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DIAL COMM.

DATE: August 6, 1973

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SUBJECT: MINUTES OF DR. T. A. VANDERSLICE'S VISIT - 7/30/73

Accompanied By: T. Doty
D. S. Bates
B. W. Wyman

The original agenda for the visit was altered to devote the time to the business discussions requested by Dr. Vanderslice. The plant tour was conducted as well as a brief visit to engineering to see the rider and the rest of the time was devoted to discussions with Don White and myself about the state of the business, the receivables problem and what to do to put the business in the most attractive shape for possible combination or transfer.

Dr. Vanderslice's chief concern revolved around the receivables total which has not come down as originally predicted. This appears to be a major barrier in the possible sale to Simplicity who has run into the same market downturn in the middle of May and presently is suffering from high receivables also. (This was later confirmed by the feedback on Simplicity's Florida meetings in which they announced a 5 day trip to Nassau as a prize for Fall [illegible] They also announced a 25 + 12% discount on fall orders only if shipped and paid for by October 1, 1973.)

We discussed additional possibilities for transfer of the business, including the Gould Company which was my strong recommendation based on their high contributed value potential and obvious commitment to the electric vehicle business. Dr. Vanderslice said that he knew the Chairman of Gould personally and would make a direct contact with him. Don Bates also noted that he was in touch with Clark-Gravely to determine their interest.

We carefully went over the details of what would result from a strategy of maximum receivables reduction this fall. The three primary alternatives were to continue to attempt to meet the forecasted \$13.9M sales which would result in receivables of at least \$12.5 million; to hold receivables at \$11 million, the same as year end 1972, which would result in sales of \$10.2M and a loss of \$1.8 million or double the budgeted amount; or to reduce receivables to about \$7.9 million by year end which