Continued from Page One

by all out of seven experts employed to alus them, was insolvent. To understand the nature of the trans-

me by which the officers of the Pension Muthal precured the temporary ownership er these bonds from the New York bond muse of H. L. Doherty & Co. (in Mr. Bell's ster it is spelled Dougherty), there is sel to digress a little from the letter Mr.

These bonds amounted to almost \$1.000, -000 and were obtained by the "syndicate" method; that is, a number of investors were asked to Join a syndicate to take up a certain amount of stock (more than \$500,000 worth) of the Pension Mutual Life Insurance Company. They were given to understand that they would never be called on to buy the stock. All they had to do was to say how much of the stock they would agree they would agree for a give their notes for the amount with the written understanding that these notes would never be negotiated, that the stock for which they subscribed would be sold by the holding company (Consolidated Investment Company, Finance Building) at a profit and that profit turned Audiding) at a profit and that profit turned over to the subscribers with their notes.

BONDS RETURNED BONDS RETURNED

Instead of seiling the Pension Mutual stock, the officers of the company took the notes to Doherty & Co. and exchanged them for the bonds. When Doherty & Co. tried to turn the notes into cash they uncovered the private agreement that the note-makers were not liable, and they demanded a return of the bonds and brought suit in the courts of Pittsburgh. The bonds were returned to Doherty & Co. but meanwhile they had served their purpose, as Lyndon they had served their purpose, as Lyndon D. Wood had sworn to the Insurance Department that they were the property of the company.

The company.

The condition of the company was set ent in detail by Charles Johnson to Mr. Bell, whom he advised to proceed at once to take the step which Commissioner O'Neil took early in November and which comes to a head on November 27.

Mr. Bell has been and is now a legal adviser of the Pension Mutual Life In-surance Company, and Mr. O'Nell referred tery recently to a \$5000 check he received for work in connection with the Union Casualty Company, which is in the same boat with the Pension Mutual, and which is ated by the same man, Lyndon D.

Before becoming Attorney General Mr. Bell was also counsel in a general way for the Pension Mutual Life Insurance Com-pany. He has said emphatically that he was not connected with it in any capacity while he held the State office. while he held the State office.

MR. BELL'S LETTER The letter from Mr. Bell to Mr. Johnson was written December 24, 1914. Mr. Bell's answer is under date of Harrisburg, Pa., December 29, 1914. It is more illuminating than any paraphase could be and is as follows:

Office of the Attorney General, Harrisburg, December 29, 1914. Hon, Charles Johnson, Insurance Com-

missioner, Harrisburg.

Dear Sir—Under date of March 11.
1914, you addressed a letter to the Attorney General's Department, advising that the Pension Mutual Life Insurance Company, of Pittsburgh, Pa., had been issuing policies and otherwise trainacting the business of life insurance without authority from the Insurance Department, and that an examination of its books and accounts by your depart-ment showed that its conditon at that filme was such that its further transaction of business would be hazardous to its policyholders, to its creditors and to the public. In this communication you the public. In this communication you requested that this department apply to the Court of Common Pleas of Dauphin County, under the act of June 1, 1911, P. L. 599, for an order upon said insurance company to show cause why you, as Insurance Commissioner of the Commonwealth, should not take possention of its property and liquidate its business.

COMPANY'S ARGUMENT

Your said communication of March 11, 1914, was based upon report of the examiners of your department, show-ing a deficit in the assets of said com-pany as of February 21, 1914, of about \$571,900. In accordance with the usual ctice of the Attorney General's de partment, an opportunity was afforded the said insurance company to show might have why ings should not be instituted against it in said Court of Common Pleas of Dauphin County, in accordance with the provisions of the said act. As a result of several hearings had at the Attor-ney General's department, at which your department was represented, a letter was addressed by the first deputy to Messrs. Stone & Stone, as counsel for the said. The Pension Mutual Life Insurance Company, of Pittsburgh, under date of April 15, 1914. In this letter the attention of counsel for said insurance company was called to the fact that a difference of opinion existed between your department and the officers and counsel of said insurance company with reference to the proper construction of the article of agreement entered into under date of July 29, 1911, between the State Insurance and 1911, between the State Insurance and Trust Company and the Pension Life Society, and the article of agreement dated July 29, 1911, and re-executed January 13, 1912, between the said State Insurance and Trust Company, renamed The Pension Mutual Life In-surance Company, and the said Pension Life Society—the subject matter of both agreements being the taking over of the assets of the said Pension Life Society by the said The Pension Mutual Life Insurance Company, under certain terms, conditions and stipulations. And it was further stated in said communication that the Attorney General's department that the Attorney General's department did not desire or intend, at that time, to commit itself to any particular construction of said agreements, but that it seemed clear in any view of the matter that The Pension Mutual Life Insurance Company took over, under said agreements, the assets of the said Pension Life Society of the value of about 1148 000, and agreed at least to hold sion Life Society of the value of about \$118,090, and agreed, at least, to hold said assets and accretions thereof, in trust for the beneficiaries of the said Pansion Life Society. It was further stated in said communication that among the alleged assets of The Pension Mutual Life Insurance Company they be the benefit of the Pension Mutual Life Insurance Company they be the benefit of the Pension Mutual Life Insurance Company was an item of \$317,113.92, consisting of "capital stock notes and agree-

WHAT LAW REQUIRED
To conclusion, the counsel of said instrance company were advised that if,
most an examination to be made by
the examiners of the Insurance Department of Pennsylvania as of July 1,
1914. It should appear that said insursuce company has said trust fund of
about \$140,000, together with its accretions, less only the actual cost of
conducting the business of said Pension
left Society, intact, and has the proper
amount of legal reserve required by
the laws of the State of Pennsylvania
upon all of its outstanding polley contracts, and has no impairment of its
capital, the Attorney General's Department would advise the Insurance Demartinuit to lessue to said The Pension
methal Life Insurance Company, a liment to do business as a life insurance
company, it being distinctly understood however, that in calculating the
aments of said company no credit is to
a given for counts i stock notes or WHAT LAW REQUIRED given for capital atock notes or remneuts for the purchase of capital

It appearing about the first of July, 914, that the said insurance company of converted the above mentioned and of \$117,113.92, consisting of "Capel Notes and Agreements," Logother the sq. additional large amount of suital Stock Notes and Agreementa serial bonds through the purchase with bonds from H. Is Dongherty &

Co., New York; and it further appear-ing that a difference of opinion had arisen between the examiners of your Department and the officers of said t surance company with reference to the market value of said bonds, no report was made to the Attorney General's Department as to the date indicated in

REPORTED DEFICIT

This department is now in receipt. however, of a communication from your department under date of Decem-ber 24, 1914, inclosing a copy of the report of the examiners of your de-partment, under the same date, of the partment, under the same date, of the condition of the said The Pension Mu-tual Life Insurance Company, of Fittsburgh, Fa., as of November 20, 1914. From this report it appears that maid company has assets, admitted by your department, of the value of 31,214,100.31, and that its liabilities, as claimed by your department, amount to claimed by your department, amount to \$1,253,521,18, showing deficit or impairment as of November 30, 1914, of

It further appears from said report that in valuing the assets of said in-surance company you have adopted as the value of the above-mentioned bonds the book value thereof as the same appears upon the books of said company, to wit, \$962,775.93. It fur-ther appears from said report that the question of the solvency or insolvency of said insurance company at the pres-ent time depends entirely upon the real value of said bonds, and that appraise ments have been made upon the said honds at your instance by Marvin Scudder, the official apprhiser of se-curities for a number of insurance de-partments of the various States, and that appraisements have likewise been made at the instance of the company by N. W. Halsey & Co., Hughes & Dier, J. K. Rice & Co. and A. B. Leach & Co. which appraisements, together with the actual cost to said insurance compar of said bonds, as obtained from H. Dougherty & Co., are summarized said report, together with the effects of the adoption of the several valuations, as follows:

APPRAISEMENT

At a conference held at my office this day, at which you and your deputy and examiners were present, and which was attended by the presi-dent of the above-named insurance company and his counsel, it was made to appear that there has been no de fault in the payment of interest upon any of the bonds in question, and that the companies issuing said securities are, according to the best evidence obtainable, earning sufficient to meet all interest and other charges.

You and your deputy have stated at said conference that in any event the policy holders in the company in question are amply protected, and that the only interests now for consideration are the interests of the stockholders. The company now has a capital stock out-

standing in the amount of \$839,575. Disregarding for the present the val-uations submitted on behalf of the com-pany, and which tend to establish its solvency, if the book value of the securities in question is accepted as a basis for circulation, there would be an impairment of capital to the amount of about \$40,000, and if the cost of the securities is accepted as a basis for calculation, the impairment would amount to about \$70,000.

In any aspect of the matter, the im-pairment is less than ten per cent of the capital.

After taking into consideration all of the facts shown by the report of your examiners and developed at the hearing today, and having in mind the evident spirit of the fifth section of the act of June 1. 1911, P. L. 607, creating an insurance department, etc., we are of the opinion, in view of the greatly im-proved condition of the affairs of this company as shown by a comparison of the respective reports of your examiners under dates of February 21 and December 24, 1914, it would now be detrimental to the best interests of the policy holders and of the etockholders for me to comply with your request for the institution of proceedings under said act of June 1, 1911, P. L., 599.

BANCTION ADVISED

You are therefore respectfully ad-vised, in reply to your original request of March 11, 1914, that for the reasons of March 11, 1914, that for the reasons above given it is the opinion of this department that no application should be made by the Attorney General's Department at this time to the Court of Common Pleas of Dauphin County under the said act of June 1, 1911, P. L. 539. You are further advised that, in our opinion, it would be proper under all the facts now developed in this case, for you, in the exercise of the discretion and authority conferred upon you by the said act of June 1, 1911, P. L. 607, to issue to the Pension Mutual Life Into leave to the Pension Mutual Life Into issue to the Pension Mutual Life In-surance Company of Pittsburgh, Pa., a dertificate of authority to transact the business of a life insurance company in this State. The company will then be in a position to conduct an au-thorized life insurance business under the immediate supervision and control of your department, through the exerclise of which supervision and control,
the best interests of its policy holders
and stockholders, may be, at all times,
be adequately protected. Very truly
yours, JOHN C. BELL,
Attorney General.

J. E. B. CUNNINGHAM. First Deputy Attorney General. Mr. Bell was shown a copy of this letter and asked if he wished to make any expla-

nation before it was printed, "No," he answered; "it explains itself. might say, though," he added, "that this letter was drafted by Mr. Cunningham (he referred to J. E. B. Cunningham, his First Deputy Attorney General) and about all I had to do with it was to sign it. Mr Cunningham brought it to me here in Philadelphia and I signed it right in my own

"This whole matter of the Pension Mutua was handled by Mr. Cunningham while I was Attorney General. There was a double reason for this. Before becoming Attorney General I had been legal adviser to the Pension Mutual on some minor matters, matters so small that I forget now just what they were, and when the company came to the attention of the Attorney General's Department I determined to leave their disposition to Mr. Cunningham, so that I would be above suspicion in any regard. Then there was the further reason that it was a Pittsburgh company and Mr. Cunningham was then making his home in Pittsburgh. I naturally felt that he would know more about the case."

Mr. Bell was asked if he felt that his office—the Attorney General's—had taken the best view of the matter, regardless of the fact that the view he did take was within the letter of the law, inasmuch as that view involved the overriding of the view held by the insurance department, and he answered that Mr. Cunningham had felt that the judgment of the bond house—the one out of the seven appraisers which did not view the Pension Mutual bonds so that an impairment resulted—was so expert that it ought to be accepted, and he (Mr. Bell) acquiesced in this view.

EXAMINERS' SUSPICIONS

"In the light of events as they have ccurred this month do you think your udgment was good," he was asked, and epiled with the old saw about, "If one's indsight was as good as one's foresight,

The matter of Lyndon D. Wood's claim to actual ownership of the bonds, on the value of which the whole question of the com-pany's right legally to do business hinged, was brought up. From the tone of Mr. Johnson's exami-

mers' report, it might be inferred that these examiners had their suspicions, for they bring in a statement that Mr. Wood stated the ownership was absolute when there hould have been no question of it. Explaining his letter to the Insurance

Commissioner, which letter denied the plea for court action against the Pension Mutual, Mr. Bell said of this bond question:
"I didn't learn until a whole year later that there was any question of the owner-

ship of the bonds. As has been told, those bonds were re-turned to the Doherty house following the suit for them.

BELL HEARD PENSION MUTUAL ARGUMENT, PRO AND CON, SAYS J. E. B. CUNNINGHAM, ASSISTANZ

A telegram was sent by the Evening Lepons to J. E. B. Cunningham, Assistant Attorney General when John C. Bell was in charge of the department, telling him that Mr. Bell made him responsible for the letter refusing to take action against the Pension Mutual Loife Insurance Com-

In his answer, sent yesterday from Har-risburg, he says the letter sets forth the results of a conference at which Mr. Bell was present. The telegram, addresses to the city editor of the Evening Ledger, is

Telegram of November 18 received, Letter December 29, 1914, from Attorney General Bell and myself to Insurance Commissioner in matter of Pen-sion Mutual Life Insurance Company was drafted by me and sets forth the results of a conference between the Insurance Commissioner and represen-Insurance Commissioner and representatives of his department, representatives of the company in question and Attorney General Bell and myself at his office in Philadelphia. The letter is an official record of the Attorney General's Department and needs no explanation or justification. The action taken by the Attorney General's Department was the only action which should have been taken upon the facts as they then existed. I have no knowl-edge of the subsequent history of the company. J. E. B. CUNNINGHAM.

TURKEYS TO GO TO TOP BIDDERS AT HATFIELD AND SOUDERTON

Prices, "Live Weight," Expected to Range From 28 to 32 Cents

HATFIELD, Pa., Nov. 20.-Twenty-five nundred live turkeys, ranging from a monster gobbler, weighing twenty-nine bounds, to seven-pound hens, will be sold rext Monday at the history-making turkey sales here and at Souderton. The Hatfield sales are and at conserver. The Harnest turkey sale, an annual institution in the North Penn, brings hundreds of buyers from miles around. The turkeys are sold in lots as they are allowed to run loose in a big field, the highest bidder taking first

The price will not be established until after the sales on Monday, but it is as-serted that the birds this year will bring higher prices than last year. It is estimated hat the live-weight price will range from that the live-weight price will range from twenty eight to thirty-two cents a pound. The price of dressed birds is estimated at anywhere from thirty-six to forty-eight cents a pound. Dealers declare that birds that sold, dressed, last year at thirty-two ents a pound, will bring from thirty-eight o forty cents.

The historical Hatfield sale in the past has been conducted by "Joe" Anders, of Kuipsville, the "turkey king" of the North Penn. He died last fall. This year the sale will be conducted by William Bergey, of Allentown, Jacob Mayer, of Franconia ownship, will conduct the Souderton sale,

Man Found Dead in Closet BENTON, Pa., Nov. 26.—Dressed in his unting clothes, Thomas McHenry, fortyne years old, was found dead in closet at his uncle's home with a gaping note in his breast and his shotgun by his side. It is generally believed his death was

nused by an accident.

ket street, who is in the West Philadelphia Hospital, where it is feared that his spine is injured; Francis Loughran, saloonkeeper, of \$201 Market street, and his wife, who are suffering from shock. The others escaped with minor bruises. The other automobile was driven by H. E. Core, of 1623 North Fifty-sixth street; his car was not injured. **AUTOS KILL TWO MORE;** YEAR'S DEATH TOLL 113

A twelve-year-old boy was killed and

nine persons were injured in automobile

and motorcycle accidents in Philadelphia

within the last twenty-four hours, and an

aged woman died from injuries received in

an automobile accident several days ago.

from motor vehicles since the first of the

The youthful victim was Charles McDon ald, 1533 (injenther street. The woman was Mrs. B. Seidel, seventy-two years old, of

Atlantic City. She died yesterday in St.

Joseph's Hospital. She was knocked down at Broad and Stiles streets last Thursday

by an automobile driven by Harry Parks,

Parks was held without ball to await

he action of the Coroner by Magistrate

The MacDonald boy was run down by

The MacLorald boy was run down by an automobile while spinning a top near his home yesterday afternoon. The car had to be lacked to extricate the lad, who died in the Polyclinic Hospital. William Riley, 2029 Gray's Ferry road, driver of the car, has been held by the police to await the action of the Coroner.

Five persons were pinned under a heavy ouring car when it was sideswiped by an-

ther at Sixty-third and Media streets yes-

terday afternoon; three of the occupants were injured seriously. They were Law-rence Carlin, thirty years old, of \$201 Mar-

Buckwheat

MADE the way of our great grandfathers day.

Selected Pennsylvania Buck-

wheat, water-ground between

buhr stones. This flour re-

tains all the elements and good-

ness of the grain and the true

2-lb, sack, 25c; 4-lb, sack,

free booklet, giving list of grains, cereals, infant foods.

50c; 8-lb. sack, \$1.00. Deliv-

ered free by Parcel Post or Ex-

GREAT VALLEY MILLS

Paoli, Pa.

buckwheat flavor.

press.

Old-fash Buhr Sto Ground

Old-fashioned

Buhr Stone

McCleary in Central Station this morning.

of Columbia avenue near Tenth street.

Boy Spinning Top One Victim. Injured.
Harry Ramm, forty-seven years old, of 3232 North Twenty-fifth street, is in the Samaritan Hespital as the result of being run down by an automobile at Broad and Tioga streets yesterday. Aged Woman Dies of Her Injuries

Three motorcyclists were injured yesterday. Threy were Frederick Engard, 988 North Fifty-sixth street, who is in the Samaritan Hospital with a broken leg; Lewis Kopp and Earl Reinhart, 5550 Westminster avenue, who sustained a hip fracture when thrown at Twelfth and Diamond streets. The fatalities bring the number of deaths

ent of the American Iron and Steel Company, said that his wife is critically ill as been a boyhood sweetheart.

a result of worry over the boy's disappearance. It was rumoved that Snyder was in this city, but search by his father as fee has been in vain.

INVENTOR OF "TRIAL DIVORCE" BRIDE OF CIRCUS PERFORMER

Mrs. Fannie Smith Trude Undertakes Her Third Matrimonial Adventure

CHICAGO, Nov. 26 .- Mrs. Fannie Smith Trude, celebrated as the inventor of the trial divorce," is a bride today. Announce pent was made that she had been married to Harry Riley, a circus performer.

Mrs. Trude's adventures in matrimony number three. She was wed when sixteen Reinhart was taken to the Samaritan Hospital

Police Asked to Find Missing Boy
The police have been asked to look for
Henry R. Snyder, a Lebanon boy, who disappeared from his home about two years
ago. The boy's father, who is superintendent of the American Iron and Steet Com-



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> \$20 \$15 up to \$60

Styles for the man who wants distinction without freakishness. Our showing is a com-

plete and authentic exhibit of prevailing models and materials, particularly featuring the style and appearance which welldressed men wish their apparel to express.

JACOB REED'S SONS

1424-1426 CHESTNUT STREET

Goodyear Cords Win First, Second and Third Places In International Grand Prize Race at Santa Monica Saturday

Winners in premier classic of motordom storm across finish line in Goodyear equipped procession.

Aitken, piloting Wilcox's Peugeot, Cooper at the wheel of a Stutz and Patterson driving a Hudson capture major honors in the most desperately driven contest in grand prize history.

Victorious Peugeot covers four hundred and three-mile distance over an eight-mile course strangled with turns at average rate of eighty-five and fifty-nine hundredths miles an hour-ten miles an hour faster than best previous time for this race.

Aithen's car was shod with Goodyear Cords on all four wheels; so was Patterson's; Cooper's Stutz rode Goodyear Cord on rear wheels only.



Goodyear cord tires are standard equipment on the Franklin, the Packard Twin Six, the Locomobile, the Peerless, the White, the Haynes Twelve, the Stutz, the McFarlan, the Roamer, the Lexington "Thoroughbred Six" and the Daniels Eight.

The qualities that led to their adoption on these cars are the qualities that make them higher-pricedand better.

Candle Sticks

Graceful Colonial pattern in Sterling Silver - eight inches high. Per pair, \$12.

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Diamond Merchants Jewelers-Silversmiths

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WEEK WILLIAM FOX Daughter of the The Picture Beautiful

Children Enjoy

the Witches,

Elves,

Gnomes

and Fairies

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Charms Old and Young Alike With Its Dazzling Beauty and Splendor

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