and to other qualifying adults.

INFORMATION SERVICES

Information Services is the Company's third core business. Through Standard Rate & Data Service ("SRDS"), the Company publishes, on a subscription basis, advertising rate and circulation information for media. The Company, through National Register, publishes directories for advertisers and corporate affiliations directories. The services provided to the advertising industry by the Company's Information Services segment are unique, therefore, there are no competitors.

The Company, in 1983, sold SRDS's printing and binding plant, and its manufacturing functions are now performed by an outside supplier. Business Mailers, Inc. of Chicago, a marketer of mailing lists serving professionals in health care, architecture and the law, was acquired in mid-1983.

In 1984, Macmillan Book Clubs was intergrated into the Information Services segment to which its business is more closely allied.

Macmillan Book Clubs, offers fifteen professional and scientific book clubs, including the Small Computer Book Club started during 1983. It also has three professional continuity programs for elementary school teachers including the Macmillan Idea Pacs, commenced in 1983, which provides teachers of grades two through five with supplementary classroom materials. Macmillan Book Clubs maintains its competitive position by identifying and servicing market needs of professionals and educators.

The 1984 acquisitions of Macmillan Professional Journals (publisher of single sponsor journals for the health care industry) and the Zehring Company (publisher of specialized financial directories) further strengthened the segment.

HOME LEARNING AND REFERENCE MATERIALS

The Company publishes two encyclopedias, the 20-volume MERIT STUDENTS ENCYCLOPEDIA and the 24-volume COLLIER'S ENCYCLOPEDIA, as well as yearbooks and other reference materials. Most foreign and domestic encyclopedia sales are made directly to consumers by independent sales representatives. Payment is generally made on an installment basis. The accounts receivable of the U.S. and Canadian encyclopedia operations have been transferred to unconsolidated finance subsidiaries to secure concurrent borrowings, which are made on a limited recourse basis.

The Company, in 1983, added Home Reading and Readiness Programs, preschool activities kits and children's readers for ages three through twelve, on a trial basis, to the materials sold in conjunction with its encyclopedias. The Company offered, in 1984, a science yearbook for encyclopedia owners.

GUMPS

Gump's sells antiques, jade, oriental art, jewelry and decorative accessories for the home and other high quality merchandise from its San Francisco, Houston, Dallas and newly opened Beverly Hills specialty stores and through catalog sales. No published statistics are available as to the Company's competitive position in this industry. Factors affecting competition in these markets include price, quality, customer service and ability to anticipate public taste.

Sales of Products and Services by Industry Segments (in millions):

	1984 Amt.	1984 %	1983 Amt.	1983 %
Publishing	242.5	45.8	187.2	44.0
Instruction	106.0	20.0	90.0	21.0
Info. Svcs.	87.8	16.6	67.5	16.0
Home Learn. & Ref. Mtls...	49.0	9.3	49.3	11.0
Gump's...	44.4	8.3	36.5	8.0
Total.	529.7	100.0	430.5	100.0

PROPERTIES

Co. operates approximately 290 offices, warehouses, schools and plants, exclusive of U.S. sales offices for home learning and reference materials. These 290 properties have an estimated aggregate space of approximately 2,648,000 square feet of which approximately 1,002,000 square feet are owned and approximately 1,646,000 square feet are leased. The principal properties, listed by the business segment which uses the property, are summarized below.

	Number of Principal Properties Owned	Leased
Publishing..........	6	7
Instruction	2	14
Information Services	1	1
Home Learning & Ref. Materials ...	......	......
Gump's	......	6
General Corporate (incl. business exec. offices).....	......	1

Co.'s main facilities are its general corporate headquarters located in New York City, its owned/warehousing and distribution center located in New Jersey, its leased data base publishing facility in Illinois and the four leased Gump's specialty stores, two in Texas and two in California.

MANAGEMENT

Officers

E.P. Evans, Chmn. & Chief Exec. Off.
W.F. Reilly, Pres. & Chief Oper. Off.
Jeremiah Kaplan, Exec. Vice-Pres.
P.E. Hoversten, Vice-Pres. & Chief Fin. Off.
D.R. Bauer, Vice-Pres.
E.P. Vreeland, Vice-Pres.
W.A. Naughton, Vice-Pres.
George Philips, Vice-Pres.
J.D. Limpitlaw, Vice-Pres.
B.C. Cheil, Vice-Pres., Gen. Counsel & Sec.
D.E. Moran, Contr.
R.F. Marangelo, Treas.

Directors

(Showing Principal Corporate Affiliations)

James J. Apostolakis, Pres., Bradford Shipping, Inc.

Edward P. Evans, Chmn. & Chief Exec. Off. of Co.

Dorsey R. Gardner, Pres., Kelso Management Co., Inc.

Abraham L. Gitlow, Dean & professor, economics, College of Business & Public Administration, NYU.

Eric M. Hart, Exec. in Residence, Columbia Univ. Graduate School of Business.

Jeremiah Kaplan, Exec. Vice-Pres. of Co.

J.H. Knowles, Jr., General Partner, Trivest Venture Fund.

John R. Kountz, Sen. Vice-Pres., Treas. & Sec., Victoria Station, Inc.

Lewis A. Lapham, Retired Pres., Bankers Trust New York Corp.

Thomas J. Neff, Pres. & Managing Partner, Spencer Stuart & Associates.

John H.G. Pell, Proprietor, John H.G. Pell & Co.

W.M. Rees, Retired Chmn., The Chubb Corp.

W.F. Reilly, Pres. & Chief Oper. Off. of Co.

Herman J. Schmidt, Retired Vice-Chmn., Mobil Oil Corp.

Joseph Schwartz, Retired Chmn. & Pres., Allied Container Corp.

Auditors: Arthur Young & Co.

Annual Meeting: Third Tuesday in April.

No. of Stockholders: March 13, 1985, Com. 7,000.

No. of Employees: Dec. 31, 1984, 6,600.

Office: 866 Third Ave., New York, NY 10022.**Tel.:** (212)702-2000.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT YEARS ENDED DEC. 31
(in thousands of dollars)

	1984	1983	1982	[1]1981	[1]1980
Sales of products and services	529,653	430,515	384,311	404,523	373,702
Operating exp. and (other income):					
Costs of products and services sold	249,169	202,133	186,499	204,859	200,231
Selling, gen. and admin.	216,820	183,890	162,241	166,148	143,482
Interest exp. (net of interest income)	3,259	1,207	(1,227)	3,074	8,562
Disp. of inventories	......	......	......	9,138	......
Gains on repurch. of debs.	(215)	(161)	(1,708)	(6,126)	(541)
Dividend & oth. invest. inc.	(2,106)	(2,858)	(284)	......	......
Gain on disposal of rl. est.	......	(3,206)	(4,507)	(2,178)	......
Fgn. exchange (gain) loss, net	2,277	3,100	1,888	(519)	646
Total oper. exp. and (oth. inc.)	469,204	384,105	342,902	374,396	352,380
Income from continu. oper. bef. inc. taxes	60,449	46,410	41,409	30,127	21,322
Income taxes	27,371	21,349	19,586	15,947	12,440
Loss from discontinued oper., net of inc. tax credits	......	......	(990)	(3,344)	(442)
Income (loss) bef. cum. eff. of acc. chges.	33,078	25,061	20,833	10,836	8,440
Cum. eff. of acc. chges., net of inc. tax credits	......	......	......	......	(19,157)
Net income	33,078	25,061	20,833	10,836	(10,717)
Retained earnings, beg. of year	45,903	36,980	44,954	41,860	62,303
Preferred dividends	(8,786)	(7,436)	(414)	(431)	(438)
Common dividends			(13,731)	(6,147)	(9,288)
Iss. of com. stk. under Stk. Option Plan	(1,345)	(995)	......	......	......
Excess of cost over stated val. of reacq. com. stk.	(15,822)	(7,707)	(14,662)	(1,164)	......
Retained earning end of year	53,028	45,903	36,980	44,954	41,860
SUPPLEMENTARY P. & L. DATA					
Royalties	25,970	17,997	14,405	18,928	17,417
Advertising costs	30,226	24,596	21,303	20,958	20,049

[1]Restated to conform with 1982 presentation and to show separately operations discontinued.

Consolidated Statement of Changes in Financial Position (in thousands of dollars):

Source of funds:	1984	1983
Operations:		
Inc. from contin. oper.	33,078	25,061
Charges (credits) to inc. not req. work. cap.:		
Deprec. and amort. of prepublication costs	18,540	13,520
Def. noncurr. inc. taxes	4,053	3,145
Other	2,292	(1,966)
Work. cap. from contin. oper.	57,963	39,760
Work. cap. from oper.	57,963	39,760
Proc. from dispos. of prop. and equip.	......	4,698
Decr. (incr.) in rec.	(23,013)	7,764
Decr. (incr.) in inventories	(19,139)	(9,859)
Incr. (decr.) in inc. taxes	(7,613)	9,631
(Incr.) decr. in prepaid and other assets	20,812	(8,435)
Decr. (incr.) in acct. pay. & other accr.	47,498	11,606
Total sources	76,503	55,165
Use of funds:		
Add. to prepublication costs	19,622	12,824

Acq. of prop. and equip.	18,911	16,445
Foreign curr. transl. adj.	2,441	1,882
Acquisitions	58,057	22,856
Total	99,031	54,007

Fin. sources (uses) of funds:		
Issuance of com. stk. Scribner acq.	14,559	......
(Decr.) incr. in debt	(2,065)	45
Cash div. on com. and pref. stk.	(8,368)	(7,187)
Acq. of Co.'s com. stk.	(25,820)	(12,383)
Issuance of 8.75% conv. sub. deb.	......	50,000

Redemption of $1.20 preferred stk.	(428)	(410)
Other issuance of com. stk.	913	1,407
Incr. (decr.) in cash and temp. invest. for the year	(43,737)	32,630

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31
(in thousands of dollars)

	1984	1983	1982	[2]1981
Assets:				
Cash & temp. investments	10,483	59,986	33,075	41,766
Marketable securities	11,485	5,719	......	......
Accounts receivable	109,803	86,790	94,554	135,282
[3]Inventories	90,990	71,851	61,992	56,270
Prepaid expenses & miscellaneous	4,953	4,146	3,555	3,621
Net assets of discontinued operations, net of reserve for losses on disposal	......	......	......	5,321
Total current assets	227,714	228,492	193,176	242,260
Prepublication costs	69,286	34,714	24,775	21,158
[1]Property, plant and equipment	74,101	59,999	47,969	46,603
Less accumulated deprec. & amortization	32,984	26,715	26,716	26,441
Total property	41,117	33,284	21,253	20,162
Goodwill & oth. tangible assets	83,464	55,286	42,324	42,324
Other assets	7,691	21,508	10,048	7,437
Total	429,272	373,284	291,576	333,341
Liabilities:				
Accounts payable	40,159	18,964	17,700	13,256
Notes payable	2,285	1,095	198	1,378
Deferred revenues	27,398	22,422	20,429	19,555
Income taxes—current	15,284	22,902	6,086	8,964
Income taxes—deferred	13,390	9,337	13,377	6,558
Payrolls and commissions	10,404	8,028	8,676	7,502
Accrued royalties	23,079	15,609	13,264	14,522
Other accr. exp.	38,701	28,666	20,607	21,458
Total current liabilities	170,700	127,023	100,337	93,193
Long-term debt	80,163	83,693	38,580	45,245
Other lg.-tm. liabil.	5,315	3,956	2,660	3,379
Preferred stock	4,420	4,949	9,805	10,369
Common stock	127,161	116,834	110,406	140,489
Retained earnings	53,028	45,903	36,980	44,954
Foreign curr. transl. adj.	(11,515)	(9,074)	(7,192)	(4,288)
Total stockholders equity	173,094	158,612	149,999	191,524
Total	429,272	373,284	291,576	333,341
Net current assets	57,014	101,469	92,839	149,067

[1]1984 comprised of (in $000):

	Book Value	Reserves
Land	1,185	
Bldg. & Leasehold Improvements	38,692	32,984
Equipment	34,224	
Total	74,101	32,984

[2]Restated to conform with 1982 presentation.

[3]1984 comprised of: finished goods, $73,838,000; work in process, $7,952,000; paper & supplies, $9,200,000; total, $90,990,000.

Notes to the Consolidated Financial Statements

(a) Consolidation: The consolidated financial statements include the accounts of Macmillan, Inc. and all subsidiaries. Intercompany transactions are eliminated.

(b) Foreign currency translation: All balance sheet accounts have been translated using the exchange rates in effect at the balance sheet dates and income statement items have been translated using the average exchange rates in effect for each year. The translation adjustment has been included in shareholders' equity and gains and losses on foreign currency transactions have been included in income.

(c) Installment accounts receivable: In accordance with trade practice, installments due after one year are included in current assets.

(d) Inventories: Inventories aggregating $80,123 and $64,110 at December 31, 1984 and 1983, respectively, are valued by the last-in, first-out (LIFO) method. The remaining inventories are stated at the lower of cost (generally actual or average) or market. LIFO reserves amounted to $8,806 in 1984 and $7,587 in 1983.

(e) Prepublication costs: All editorial costs are expensed as incurred. Prepublication artwork, composition and camera work necessary for publication of multivolume reference works and elementary and secondary textbook series, and book plates for all books, are capitalized. These costs are amortized from date of publication at rates based on estimated lives, using principally either the unit-of-sale method or the sum-of-the-years' digits method. All prepublication costs relating to individual books are expensed as incurred.

(f) Depreciation: Depreciation of property and equipment is provided at rates based on estimated useful lives, using principally accelerated methods.

(g) Goodwill: Goodwill arose from businesses acquired prior to November 1, 1970 and is not being amortized because, in management's opinion, no diminution in value has occurred. The balance, which arose from businesses acquired during 1983, is being amortized on a straight-line basis over periods not exceeding 40 years.

(h) Income taxes: Income tax provisions are based on earnings reported in the financial statements. Deferred income taxes relate principally to prepublication costs, installment sales, foreign tax credits, and the repurchase of debentures. Investment tax credits are recorded using the flow-through method as a reduction of current income taxes. Unremitted earnings of foreign subsidiaries and a Domestic International Sales Corporation which are permanently reinvested and on which United States income taxes have not been provided amount to approximately $2,000 at December 31, 1984. If such earnings were distributed, foreign income tax credits would be available to substantially reduce any resulting income tax liability.

(i) Deferred revenues: Deferred revenues arise from the prepayment of fees for classroom instruction and from the sale of subscriptions to specialized directories.

FINANCIAL & OPERATING DATA

Statistical Record:	1984	1983	1982	1981	1980
Earned per share—preferred	$373.63	$258.88	$94.70	$46.29	......
[2]Earned per share—common:					
On Year—End Shares:					
Continuing operations	$3.45	$2.60	$2.31	$1.15	$0.65
Discontinued operations	......	......	($0.10)	($0.27)	($0.03)
Cum. eff. of acct. chge.	......	......	......	......	($1.48)
Net income	$3.45	$2.60	$2.21	$0.88	($0.86)
[1]On Average Shares:					
Continuing operations	$3.45	$2.60	$1.90	$1.05	$0.64
Discontinued operations	......	......	($0.09)	($0.25)	($0.03)
Cum. eff. of acct. chge.	......	......	......	......	($1.46)
Net income		$3.45	$1.81	$0.80	($0.85)
Dividends Per Share:					
$1.20 conv. pfd.	......	$0.75	$1.20	$1.20	$1.20
$2.50 conv. pfd.	$2.50	$2.50	$2.50	$2.50	$2.50
Common	$0.90	$0.72½	[3]$0.55	$0.50	$0.82
Price Range:					
$2.50 conv. pfd.	......	......	22-20	20-18	22-16
Common	47-25	38¾-22½	23⅜-11¼	17¾-12	17⅝-10⅝
[2]Common (adj.)	47.00-25.00	38.75-22.50	23.38-11.75	16.88-11.38	16.50-10.13
Net Tangible Assets Per Share:					
—Pfd. $	$1,012.63	$1,022.85	$489.44	$637.54	......
—[1]Com. $1	$9.02	$10.18	$10.40	$10.80	......
Times Charges Earned:					
Before inc. taxes	19.55	39.45	......	10.80	3.49
After inc. taxes	11.50	21.76	......	5.61	2.03
Price Range—s.f. debs. 10¼s, '01	......	80-72½	95-95	......	......
—Conv. sub. deb. 4s, '92	180-118	155-94½	95-69	80-60	73½-57
—Conv. sub. deb. 8¾s, '08	......	128-105½	......	......	......

FINANCIAL & OPERATING DATA (Cont'd):	1984	1983	1982	1981	1980
Net tangible assets per $1,000 lg.-tm. debt	$2,118	$2,234	$3,791	$4,297	......
Net curr. assets per $1,000 lg.-tm. debt	$711	$1,212	$2,406	$3,294	......
Number of shares—$1.20 conv. pfd.	......	......	110,933	124,883	129,313
—$2.50 conv. pfd.	88,512	99,104	109,065	109,180	112,180
[2]Number Of Shares—Common:					
At year end	9,441,239	9,475,381	9,426,514	12,631,386	12,929,957
[1]Average shares	9,517,000	9,519,000	11,328,000	13,162,000	13,777,000
[1]As reported by Co. on per common and common equivalent shares. [2]Adj. for 5% stock dividend in Sept. 1982. [3]Also 5% in stock.					
Financial & Operating Ratios:					
Current assets ÷ current liabilities	1.45	1.80	1.93	2.60	......
% cash & securities to current assets	10.00	28.76	17.12	17.24	......
% inventories to current assets	40.00	31.45	32.09	23.23	......
% net current assets to net worth	40.67	63.97	61.89	77.83	......
% property depreciated	44.51	44.64	55.69	56.74	......
% annual depr., etc. to gross property	25.02	22.21	21.49	27.48	......
Capitalization:					
% Long-term debt	31.65	34.54	20.46	19.11	......
% Preferred stock	1.75	2.04	5.20	4.38	......
% Common stock & surplus	66.60	63.42	74.34	76.51	......
Sales ÷ inventories	5.82	5.99	6.20	7.19	......
Sales ÷ receivables	4.82	4.96	4.06	2.99	......
% sales to net property	1,288.16	1,299.59	1,808.27	2,006.36	......
% sales to total assets	123.38	115.33	131.81	121.35	......
% net income to total assets	7.71	6.71	7.14	3.25	......
% net income to net worth	19.11	15.80	13.89	5.66	......
Analysis of Operations:	%	%	%	%	%
Sale of Products & Services	100.00	100.00	100.00	100.00	100.00
Cost of products & serv. sold	47.04	46.95	48.53	50.64	53.58
Selling, gen. & admin.	40.94	42.71	42.14	41.07	38.39
Interest expense	1.67	0.28	*cr*0.32	0.76	2.29
Other deductions	1.49	0.72	*dr*1.13	0.08	*cr*0.03
Inc. from cont. oper. bef. inc. taxes	11.41	10.78	10.78	7.45	5.71
Income taxes	5.17	4.96	5.10	3.94	3.33
Inc. from cont. oper.	6.25	5.82	5.68	3.51	2.38
Discont. oper.	......	......	*dr*0.26	*d*0.83	*d*0.12
Cum. eff. of acc. chges. net of inc. tax credits	......	......	......	......	*d*5.13
Net income	6.25	5.82	5.42	2.68	*d*2.87

LONG TERM DEBT

1. Macmillan, Inc. s.f. debenture 10⅛s (formerly 8.85s), due 2001:

Rating—A3

AUTH.—$50,000,000; outstg., Dec. 31, 1984, $25,767,000.

DATED—Nov. 1, 1976. DUE—Nov. 1, 2001.

INTEREST—M&N 1 to holders registered A&O 15, payable at office of trustee, or at Co.'s option, by mail.

Note: Interest increased from 8.85% to 10⅛% effective Apr. 1, 1982.

TRUSTEE—Chemical Bank, New York, N.Y.

DENOMINATION—Fully registered, $1,000 and any integral multiple thereof. Transferable and exchangeable without service charge.

CALLABLE—As a whole or in part on at least 30 but not more than 60 days' notice to each Oct. 31, as follows:

1983	.....106.20	1984	.....105.75	1985	.....105.31
1986	.....104.87	1987	.....104.42	1988	.....103.98
1989	.....103.54	1990	.....103.10	1991	.....102.66
1992	.....102.21	1993	.....101.77	1994	.....101.33
1995	.....100.89	1996	.....100.44		

thereafter at 100.

Not callable, however, prior to Nov. 1, 1986 thru refunding at interest cost less than 10.25% per annum. Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, on Nov. 1, 1987-2000, cash (or debs.) to retire $3,250,000 principal amount of debs.; plus similar optional payments. Sinking fund designed to retire 91% of issue prior to maturity.

SECURITY—Not secured. Co. nor any restricted subsidiary may create, issue, incur or assume any secured debt, or secure with any security interest in any principal property of Co. or a restricted subsidiary, including capital stock or indebtedness of a restricted subsidiary, any guarantee of indebtedness of Co. or a restricted subsidiary for money borrowed or evidenced by a note or other similar instrument or of any other indebtedness of Co. or a restricted subsidiary on which by the terms thereof interest is paid or payable, without making effective provision whereby the deb. (and, if Co. so determines, any other indebtedness of or guaranteed by Co. or any restricted subsidiary entitled thereto, subject to applicable priorities of payment) shall be secured equally and ratably with (or prior to) such secured debt or secured guarantee, so long as any such secured debt or secured guarantee remains outstg., except (a) (i) any security interest upon any property hereafter acquired or constructed by Co. or a restricted subsidiary and created contemporaneously with or within 120 days after such acquisition or completion of such construction to secure or provide for payment for all or part of the purchase price of such property or cost of construction thereof, (ii) any security interest in property acquired by Co. or a restricted subsidiary existing at the time such property is acquired, (iii) any security interest existing on property or outstg. shs. or indebtedness of a corporation at the time it becomes a restricted subsidiary or (iv) any security interest on property of a corporation existing at the time such corporation is merged with Co. or a restricted subsidiary or at the time of a sale, conveyance, lease or other disposition to Co. or a restricted subsidiary of all or substantially all the property of such corporation; provided, in each case under this clause (a) that such security interest does not affect property owned by Co. or a restricted subsidiary prior to such acquisition or construction (except real property on which construction is located) or to other property thereafter acquired or constructed other than additions to such property, (b) extension of any security interest, existing at date of the indenture on property of Co. or a restricted subsidiary, to additions, extensions or improvements to such property and not as the direct or indirect result of borrowing of money or securing of indebtedness incurred after date of the indenture, (c) security interests on any property owned by a restricted subsidiary to secure indebtedness of a restricted subsidiary to Co. or another restricted subsidiary, (d) mechanics', materialmen's, carriers', workmen's, vendors' or other like liens, arising in the ordinary course of business in respect of obligations which are not due or which are being contested in good faith, (e) any security interest arising by reason of any deposit or pledge of assets (1) as security for performance of any contract or undertaking not directly or indirectly related to borrowing of money or securing of indebtedness, if made in the ordinary course of business, or (2) made in the ordinary course of business to obtain the release of liens referred to in clause (d) above, (f) any security interest arising by reason of any deposit with, or the giving of any form of security to, (1) any surety company or clerk of any court, or in escrow, as collateral in connection with, or in lieu of, any bond on appeal from any judgment or decree against Co. or a restricted subsidiary, or in connection with other proceedings or actions at law or in equity by or against Co. or a restricted subsidiary, or (2) any government or governmental department, agency or instrumentality, which deposit or security is required or permitted to qualify Co. or a restricted subsidiary to conduct business, to maintain self-insurance, or to obtain the benefit of, or comply with, any law pertaining to workmen's compensation, unemployment insurance, old age pensions, social security, or similar matters, (g) any security interest existing on property acquired by Co. or a restricted subsidiary through the exercise of rights arising out of defaults on receivables acquired in the ordinary course of business, (h) liens for judgments or awards, so long as the finality of such judgment or award is being contested in good faith and execution thereon is stayed, (i) leases, and, so long as the rent secured thereby is not in default, landlords' liens on fixtures and movable property located on premises leased in the ordinary course of business, (j) any security interest in favor of the USA, any state thereof, foreign country, department, agency, instrumentality political subdivision of any of the foregoing, any entity under political control and direction of any thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for financing all or part of the purchase price or cost of construction or improvement of property subject to any security interest, including, without limitation, any security interest in connection with financing of a principal property or any part thereof designed primarily for the purpose of pollution control, (k) any security interest upon imports in transit effected in accordance with customary commercial practice securing loans covering the purchase price of such imports, (l) any security interest on any equipment used by Co. or any restricted subsidiary in transportation of any of the products purchased or sold by Co. or restricted subsidiary, (m) liens for taxes or assessments or governmental charges or levies not yet due or delinquent, or which can thereafter be paid without penalty, or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established, and any other liens of a nature substantially similar to those described in this clause (m) which do not, in the opinion of directors of Co., materially impair the use of such property in the operation of the business of Co. and restricted subsidiaries taken as a whole or the value of such property for the purposes of such business, (n) liens on capital stock acquired by Co. or any restricted subsidiary after Nov. 1, 1976 (other than capital stock of corporations which are subsidiaries prior to the date of such acquisition), provided that aggregate cost to Co. and restricted subsidiaries of all capital stock subject to such liens does not exceed 20% of consolidated net tangible assets, and (o) any extension, renewal or replacement of any of the security interests existing on date of indenture or referred to in clauses (a) thru (n) incl., provided, however, that principal amount of secured debt permitted by this clause (o) shall not exceed principal amount outstg., at the time of such extension, renewal or replacement, and that no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the security interest being extended, renewed or replaced.

Notwithstanding the foregoing restriction, Co. and the restricted subsidiaries may create, issue, incur or assume secured debt, or secured guarantees as aforesaid, not otherwise permitted as described above without securing deb. if the sum of (a) amount of such secured debt and such secured guarantees which would otherwise be prohibited by the indenture and (b) aggregate value of sale and leaseback transactions theretofore entered into which would otherwise be prohibited by indenture (not including sale and leaseback transactions the proceeds of which have been or will be applied in accordance with the provisions of clause (b) in the first paragraph under "sale and leaseback transactions" below) does not at the time exceed 10% of consolidated net tangible assets.

SALE & LEASEBACK PROVISION—Co. and the restricted subsidiaries are prohibited from engaging in any sale and leaseback transaction unless (a) Co. or such restricted subsidiary would be entitled (other than pursuant to the exceptions enumerated in clauses (a) thru (o) under "Security") to incur secured debt equal to the value of such transaction without securing the debs., or (b) an amount equal to the value of such transaction is applied or definitively committed not later than 120 days after any such sale and leaseback transaction to (i) purchase or construction of any principal property, (ii) redemption of debs. at optional redemption prices set forth above or (iii) the repayment of other indebtedness for money borrowed by Co. or any restricted subsidiary (other than indebtedness owed to Co. or any restricted subsidiary and other than subordinated debt) which was funded debt as of the date of its creation, provided that in lieu of applying an amount to the purpose specified in this clause (b), Co. may deliver to the trustee uncancelled debs. (other than debs. made the basis of a reduction in a mandatory sinking fund payment) in an aggregate principal amount equivalent to the amount to be so applied.

CREATION OF ADDITIONAL DEBT—Co. nor any restricted subsidiary create, issue, incur, assume or guarantee any senior funded debt, unless consolidated net tangible assets would be at least 250% of the total of all senior funded debt of Co. and the restricted subsidiaries, provided that such restriction shall not apply to any renewal, extension or refunding of an equal principal amount of senior funded debt which, when created, issued, incurred, assumed or guaranteed, was not so prohibited.

DIVIDEND RESTRICTION—Co. may not (a) declare or pay any dividend or make any other distribution (other than dividends paid or distributions made in capital stock of Co.) on or in respect of any capital stock of Co., (b) purchase, redeem or otherwise acquire for value any shares of the capital stock of Co., except shs. acquired upon the conversion thereof into capital stock of Co. or (c) permit any restricted subsidiary to purchase, redeem or otherwise acquire for value any capital stock of Co., if, immediately thereafter, the aggregate amount of all such dividends, distributions, purchases, redemptions, acquisitions and payments (other than dividends or distributions payable in capital stock of Co.) during the period since Dec. 31, 1975 would exceed the sum of (1) consolidated net income earned subsequent to Dec. 31, 1975, (2) $20,000,000, and (3) the aggregate net proceeds received by Co. in respect of the issue, sale or exchange, after Sept. 30, 1976, of (i) any capital stock of Co. and any rights or warrants entitling the holders to purchase or subscribe for shs. of such capital stock, and (ii) any indebtedness of Co. which is converted into its capital stock; provided, however, that this provision shall not prevent (A) the declaration and payment of dividends upon shs. of Co.'s $1.20 ser. pfd. stock and $2.50 ser. pfd. stock outstg. on Nov. 1, 1976, or (B) the payment of any dividend within sixty days after the date of declaration thereof, if, at said date, the declaration complied with the provisions hereof.

OTHER PROVISIONS—Co. may merge or consolidate with, or sell or convey all or substantially all of its assets to, any other corporation, provided that (i) either Co. shall be the continuing corporation, or the successor corporation (if other than Co.) shall be a corporation organized and existing under the laws of the USA or a state thereof or the District of Columbia and such corporation shall expressly assume the due and punctual payment of the principal of and interest on all the debs., (ii) Co. or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any covenant or condition of the indenture.

RIGHTS ON DEFAULT—Trustee, or 25% of debs. outstg., may declare principal due and payable (30 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds for working capital including repayment of commercial paper and Eurodollar borrowings.

OFFERED—($50,000,000) at 100 (proceeds to Co., 99) on Nov. 18, 1976 thru Loeb, Rhoades & Co., Lehman Brothers, Inc. and Salomon Brothers and associates.

2. Macmillan, Inc. (Crowell Collier and Macmillan, Inc.) convertible subordinated debenture 4s, due 1992:

Rating—Baa1

AUTH.—$25,000,000; outstg., Dec. 31, 1984, $4,056,000.

DATED—June 15, 1967. DUE—June 1, 1992.

INTEREST—J&D1 at office of trustee to registered holders.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Fully registered, $1,000 and authorized multiples thereof.

CALLABLE—As a whole or in part on at least 45 days' notice to each June 1, incl. as follows:

1986 ......100.4 1987 ......100.2 1988-92 ....100.0

Also callable for sinking fund at par.

SINKING FUND—Annually, to retire debs. at par each June 1, 1977-91, cash (or debs.) equal to $1,250,000 debs. outstg. plus similar optional payments.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at $23.52 a sh., (adj. for 5% stk. div. paid Sept. 30, 1982). No adjustment for interest or divs. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to all senior debt.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Dec. 31, 1966 plus proceeds from sale of stock or debt converted to stock after such date and $10,000,000.

RIGHTS ON DEFAULT—Trustee, or majority of debs. outstg. may declare principal due and payable (30 days' grace for payment of interest or sinking fund).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.

PURPOSE—Proceeds for general purposes.

LISTED—On New York Stock Exchange.

OFFERED—($25,000,000) at 100 (proceeds to Co., 98.75) on July 19, 1967 thru Loeb, Rhoades & Co., and associates.

3. Other Long Term Debt: Outstanding, Dec. 31, 1984, $340,000.

Credit Agreement: The Co. had unconfirmed bank credit lines of $305.0 million at Dec. 31, 1984, of which $1.0 million was outstanding.

CAPITAL STOCK

1. Macmillan, Inc. $2.50 series cumulative convertible preferred stock; par $1:

AUTHORIZED—All series, 5,000,000 shares; outstanding, Dec. 31, 1984, 88,512 shares; par $1.

PREEMPTIVE RIGHTS—None.

DIVIDEND RIGHTS—No dividends will be paid on any share of preferred stock unless a proportionate dividend is paid on all preferred shares at the time outstanding.

DIVIDEND RECORD—Initial dividend of $0.1834 for period May 19, 1969 through June 15, 1969 plus regular $0.62½ quarterly dividend paid Sept. 15, 1969; regular quarterly dividends paid thereafter.

VOTING RIGHTS—Entitled to one vote per share. On default of 6 quarterly div., voting as a class it is entitled, together with $1.20 series convertible preferred stock described above, to elect 2 directors until div. arrears have been paid.

Consent of 66⅔% of pfd. required to change terms of pfd. adversely or increase authorized pfd.

LIQUIDATION RIGHTS—In event of liquidation entitled to $50 per share plus accrued dividends.

CALLABLE—No redemption before fifth anniversary of effective date of merger of C.G. Conn, Ltd. Redeemable on and after that date; in whole or in part, on at least 30 days' notice at $52.50 per share plus accrued dividends. No partial redemption will be permitted as long as dividends are in arrears.

CONVERSION RIGHTS—Into common at rate of 1.172 shares of common (adj. for the stk. divs. thru Dec. 1984) for each $2.50 preferred share. Rights will terminate on the 5th business day before redemption date. Subject to adjustments.

PURPOSE—Issued in May 1969 in connection with the merger of C.G. Conn, Ltd.

TRADED—OTC.

2. Macmillan, Inc. common; par $1:

AUTHORIZED—35,000,000 shares; outstanding, Dec. 31, 1984, 9,441,239 shares; reserved for com. stock option 723,527 shs.; reserved for conversion of 4% subord. deb., 172,449 shares; for conversion of $2.50 convertible preferred stock, 103,736 shares; reserved for other issuance 2,486 shs.; par $1.

Par changed from no par to $1 in 1955, share for share: no par shares split 3-for-1 Nov. 1, 1922 and Nov. 20, 1929, and 2-for-1 Mar. 13, 1946. $1 par shares split 2-for-1 Apr. 12, 1968 and Apr. 15, 1985.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS (payments since 1929 follow):

[2]1930	$3.00	1931	$3.00	1932	$2.00
1933	0.50	1934	1.00	1935	1.75
1936-37	3.00	1938	2.50	1939-43	2.00
1944	2.75	1945	3.00	[3]1946	2.50
1947-48	2.20	1949-50	1.20	1951	0.90
1952	0.30	1953-58	Nil	1959-67	[1]

On $1 par shares (after 2-for-1 split):

1968-72	[1]	1973	0.15	1974	0.23¾
1975-76	0.25	1977	0.50	1978	0.64
1979	0.72	1980	0.82	1981	0.50
[1]1982	0.55	1983	0.72½	1984	0.85
[4]1985	0.50				

[1]Also paid stock div.: 1959-72, 4%; 1982, 5%.

[2]After 3-for-1 split.

[3]After 2-for-1 split.

[4]To April 16.

TRANSFER AGENT & REGISTRAR—Manufacturers Hanover Trust Co.

DIVIDEND DISBURSING AGENT—Manufacturers Hanover Trust Co.

LISTED—On NYSE (Symbol: MLL); also listed on Pacific and Midwest Stock Exchanges. Unlisted trading on PBW and Boston Stock Exchanges.

Debenture Retired: In Jan. 1985, Co. converted $49,972,000 of the 8.75% convertible subordinated debentures into 1,645,071 shares of com. stock and the balance of $28,000 was redeemed at 107.0% of the principal plus accrued interest.