on exploring the books for 13 or 14 years past to throw any light on the enquiry, but have learnt verbally, that the affairs of that Office owing to the losses they sustained; became entirely deranged. That the Company were dissolved in a similar way and for the same reasons other offices were dissolved here and elsewhere. The depredations committed by belligerent nations on neutral trade. It is said that that office has claims outstanding on various foreign powers which may yet be liquidated by negotiation, in which event the Stockholders or their heirs would of course participate in the benifit.

The remaining affair which you wished me to look up, and which I have reserved for more deliberate reflection is the Derby Estate. This subject appears to me more complex and difficult, than that of any other question involved in the investigation. Although for these 3 or four days past I have paid unwearied attention to that matter; and have had access to every document which could throw light upon the affair, I will confess, that I [illegible] to [illegible] to the same conclusions as Mssrs Francis and Bowditch do — namely that it was a clear and bona fida sale to your mother, and that the transaction was of such a nature as to take it out of the stipulation contained in the paper you left with me in Mr C's handwriting and which provided "That in case of the failure of payment of any of said notes & "bonds or any part thereof, the loss shall be sustained or reimbursed by the "said parties in proportion to their interest in said firm" you may recollect you left a copy of this paper with me subjoined to the original in Mr Channing's books is a list of Bonds & Notes remaining unsettled decr 1840 — in which these 2 Bonds amounting ~~to~~ with Interest to $48,460,75 are assigned to your Mother and various other obligations amounting to about 25000 Dollars are assigned to Walter Channing with the abovementioned reservation. — The ground which they appear to take is — that the Sale to your Mother, was a subsequent affair which did away with that proviso; inasmuch as she was in the habit of receiving the income and rents (such as they were) for 12 or 14 years, through her Agent Mr Channing & that necessarily her assent was understood and implied. — The Deed is yet in the name of W. C. in trust for Mary Gibbs. The intrinsic objections appeared so great in that point of view, that I had recourse to your friend Mr Heard for advice — as you desired — he had not the necessary documents before him to enable him to give a decided opinion but he appeared to be impressed with the same views I entertained myself — he said that at all events you ought to have a copy of the assignment, or whatever the Instrument was — by which your Mother became invested with the exclusive possession of the property according to their construction — Should you wish a copy of this I will endeavor to obtain it. — On all hands it appears to be conceded that the loss sustained on the Derby Bonds has not been short of 20,000 Dollars.

In reference to ulterior measures growing out of this transaction a view of the subject presents itself with such cogency to my mind as to induce me to submit it for your consideration — admitting the loss sustained was 20000 Dollars as above stated and that 5000 Dollars or a fourth part of the sum was fairly chargeable to Walter Channing's Estate — would it be worth while for the Heirs of Mrs Gibbs to enter into an expensive contest — for the remote and uncertain prospect of gaining about $1000 each, which after all in the actual state of things could not be forthwith divided amongst them, but must go with the other property to [illegible] else find its way into the hands of the Trustees, conformably to the provisions of your Mother's Will? It is obvious — no immediate benifit could accrue to the Heirs to indemnify them for the trouble, costs, and perplexities of a litigated claim in the event of a successful issue.

In the course of my reseaches in your behalf it is but justice to state that I have experienced on the part of Mr Bowditch and Mr Francis every facility in their power to offer to forward the object — they have manifested a cheerful alacrity in giving me access to all the Books, documents and papers in their possession, and have assisted me likewise in giving verbal explanations; whenever I have found it necessary to the Investigation. You will observe I have not yet drawn off the account of Walter Channing with the Est. of Geo Gibbs — although it was put down on your memorandum. The reason is I observed on inspecting the books that it would be quite a lengthy affair extending nearly to 16 pages — embracing a period of nearly 14 years and that the several items were extremely minute & small, averaging about 200 $ per annum — the agregate being for all this period only 2700 Dollars — appertaining chiefly to rents, repairs & Taxes on Real Estate (I think at newport) all of trifling amounts — the final balance due W. C. being brought to his credit (page 8) as you will perceive on looking at the accounts being for only $483.33 — I thought it hardly worth while giving you the detail of such a voluminous account involving amounts of no magnitude — Should you however