

GOBBLING UP A RIVAL.

THE THOMPSON-HOUSTON SWALLOW THE BENTLEY-KNIGHT.

The application of Charles M. How, a stockholder of the Bentley-Knight Electric Railway Company, for the annulment of that corporation's charter, which was presented before the Attorney General at Albany yesterday, is likely to bring out the facts with reference to another step in the direction of consolidating all the electric interests which are opposed to Mr. Edison. A few days ago the announcement was sent out by the Associated Press that the Thompson-Houston Company had bought out the Brush concern. This was afterward denied, but no attempt has been made on the part of either company to deny that negotiations looking to the above object are going on. Now Mr. How's application charges that the Thompson-Houston corporation has already got a majority of the Bentley-Knight stock, and is using its control to "freeze out" the other stockholders.

George C. Coffin, counsel for Mr. How, who is himself a resident of the State of Massachusetts, was asked by a *TIMES* reporter yesterday concerning the bearing of this application on the general question of electrical consolidation and the still more general issue affecting the protection of a minority of stockholders in a corporation. He said:

"The Bentley-Knight Company was organized in 1884, under the general manufacturing provisions of the law of 1848. It controls to-day the patents on all practicable systems of electric railroad using the underground conduit. The Thompson-Houston Company, on the other hand, runs electric railroads with overhead wires. It has one in operation in Cincinnati. The Bentley-Knight Company, as usual in such cases, paid over all its stock for patents and property when first incorporated. This was to make it all technically 'paid-up' stock. A certain proportion of it was then contributed to the company and resold in the market. My client bought 100 shares at 50, paying, of course, \$5,000. Then, in 1888, it was discovered that the big contract for supplies on the West End Road in Boston, largely operated by the Bentley-Knight system, which the company had expected to get, had been given to the Thompson-Houston concern. This left the Bentley-Knight corporation in bad shape. It had many debts, and among its creditors was the Thompson-Houston. That company very generously advanced to the Bentley-Knight people \$100,000 without collateral to meet all debts except what was due to itself. Shortly afterward it appeared that \$670,000 of the \$1,000,000 total amount of Bentley-Knight stock had been transferred to the Thompson-Houston Company, and stood in its name.

"Then, about two months ago, the works at 25 and 27 Tenth-avenue were practically closed down, and, naturally enough, the other stockholders, who had paid hard cash for their stock, began to feel that they had been frozen out. This application to Attorney General Tabor is made for the purpose of seeing whether there is really any way of protecting a minority of stockholders from the destruction of the property which they are interested in by a rival concern which has succeeded in getting hold of a majority of stock."

The Thompson-Houston people, on the other hand, claim that the stock they hold in the Bentley-Knight Company was all bought and paid for in cash outside of the \$100,000 advanced, and they have no intention of destroying the business. On the other hand, they insist that the Bentley-Knight patents will be more valuable in their hands than they could be otherwise, and that while there has been more or less reduction of expenses at the establishment on Tenth-avenue, no general shut-down has occurred.

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