

HARROUN

MOTORS CORPORATION

WAYNE, MICH.

From John Guy Monihan, President,
Harroun Motors Corporation,
Wayne, Michigan.

TO HARROUN STOCKHOLDERS:

We are enclosing you herewith a "Compensating Service Certificate", which gives you ten per cent (10%) on any and all of the new production of the Company, the Harroun Commercial Car, which you may succeed in selling to your friends or the tradesmen in your community. This certificate is sent to you as the result of the many hundreds of requests received in the past from our Stockholders for a chance to make a profit on the sale of Harroun cars. The limit of the profit which can be made is the limit of your ability as a salesman and your willingness to devote your time and effort to moving the Company's production.

The right under this certificate expires December 31, 1921, which gives you three full months in which to add substantial sums to your income, for the car at the price is the best buy in the industry and can and will be readily sold. After this opportunity to you, it is proposed to sell the truck through the regular distributors organization of the Corporation, but in the meanwhile, we are giving our Stockholders the first opportunity to profit.

Literature is enclosed descriptive of the truck, also order blanks which provide for a down-payment of \$500 and the balance on receipt of the truck. Prompt delivery is promised.

The open express cars cost \$1140, which means a profit to you of \$114 for each accepted order you send to us. The screen side curtain job, which lists at \$1195, means \$119 profit to you. The panel car, which lists at \$1295, means \$129 profit to you. If you can sell ten of them, multiply this profit by ten. You see there are great possibilities in this offer.

Now it may be that among our Stockholders there are a large number who would desire to enter into the automobile business permanently and seriously, either themselves or in backing their sons, other relatives or friends to enter this great industry as dealers. If so, this is an ideal opportunity, for we are prepared to again give our Stockholders a preference in the matter of dealer franchises; but it means substantial investment and the ability on the part of such applicants to prove that they have the essentials necessary for successfully handling motor cars. To such dealers we will pay 20% instead of 10%.

It is an invariable requirement of the automobile industry to ask a deposit from all dealers to insure the manufacturing company against loss. These deposits range all the way from \$1,000 to \$10,000, depending on the size and nature of the contract concluded; but it is not the desire of your officers to require such deposit from our Stockholders. However, we will require, in order to make it a serious business proposition, an investment of \$1,500 on the part of those who desire to handle the Harroun Commercial Car as a dealer. In exchange for this \$1,500, we will issue to those who

are Stockholders of record as of August 10, 1921, when our books closed preparatory to our Annual Meeting, ten shares of Preferred stock, which the properties and assets of the Company make, in our opinion, an absolutely safe investment. We will also issue 250 shares of Common stock which also, in our opinion, when the Company goes into its full production and the industrial situation throughout the Country comes back to normal, will reach at least \$10 per share. If it should, this Common stock purchase will make you a profit of \$2,000, and the Company already holds the right to retire the Preferred at a premium of 15 points, which would mean an additional earning of \$150, besides \$1,000 of your money back.

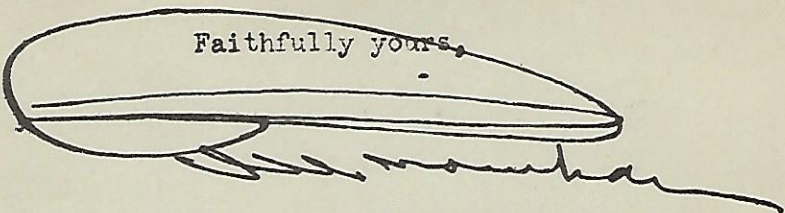
So instead of a deposit, the usual requirement which makes nothing for the dealer while it is in the hands of the manufacturer, you are getting the Company's securities which should show the very large profits mentioned above.

No franchises will be issued in any territory which is not able to absorb a minimum of 50 Harroun Commercial Cars. If you succeed in the proposed arrangement in disposing of the 50 cars of your allotment, you will make a gross profit of approximately \$15,000.

We are out to make a great success of the commercial car of the company, for it is the best value in its field and it is natural that we should desire to give our Stockholders the opportunity of first participating in the profits accruing from the successful introduction of this particular type of car. The company does not propose to build passenger cars in quantity prior to the Chicago automobile show, which will be held in January, 1922, for in our opinion conditions throughout the Country do not justify quantity production of passenger cars for the next six months. Meanwhile Commercial or business cars are the logical production, and we will build as many and as rapidly as the sales justify.

If you are interested in these propositions, we should be glad to have you communicate with us at once, for, while priority of receipt of application will not in every instance control, it will be given preferential consideration. We shall be glad to hear from you at once in this matter.

Faithfully yours,



John Guy Monihan
EJH

President.

P. S. We had a most successful Annual Meeting in Wilmington, wherein there was represented, in person or by proxy, somewhat over 500,000 shares. A complete report of the Company's operations during the past year, supplementing the previous reports sent to you, was submitted and enthusiastically received, and a very pleasing resolution approving the acts of your officers during the year in their policies of conservative operation was passed. A report in detail, including a financial statement, will reach you at the earliest possible moment, but not before thirty days.