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file - Farley Osgood

7, APRIL 25, 1924

# Receiver Appointed For Farley Osgood

## Action Follows Proceedings Against Jersey Bake Shops, of Which He Is Head.

### Willing to Be Adjudged Bankrupt

As a result of bankruptcy proceedings against the Jersey Bake Shops, a corporation with its baking plant at 70 Hawthorne avenue and owning a series of chain stores in New Jersey, an involuntary petition in bankruptcy was filed in Federal Court yesterday against Farley Osgood, president and a stockholder in that company. Mr. Osgood also is vice president and general manager of the Public Service Electric Company.

Jacob L. Newman, counsel for John A. MacArthur, president of the Williams Baking Company, the only petitioning creditor, with a claim of \$7,500, filed the petition. Through Joseph Kabors, his counsel, Mr. Osgood filed a statement that he was unable to pay his debts and consented to be adjudicated bankrupt.

George W. W. Porter, referee in bankruptcy, to whom the petition was referred, appointed Police Judge Boettner receiver for Mr. Osgood in \$3,000 bond.

From statements made by both Mr. Newman and Mr. Kahrs it was made clear that Mr. Osgood's relations with the Public Service Electric Company were in no way connected with the cause of the bankruptcy.

Carl A. Horbach of this city and George F. Wright of Paterson were placed in charge of the bake shop business as receivers by Vice Chancellor Lewis and are continuing operations under court order. The company operates stores in Park place, at the Public Service Terminal in Paterson and Passaic and formerly had stores at Bloomfield, Montclair and Irvington. The company has given up its general offices in the Wiss building.

#### Indorsed Corporation's Notes.

The Jersey Bake Shops, Inc., Mr. Kahrs said today, has \$170,000 worth of preferred stock and \$400,000 of common outstanding. Mr. Osgood is a large stockholder in the company and personally indorsed notes of the corporation, his counsel added.

The concern some time ago purchased the baking business of the K. A. Horbach Company, giving a purchase money mortgage in a substantial amount for the property and good will, which mortgage was assigned to the K. A. Horbach Realty Company, it was stated.

From time to time, for the purpose of raising additional working capital for the company, Mr. Osgood personally indorsed notes of the company, and in addition to this borrowed various sums of money as an individual, it was said, for use in the company's business operations.

Last week the corporation defaulted on an interest payment on its mortgage and on Mr. Horbach's application the equity receivership was obtained. Mr. Horbach holds \$12,500 worth of the capital stock and has a claim of \$94,000 against the corporation, it was stated. The receivership precipitated demands upon Mr. Osgood as individual and indorser of the notes of the insolvent corporation.

The demand of Mr. MacArthur, the petitioning creditor, for payment of his \$7,500 claim, was refused, according to Mr. Kahrs, because in justice to other creditors preferential payments could not be made to any one. To conserve his assets for all creditors alike and to expedite the settlement of his affairs, Mr. Osgood agreed to consent to the issuance of the order, his counsel stated.

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G. J. R.