

In January 1912 the several groups and committees concerned in protecting the interests of the bondholders of the two companies, Illinois and Wisconsin, merged in one committee, named the "Protective Committee". About 97% of the Wisconsin bonds, and over 98% of the Illinois bonds, were deposited with this Committee.

Protective Committee

The members of the Protective Committee were -

- |                    |                      |
|--------------------|----------------------|
| George M. Reynolds | George A. Somerville |
| Ernest A. Hamill   | Robert Cassels       |
| W. E. Stavert      | E. A. Shedd          |
| H. S. Osler        | R. Floyd Clinch      |
| Miller Lash        | John R. Thompson     |

The first meeting of the Committee was held on January 26, 1912. At this meeting the Plan and Agreement of January 26, 1912 was approved. Under this Plan and Agreement, the Protective Committee assumed responsibility for obligations of the old Wisconsin Committee and was authorized to act for the bondholders in reorganization matters. The purpose of the Plan and Agreement was to provide for the purchase at judicial sales, of the properties of each of the Divisions, and for the purchase of 1,000 shares of the capital stock of the Chicago & Milwaukee Electric Railway Company and the properties of that Company, and for the operation of such property for the benefit of the bondholders who deposited their bonds under the agreement. The Plan contemplated the two Divisions were to be owned and controlled as one continuous line by one corporation.

Plan and Agreement of January 26, 1912

Mr. Johnson, as Receiver, entered into a lease with the Public Service Company of Northern Illinois for power, and a lease was made with that company covering the Company's power plant at Highwood, Illinois, on May 6, 1913.

Power

At the June 10, 1913 meeting of the Protective Committee, George M. Reynolds, Ernest A. Hamill and R. Floyd Clinch were appointed as a Special Committee to acquire for the Protective Committee the properties of the Chicago & Milwaukee Electric Railroad Company of Illinois and the Chicago & Milwaukee Electric Railroad Company of Wisconsin and to do various other things as described in the January 26, 1912 Plan and Agreement.

Protective Committee

Special Committee

The Protective Committee on May 2, 1912, entered into an agreement with Samuel Insull which provided that a new Company should be formed to acquire the properties of the Chicago & Milwaukee Electric Railroad Company, Illinois Corporation, and Chicago & Milwaukee Electric Railroad Company, Wisconsin Corporation, when the receivership ended.

New Operating Company

The stock of the new Company under the Plan was to be placed in a Voting Trust. Mr. Insull was to be elected Chairman of the Board of Directors, was to manage and operate the railroad properties during the existence of the Voting Trust, but not to exceed ten years. It was understood he would obtain an entrance to Chicago for the new Company's trains.

Entrance Chicago

On September 25, 1912, the properties of the Company were sold under foreclosure and bid in by Jacob Newman of the Reorganization Committee at \$1,600,000. for the Wisconsin Division and \$1,650,000. for the Illinois Division. The sale of the Illinois Division was set aside by Judge Landis of the United States District Court on January 2, 1913, on the grounds that bidding was suppressed and that the price obtained was much below true valuation. On June 6, 1913, the United States Circuit Court of Appeals affirmed the order of Judge Landis.

First Sale of Railroad Properties

Sale set aside

On February 27, 1914, Judge Geiger, in the United States District Court, Northern District of Illinois, Eastern Division, ordered the re-sale of the Wisconsin Division and denied the petition of a stockholder to intervene to become a party to the

Re-sale Ordered





Samuel Insull

suit to prevent the Reorganization Committee from being permitted to bid at the next sale. On May 29, 1914, the United States Circuit Court of Appeals affirmed the decision of Judge Geiger, ordering the re-sale of the Wisconsin Division. On December 12, 1915, Judges Geiger and Landis in the United States District Court, for the Northern District of Illinois Eastern Division, at Chicago, overruled a motion for further delay and ordered the properties sold at foreclosure.

On May 1, 1916, the properties in Wisconsin were sold under mortgage sale, pursuant to August 7, 1912 Decree of the District Court of the United States for the Eastern District of Wisconsin; and pursuant to March 24, 1914 Decretal Order of Sale to Frank A. Vath and Charles White, nominees of the Protective Committee.

Final ✓  
Sale of  
Wisconsin  
Properties



In 1913 the "Cannon Ball Limited" shown above with its crew, was reputed to be the fastest train on what was then the Chicago, Milwaukee Electric Railway, forerunner of the North Shore Line.

The motorman is Mort Gilkeson, and the conductors are Tom Russell and "Bob" Botner.