

CONTINENTAL IS REPORTED SOLVENT

State Officials Make Report and Criticize the Management.

ACTUARY MAY BE CALLED IN.

In 1905 the Company Recovered From Serious Condition of the Previous Year and Had a Surplus.

Assistant Secy. of State George B. Seay, and State Bank Examiner C. A. Glazier have completed their report to Secy. of State C. S. Tingey on the affairs of the Continental Life Insurance & Investment company under the management of Hiram Tyree. The report, which is decidedly exhaustive, has been made public by Secy. Tingey. The officials, in their report, vigorously criticized the management of the company, but stated that the concern is in a solvent condition and deserved to live and not be wrecked. As to the question of whether the contract made by Tyree with the Western Agency company, whereby that company was to have the Continental's agency exclusively in soliciting work and writing policies, is for the benefit of the insurance company, they suggest that it be determined by an actuary.

It required about three weeks' hard work to examine the affairs of the company, which examination shows that there was an actual deficiency at the end of the company's business in 1904, and that the officers failed to charge up as expenditures, in the official report, the \$27,141, which had been paid for promotion, organization and development. In 1905, the report goes on to show, the company had a surplus, having recovered from the unfavorable condition of the year previous.

The methods said to have been adopted by the company, in making a contract with a Los Angeles firm for securing policies from prominent men, after which local agents used these names as an advertisement, the report criticizes.

Secy. Tingey is now going over the report carefully and until he has examined it thoroughly he does not care to say what he will do in the matter.

Following is the full text of the report.

"Hon. Charles S. Tingey, Secretary of State.

"Dear Sir—We submit herewith a report of our examination of the Continental Life & Investment company which began on the 3rd of January, 1936.

"In handing you the result of our labors we desire to state that the officers and employees of the company furnished every facility for prosecution of our work, and that we have every request with uniform courtesy and frankness.

"It has been our endeavor to bring to your attention facts which would illustrate the strength or weakness of the company's system and methods. In doing this some of our criticisms may seem severe, but these criticisms were made in order that the system employed might be improved.

DEFICIENCY IN 1904.

"We have the honor to advise you that the exhibit of assets and liabilities of the company at the close of the year 1904, detailed statement of which we herewith furnished you, shows the company to have recovered from the actual deficiency which existed at the close of 1904 (statement of which we have also furnished), and showing a surplus of \$27,141.12 for 1905.

"In view of the wide publicity which has been given to the affairs of the company, we have deemed it wise to furnish a detailed statement of the assets and liabilities of the company. We have not been able to examine the real estate upon which mortgage loans have been made, but have every reason to believe that they are sufficiently secured. We have verified the accounts of the company in the different banks and find from their reports that the banks actually had the money on deposit, with the exception of the deposit of the Central Trust company of San Francisco, an explanation of which will be made later in this report.

NOTES HELD AS CASH.

"This company was organized on the 15th day of February, 1904, with an authorized capital of \$500,000, and reported \$100,000 paid up in cash. We find, however, that this was not the true condition; that \$67,900 had been paid in cash and \$61,900 had been paid in notes held as cash. At the close of 1904, \$234,623.65 had been paid in cash for stock and no stock was issued until the cash had been received. At the close of 1905 the amount paid in cash for stock was \$275,647.60, certificates for \$275,000 worth of stock having been issued.

"We submit herewith a statement showing the income and disbursements of 1904 as per the statement of the company, with an addition to the expenditures made by the examiners, of \$27,141.12, the amount of promotion, organization and development expenses which had been omitted by the company in making its statement; also a statement of the assets and liabilities in which there has been deducted from the cash on hand as reported in the annual statement the sum of \$27,222.11, the

Railroad Control

France controls her railroads as absolutely as if she owned them.

There are no pass-bribes, no mail frauds, no freight discriminations, no building of trusts, no graft.

Read Russell's "Soldiers of the Common Good" in Everybody's for March.

Everybody's Magazine

15 cents a copy \$1.50 a year

amount carried by the company in its account of cash special funds, and which represents an expense asset and was not cash on hand.

INCOME STATEMENT.

Capital stock	\$234,623.65
Premiums received	\$129,902.21
Annuity note (Dickson)	5,000.00
Premium notes	6,516.90
Interest mortgage loans	123.30
Interest and dividends on stocks and bonds	1,594.57
Profits on sale of stocks and bonds	5,245.76
Total income	\$41,865.54
Total footings	\$376,489.49

DISBURSEMENTS.

Commissions to agents	\$91,571.72
Salaries and allowances, including managers and clerks	3,218.37
Rents	1,112.35
Salaries to officers	5,555.47
Clerks, home office	1,532.45
Taxes	5.72
Insurance department fees and agents' licenses	185.00
Advertising and printing	3,382.27
Legal expenses	2,550.00
Furniture and fixtures	1,648.94
Postage	316.22
Traveling expenses	1,112.35
Medical examination fees	3,965.89
Telephone and telegraph expenses	418.30
Expressage	14.23
All other unclassified expense	2,508.09
Organization and development expense	27,142.11
Total	\$146,660.11
Balance	\$229,829.38

ASSETS.

Mortgage loans	\$42,000.00
Collateral loans	11,750.00
Municipal warrants	2,955.89
Bonds	30,000.00
Stocks	11,350.00
Cash	94,960.65
Cash in agents' hands	3,017.61
Bills receivable	40,728.33
Premium notes	6,516.90
Accrued interest	1,783.67
Agents' debit balances	6,005.38
Supplies, printed matter and stationery	\$1,883.10
Furniture and fixtures	1,484.05
Gross assets	\$274,435.68
Deduct assets not admitted	3,267.15
Admitted assets	\$271,168.53

LIABILITIES 1904.

Reserve	\$24,947.12
Salaries, bills unpaid	1,097.67
Agents' balances and cash advanced	6,516.90
Stock notes	32,350.00
Capital stock	234,623.65
Total liabilities	\$299,335.24
Deficit	\$28,166.71

THAT DEFICIT FOR 1904.

"Taking these figures we find a deficit for the year 1904 of \$28,166.71. We find, however, as result of the examination of 1905 that the deficit of 1904 has been overcome and the expense asset is no longer carried upon the books of the company, but has been changed into a proper asset, \$11,041.12, having been paid out of the sale of premium notes and the balance of organization and development expenses have been charged to the Western Agency company, and held in the statement of 1905 as cash in the hands of agents and in transit, which appear upon the statement of 1905 as \$24,687.55. We find that during the month of February, 1906, and while this investigation was in progress, the Western Agency company had deposited to the credit of the Continental Life Insurance & Investment company sums amounting to \$24,673.27 in the following banks:

"Thatcher Bros. Banking Co., Salt Lake City	\$4,673.27
"First National bank, Ogden, Utah	4,000.00
"Union Bank & Trust Co., Helena, Mont.	5,500.00
"Central Trust Co., San Francisco, Cal.	5,500.00
"Idaho State bank, Hailey, Ida.	5,000.00
Balance charged to Western Agency Co.	14.68
Total	\$24,687.55

"So that the entire amount of money so reported is now in the hands of the company, except \$14.68, which still remains charged to the Western Agency company.

"At the time that the books were closed for the year 1904, there were other cash items which were received by the company in 1905, and some checks that were dated in 1905, that were carried to the cash account of 1904, but as this matter does not effect the financial result and the present standing of the company we make no detailed statement.

"We also submit a table showing in detail the income of the company during the year 1905, and the expenditures for the same year.

INCOME DURING YEAR 1905.

Amount received from premiums	\$113,922.28
Amount received from first year premiums health, 1905	5,155.60
Amount received from first year premiums, accident, 1905	3,481.50
Renewal premiums,	\$192,559.68

Life	\$2,208.06
Renewal premiums, health	254.00
Renewal premiums, accident	287.90
Increase in capital stock	\$2,699.06
Interest mortgage loans	44,022.95
Interest collateral loans	2,869.99
Interest and dividends on stocks and bonds	729.83
Interest all other sources	6,695.48
Profit on sale of stock	899.80
Profit on sale of company stock	11,205.15
Medical examinations paid by Western Agency Co.	93.86
Total income	\$594,002.40

Add net ledger assets, 1904	258,971.23
Total footings	\$852,973.63

EXPENDITURES DURING YEAR 1905.

Annuities paid	\$210.00
Losses	\$2,660.72
Paid dividends to stockholders	\$3,879.72
Commissions to agents new business	10,028.33
Commissions to agents renewals	110,240.54
Salaries and allowances to agents	236.40
Rents	110,477.93
Salaries of officers	9,776.73
Salaries of clerks	3,133.90
Salaries of clerks	14,230.87
Salaries of clerks	7,061.70
Taxes on personal property	21,282.57
Insurance department fees and agents' licenses	31.62
Advertising and printing	2,831.83
Legal expenses	7,198.94
Furniture and fixtures	3,217.91
Postage	1,233.64
Medical examination fees	753.83
Traveling expenses	3,462.75
Telephone and telegraph	418.30
Miscellaneous	1,908.14
Total	\$213,622.55
Total footings income, 1905	\$584,002.40
Less expenditures	\$213,622.55
Balance	\$370,379.85

"We also submit herewith a detailed statement of the company's assets and liabilities Dec. 31, 1905, all of which have been carefully verified.

STATEMENT OF ASSETS OF THE CONTINENTAL LIFE INSURANCE & INVESTMENT CO., DEC. 31, 1905.

Municipal warrants City of Portland	\$2,494.42
5 bonds Bear River school district No. 13, at \$1,000, 5 per cent	5,000.00
10 bonds Hammond Canal Co., at \$500, 8 per cent	5,000.00
35 bonds Utah Co. Light & Power Co., \$100, 6 per cent	3,500.00
13 bonds Utah Co. Light & Power Co., \$500, 6 per cent	6,500.00
STOCKS, 1905.	\$27,940.12
438 shares Con. Wag. Co. & Mach. Co., market value	\$48,180.00
2,618 shares Idaho Sugar Co., \$100 market value	30,892.40
200 shares Rocky Mt. Bell Tel. Co., \$100 market value	18,700.00
100 shares Amalgamated Sugar Co., \$100 market value	10,100.00
1,800 shares Utah Sugar Co., \$100 market value	18,180.00
COLLATERAL LOANS SECURED AS FOLLOWS.	\$126,052.40
167 shares Frying Pan Sheep Co., par value \$15.00; market value, \$5,000.00	
30 shares Rocky Mt. Bell Tel. Co., \$100 par value, \$5,750.00; 3 1/2 shares Polindexter & Orr Livestock Co., par value \$1,500.00; market value, \$4,500.00	
loan	3,378.35
POLICY LOANS.	\$15,125.33
1 F. F. Fitzpatrick	516.00
MORTGAGE LOANS DUE.	
Salt Lake City Realty Co., S. L. C. Utah, 4-15-06, \$2,000.00	
Simon Mary Lewis, Bannock Co., Ida., 8-25-06, 6,500.00	
Shoshone Land & Water Co., Lincoln Co., Ida., 21-04-06, 20,000.00	
W. E. Trapp and A. J. Pierce, Bannock Co., Ida., 12-14-06, 10,000.00	
L. E. Lansing, Broadwater Co., Mont., 4-18-10, 2,000.00	
Chas. Pinkerton, Broadwater Co., Mont., 6-15-10, 1,500.00	
Benedict Wrenstead, Bannock Co., Ida., 6-14-07, 5,000.00	
E. J. Dougherty, Beaverhead county, Mont., 6-24-10, 600.00	

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

"The amount at risk in Utah at the close of 1905 was \$1,829,000.00.

"The amount of risks written by the company during the year 1905, paid for by the policyholders, was \$1,829,000.00.

"The total amount at risk Dec. 31, 1905, was \$8,721,910.00.

"The gross risks written in Utah during 1905, were \$925,200.00.

Thomas and N. J. Gibson, Lewis & Clark Co., Mont., 7-3-10	6,000.00
E. Slack and M. Sorenson, Weaverhead Co., Mont., 7-29-10	12,000.00
Weldon Elise, Beaverhead Co., Mont., 8-15-10	1,200.00
J. R. and N. R. Pinkerton, Beaverhead Co., Mont., 8-15-10	4,000.00
J. H. Danziger, Bannock Co., Ida., 7-1-07	2,500.00
Chas. M. Swanson, Bannock Co., Ida., 8-22-10	15,000.00
Wm. B. Ryan, Boxelder Co., Utah, 11-14-10	3,000.00
Mathias Pylested, Cache Co., Utah, 6-1-10	500.00
Herschel Bullen, Cache Co., Utah, 8-1-10	1,500.00
Total	\$93,890.00

CASH ACCOUNTS.

McCorrick & Co., Salt Lake City	\$43,113.18
Butte branch office	55.51
Butte branch office	23,955.56
Central Trust Co., San Francisco	6,400.00
French American Bank, San Francisco, Cal.	1,562.34
State Bank of Dillon, Dillon, Mont.	2,076.54
Cole & Corning, Corning, Utah	22.37
Gallatin State Bank, Bozeman, Mont.	4,300.30
Lehl Commercial & Savings Bank, Lehi, Utah	5,000.00
Cash in office	10,223.65
Renewal premiums, Cash in hands of agents	3,167.26
Western Agency Co., balance	24,687.55
Butte branch office	55.51
Premium notes	23,955.56
Accrued interest on mortgages	2,102.18
Accrued interest on bonds and stocks	1,553.68
Accrued interest on collateral loans	350.00
Accrued interest on other securities	133.21
Net amount uncollected premiums not more than three months due, as follows:	4,439.97

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority for their being collected.

"The system now in use by the company to check on the system of bills collected without special authority of the board, we suggest that no system can be perfect that does not involve a careful auditing, not only as to the details of the bills, but as to the ultimate authority