DESERET EVENING NEWS: WEDNESDAY, NOVEMBER 29, 1905.

GOT INSURANCE



Checks Substituted for Stocks In Order to Avoid Taxes.

SOME QUEER TRANSACTIONS.

Company Loaned Money to Make Money Instead of Making it Itself-Probing Equitable Affairs.

New York, Nov. 28 .- Edmund D. Bandolph, treasurer of the New York Life Insurance company, was the first vitness before the investigating com-

mittee today. Asked about the removal of \$700,000 worth of New York City stock from the vaults of the New York Life Inrance company for a few days and the substitution therefor of a check on the Central National bank for \$700,000, which was told yesterday by Cashier re F. Banta of the New York Life. Mr. Randolph said the statement orrect in the main. He did rehe stock as Mr. Banta testified, said, but at that time he was not airman of the executive committee. probably acted under instructions Mr. Gibbs, then treasurer, now

Who got the stock?" asked Mr.

on't remember. Only three men then access to the vaults," he said, a stock was absent from Jan, 5 to He thought there were other instances. He agreed with Mr. s in the conjecture that it Mas benable someone to put them in -taxable securities. Mr. Ranan-taxable securities. Mr. Ran-stid he understood the Central account for the Merchants' Trust the transaction, and poscompany in the transaction, and pos-sibly for others. The lending of se-curities for such a purpose was re-pugnant to him, he said, and he would not do it. There was one other case inds were loaned, and it, was mess, but they were non-ta **#** is. It was a time of financial , when the secretary of the treas-douanded high-class securities. ew York Life deposited Mas-and New York City bonds inited States government for First National bank of this city received for that over \$60,000 besides interest

BANKER FANSHAWE TESTIFIES.

William S. Fanshawe, member of the William S. Fanshawe, member of the banking firm of Harvey Fiske & Co., was called, Mr. Hughes questioned him concerning the New York Life In-surance company's dealings in New Orleans traction stocks. Mr. Fan-shawe said that in December, 1904, he hought from the New York Life Insur-ance company New Orleans traction the store value of \$1,250,000 ock of the face value of \$1,250,000. Of the stock he received, \$1,000,000 value, worth \$750,000, from the in face value, worth \$759,000, from the New York Security & Trust company, and \$250,000 of face value, \$187,500 ac-tual value, from George W. Perkins, trustee of the Nylle fund. Mr. Fan-shawe gave his checks of \$750,000 to the trust company and for \$187,500 to the trust company and for \$187,500 to Perkins, and then borrowed \$937, from the New York Life Insurance on the bonds as collateral. sold the bonds and paid 95 ent of the profit to the New York

Insurance company. . Fanshawe said he was in a joint ant with the New York Life In-

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was asked if the American Deposit & Trust company did not pay the profits of the sale to him. Mr. Squire said he did not know to whom the profits

went. In reply to questions by Mr. Hughes Mr. Squire said some of the officers of the Equitable society sold their hold-ings of the Lawyers' Title Insurance company stock and may have sold it through Williamson & Squire. His at tention was called to sales of several blocks of the stock at 300 to 350 by that firm to the Equitable Life Assurance society, but he did not know whether his stock came from the officers of the society. He said that Chauncey M. Depew and Comptroller Jordan sold

some stock, but he did not know to whom Mr. Squire was asked about a join

Mr. Squire was asked about a joint account between James H. Hyde, W. H. McIntyre and George H. Squire to buy blocks of stock of the Lawyers' Mort-gage company. He said the stock was sold to the Equitable society by the American Deposit & Loan company, and the members of the joint account got profits of \$4,000. He was asked about the George H.

Squire trustee account in the Equitable society's record. He said the gains credited to that account were realized on securities turned over by T. B. Jor-dan, comptroller of the Equitable sodan, comptroller of the Equitable so-ciety, and which, he believed, belonged to the Equitable society. It was shown that a check of \$100,000 was drawn against the account to James W. Alex-ander, president of the society, and en-dorsed by him to "James W. Alexan-der, account No. 3." Other larger pay-ments were made to the Mercantile Trust company, the Equitable Trust company and to T. B. Jordan. Mr. Source said much of the stock.

be required to pay to the company "any multiple or ratio" of the premium stated on the first page which the execu-tive committee of the Mutual Reserve Mr. Squire said much of the stock allotted to George H. Squire and asso-ciates was divided among the mem-bers of the executive committee of the Equitable society. Life Insurance company might deter-mine on. Multiple, he said, might mean two, three or any number of times. This clause, Mr. Eldredge said, was the only advice to the insured that he could be compelled to pay more than the pre-mum of \$23,90. He said that very few such molicies were issued. Mr. Squire said that George H. Squire

and associates took \$1,509,000 of Chica-go. Burlington & Quincy railroad stock, of which the Equitable society was allotted \$5,000, and the society paid the entire call made upon the Squire associates. This was the only case, Mr. Squire said, in which the society paid the call for the members of the syndicate. Mr. Squire said he had made a net loss of \$50,000 in the "James H. Hyde and associates" syn-dicate operations. He also said he made losses in other syndicate opera-tions. and associates took \$1,500,000 of Chications

LAWRENCE L. GILLESPIE. Lawrence L. Gillespie, connected with

the Equitable Trust company, produced statements of the Equitable Trust company of the purchases and sales of stock of the Lawyer's Mortgage com-pany stock by the American Deposit & Trust company. This statement showed that 41 shares of the Title Insurance company were bought by the American Deposit & Loan company in 1901 and subsequently sold. The profits to and subsequently sold. The profits to the American Deposit & Loan company were \$22,753 in all the purchases and sales of this stock. Mr. Hughes also read a statement showing that the Equitable society had purchased \$169.-\$55 worth of the Lawyers Title Insur-ance company stock. ALFRED MAIN. Alfred Main, one of the auditors of the Equitable society, testified that he had made a computation of the renew-al commissions paid to Gage E. Tar-bell, vice president of the Equitable society. Mr. Hughes asked him to pro-duce his calculations as to how much Mr. Tarbell was entitled to when the computations were made. The renewals ran for 24 years under the policies written through Mr, Tarbell's agency. written through Mr. Tarbel's agency. The computation showed that the present value of the commissions, based on duration of the policies, was \$140,000, and that they would pay him 325,000 a year. The longest of them was good for 12 years. Mr. Main prom-ised to bring in detailed figures of his computation

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pany, he said was increased in 1899 from \$35,000 and expenses to \$37,500. Mr. Hughes said the business then Mr. Hughes said the busiless then did not warrant an increase in salary, but Mr. Eldredge said that it was paid because the president was earning it. Mr. Hughes read a statement show-ing the increases in salaries of the officers of the Mutual Reserve Life In-surance company since 1882. The presi-dent's salary in that year was \$3,725. dent's salary in that year was \$3,725, and it was increased until 1893, when it was \$48,100. It was cut to \$28,000 in 1896 and was \$39,000 after 1900 up to the present. Mr. Eldredge said he was paid

Mr. Hughes then called Mr. El

special assessments before it because available for Mr. Hall in 1901. The special assessments in one year, he said, were \$76.35 in addition to the reg-ular assessments, and Mr. Hall would have had to pay them in cash if he had not been credited with the bond. Mr. Eldredge said Hall had paid \$289.50 in-to the company on this \$5,000 policy and

to the company on this \$5,000 policy and when asked if Mr. Hall still owned \$1,-

300 to the company, as he had stated, Mr. Eldredge said:

"That is as I have explained when I testified before."

testified before." Mr. Hughes then produced a policy of \$10,000, written by the Mutual Ra-serve Life Insurance company in 18%, and asked if that also was subject to special assessments. Mr. Eldredge said that it was. Mr. Hughes then read the stipulations on the first page of the policy, which provided that the holder should nay \$23,90 on certain specified

should pay \$23.90 on certain specified months in each year as premiums "sub-

ject to the benefits and requirements elsewhere stated in this policy." In reelsewhere stated in this policy." In re-ply to a question by Mr. Hughes, Mr.

ply to a question by Mr. Hughes, Mr. Eldredge said there was no other allu-sion on the first page to pay-ing any other than the regular assessment, but that the ex-ception permitting the special as-sessment was contained in a clause on the second page of the policy. Mr. Hughes read that clause, which provid-ed that the holder of the policy might be required to pay to the company "any

committee then adjourned until

TOURIST SANDBAGGED.

San Bernardino, Cal., Nov. 29.-Carl Axel Fred, a tourist from Concord, N. H., died yesterday at the county hos-pital after lying unconscious for four

days. The county physician states emphatically that every indication points to Fred having been sandbagged.

Positive Cure for the

DRINK HABIT

such policies were issued

tomorrow.

New York Life Insurance Agent Had Some Strange Business Ways.

POLICY FOR NOTHING

COMMISSION IN IT FOR HIM.

Has Hearing Before Philadelphia Magistrate and is Held in Bonds OF \$200,000.

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a salary as vice president and actu-ary, and the second vice president was Philadelphia, Nov. 28 .- Charged with unlawful discrimination in favor also paid a salary as counsel. William T. Eldredge, one of the assistant secre-taries, is a son of the first vice presi-Benjamin C. Warnick of this city, connection with the issuance of a insurance policy for \$100,060, Haro Mr. Hughes then called Mr. El-dredge's attention to the complaint which had been made by David Hall to Governor Folk of Missouri, which came up a few days ago, when Mr. El-dredge was asked to look the case up. Mr. Eldredge said that, as Mr. Hall stated, he is a policyholder to the ex-tent of \$5,000 in the Mutual Reserve Life Insurance company, and that a bond of \$87 had been credited to Mr. Peirce, the general agent in Philade phia of the New York Life Insuran company, was given a hearing befo Magistrate Ternan today and held, \$200,000 ball for his appearance in court Pierce, it is charged, caused to i sued a policy on the life of Warniwhich the latter did not have bond of \$87 had been credited to Mr. Hall's policy at the end of the first ive-year period in 1891, but that the bond had been entirely wiped out by special assessments before it became

which the latter did not have to the first year's premium, wi amounted to \$2,505. The principal witness in the cam Warnick. He said a man named E Riley came to him and told him that could get Warnick a \$100,000 policy the New York Life Insurance comp through Peirce without Warnick has to pay a cent for the first year's pr to pay a cent for the first year's p ium. Reilly explained, Warnick that by obtaining this policy P would be able to get a special h from the company and thus ge commission than he could otherwise ob tain. To this Warnick assented, mak-ing the proviso that it must be regular and within the law, as he would no accept it otherwise.

MURDER IN FIRST DEGREE. J. A. Warford Found Guilty of it for

Killing Ike Lebo.

Cripple Creek, Colo., Nov. 28.—James A. Warford was found guilty tonight of murder in the first degree for killing Ike Lebo at Goldfield, Colo., a year ago. The jury recommended life imprison-ment. Warford was acting as a deputy sheriff on election day and killed Lebo and a mai Miller, who, he said, drew guns on him when he started to remove them out side the polling place. Warford claim ed the men were within the 100-yarro limit of the polling booth and resister his attempt to force them out,

Cured Consumption.

Mrs. B. W. Evans, Clearwater, Kan., writes: "My husband lay sick for three months. The doctors said that he had quick consumption. We procured a bottle of Ballard's Horehound Syrup, and it cur-ed him. That was six years ago. Since then we have always kept a bottle in the house. We cannot do without it. For coughs and colds it has no equal." 35c, 50c, \$1.00. Sold by Z. C. M. I. Drug Dept. B

Shoot rabbits at Cedar Fort. Kli Ducks At Clear Lake. Visit Garfield Smelters on Thanksgiving. Salt Lake Route.





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Island railroad bonds, in Long which the life insurance company car-ried the entire lot of bonds for the Interest, and received a profit of \$8,182, while Mr. Fanshawe's profits were \$22,-200. Half the bonds were owned by Mr. Fanshawe, and he sold them all. He made the arrangement through Mr. He made the arrangement through Mr. Perkins and Mr. Randolph, but did not divide his own profits on the deal with any one connected with the New York Life Insurance company. "Do you know of any reason why the New York Life, it it was willing to advance the money to carry these bands cherid wat have benefit these

bonds, should not have bought the bonds outright and employed you as broker to sell them?" asked Mr.

Yes, because by going into this joint account with me they got the benefit of my experience, both in buying bonds and marketing them. They never paid meanything for that, but they got one-half of the net profit," said Mr. Fan-

Mr. Fanshawe said that he never at gave to any one connected New York Life Insurance directly or indirectly, any any profits in any joint transaction with the New York Life.

SQUIRE'S AFFIDAVIT.

Mr. Hughes read the deposition of H Squire, formerly financial fer of the Equitable Life Assur-ociety, which was taken several Mr. Squire was asked about thase of 2,000 shares of the Title Insurance company by pultable society at \$174 a share, n hundred of the shares were d among officers and directors le Equitable society kept 500. It desired to have it appear, how-that the Equitable had bought entire 2,000 shares. Mr. Squire 100 shares and afterward sold a dar amount to Williamson & Squire, ibsequently sold a similar amount Equitable societ yat \$310.

Mr. Squire was asked about the sale of stock of the Lawyers' Mortgage com-pany by the American Deposit & Loan Company to the Equitable society, and



San Francisco, Cal.

computation. GEORGE T. WILSON.

George T. Wilson, vice president of the Equitable society, was the next witness. Mr. Wilson was shown statements he made to State Supt. of Indur-ance Hendricks, showing that the cost of getting new business in Australia is 12614 per cent of the new premiums; in France, 8814 per cent, and in Great Britain, 12 per cent, Mr. Wilson said he had deducted the cost of carrying he had deducted the cost of carrying the old business from those percent-ages. Mr. Hughes brought out that Mr. Wilson had also made allowance for the fact that the society paid only S1₂ per cent renewal commissions, as compared with 73₂ per cent paid in the United States. If that latter reduc-tion was not made the cost of new tion was not made, the cost of new business in Austrilia would have been 155 per cent, and in Great Britain 130

155 per cent, and in Great Britain 159 per cent. "Why did you keep on paying more to get business than it was worth?" asked Mr. Hughes. "In the hope of an improvement." said Mr. Wilson. "Under the new management the Equitable society will not continue to do business in any dis-trict which is permanently unprofitable. The British business is gelt-edged; a profit is made on the mortality. It is a long-lived business." RASTUS S. RANDOME.

RASTUS S. RANDOME.

RASTUS S. RANDOME. Rastus S. Randome. counsel for George H. Squire of the Equitable Life Assurance society, next testified. He produced a statement showing that a profit of more than \$22,000 had been paid to Mr. Squire by the American Deposit & Loan company as a result of trans-actions in the stock of the Lawyers' Title Insurance company and the Law-yers' Mortgage company. Mr. Hughes produced checks showing a division of profits by Mr. Squires as follows: James W. Alexander, \$5,888. James H. Hyde, \$5,688: Thomas D. Jordan, \$3,792, and W. H. McIntyre, \$3,792.

GEORGE D. ELDREDGE. George D. Eldredge, vice president and actuary of the Mutual Reserve Life Insurance company, was next called. He said the statement of the assets and expenses of his company in 1901 in the blue book of the New York state insurance department was gressly in-accurate. He made many corrections. The salary of the president of the com-





Guy Supinger writes: In request of your letter that I re ceived at Valley, asking me how was getting along with "TRIB," must say it is fine. I began taking it the next day after receiving it. "TRIB" is all right and I recommend it to all as a cure for liquor and tobacco, I remain

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