

LION PROVIDENT ASSOCIATION.—The enquiry conducted by Mr. Æmilus Irving, into the nature of the business carried on by the Lion Provident and Life Association, reveals an extraordinary series of frauds. The association was incorporated under the Benevolent Societies' Act; and commenced business in 1887. From the certificate of incorporation it appears that the association had no shareholders, and that there were no shares. The company was organized and did business solely under the plan of mutual insurance, each certificate-holder being a member of the association. One William Jones was the manager of the new corporation, and his fellow trustees were men of straw. Jones filled the most important offices, under a by law permitting one or more trustees to hold the office of president, managing director, secretary and treasurer, and receive remuneration therefor. An investigation was commenced in November last, when an adjournment took place to enable Jones to prepare a statement: but when the investigation was resumed in January, it was found that Jones had left hurriedly for the United States, taking most of the books with him. From such information as was at hand Mr. Irving rendered a report, showing that the association had been organized for fraudulent purposes. In accordance with the recommendation of the report, the corporate powers of the Association were revoked by order in council dated April 3.

To substantiate the conclusions arrived at, the report states that the gross receipts for the first year ending Aug. 31, 1888, were \$8,553. The deduction for management allowed Manager Jones, with the assent of the trustees (no vouchers and no audit being made), was \$7,002, leaving a balance to the credit of the association of \$1,750. The claims paid amounted to \$848, leaving a balance of \$902. Of this \$705 was in cash for risks outstanding, no other provision being made to meet future losses, although over \$111,000 of risks were outstanding and might fall in. For the second year ending Aug. 31, 1889, the gross receipts were \$28,199. The manager's deductions (no vouchers or audits) were \$22,254, claims paid \$7,633, the return premiums \$1,423, in all \$31,310, leaving an alleged loss on that year's business of \$3,112. The gross receipts for the third year ending Aug. 31, 1890, were \$12,695. The manager's deductions, always without vouchers or audits, were \$9,356, and the paid claims and returned premiums \$3,339, making \$12,695 the amount of the receipts. The outstanding risks were, in the first year \$111,672, in the second year