





8. Although it is admitted that Frank Ress executed and delivered a business loan application to the plaintiff on or about the date stated, it is denied that Mr. Ress acted as Treasurer of the Corporation in the matter, since he was specifically instructed, both verbally and in writing, by Clyde B. Rue and Ann Rue, President and Secretary of the Corporation, not to negotiate the transaction on behalf of Innisfree. Defendant is without knowledge or information sufficient to form a belief as to the approval of the loan by the bank, the means of proof being within the exclusive control of the plaintiff.

9. It is admitted that Frank Ress may have made, executed, and delivered the judgment note in question, but denied that he had the actual or apparent authority to do so on behalf of the Corporation, having been specifically instructed not to do so, as stated in paragraph 8. It is denied that the signature of the Treasurer of a corporation is sufficient to bind it.

10. It is denied that the Wayne County Bank and Trust Company received a letter from Clyde B. Rue and Ann Rue on October 26, 1981, although the approximate date of receipt is admitted. The letter was not mailed until October 28, 1981, at which time eight other nearly identical letters were mailed to certain businesses, in an effort to discover accounts or transactions made in Innisfree's name which may have been concealed from its Board of Directors. It is denied that the letter was



an admission of liability on the note in question by the defendant corporation.

11. It is admitted that the plaintiff may have received an affidavit similar to the one described on or about the 1st day of November 1981, since an affidavit dated October 27, 1981 accompanied the letter referred to in Paragraph 10. However, it is denied that the affidavit stated that Innisfree Corporation, or Clyde B. Rue and Bernette Ann Rue as President and Secretary, did not have a corporate seal, but simply that the one they had was then unavailable, and that the letter referred to in Paragraph 10 reflected the united will of the Board of Directors.

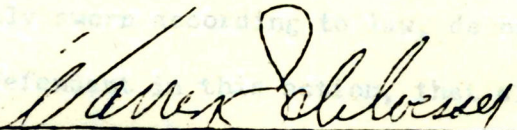
12. It is admitted that the letter marked Exhibit "F" was sent. Said letter was sent to more than fifteen banks in the vicinity of Wayne County, Pennsylvania, to freeze corporate assets and serve notice of the termination of any apparent agency of Frank Ress to act on behalf of the corporation.

13. Denied, for defendants are without sufficient information to form a belief as to the truth of this averment, and proof thereof is demanded.

14. Defendant denies that plaintiff was without knowledge of the absence of authority of Frank Ress to indebted the corporation since as a matter of law, absent specific authority as contained in the Bylaws of the Corporation or a course of conduct by the Treasurer and affirmed by the Board of Directors, the Treasurer lacks such authority.



WHEREFORE, defendant respectfully requests that the  
Petition to Open Judgment be granted.

  
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Warren Schloesser, Esquire

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF WAYNE

:

WARREN SCHLOESSER, ESQ., being duly sworn according to law, deposes  
and says that he is the attorney for defendant in this action, that all  
representatives of defendant are in the State of New Jersey and unavailable  
to sign this affidavit, and that the facts set forth in the Reply to New  
Matter are true and correct to the best of his knowledge, information and  
belief.

.....  
WARREN SCHLOESSER, ESQ.

Sworn to and subscribed  
before me this 3rd day of  
June, 1982.

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