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ROYAL COMMISSION ON INSURANCE.

After several weeks intermission, the Royal Commission on insurance resumed business in Toronto on the 4th inst.

The Monarch Life with Head Office in the above city, was selected as the subject of enquiry.

Mr. P. Marshall Ostrum who promoted the company and is now its manager was the first witness. He stated that he was to get \$50,000 paid-up stock for a copyright policy, which the company issues; that he took in payment \$140,000 of stock, upon which ten p.c. call, and the premium of twenty-five p.c., at which it had been issued to him, but that the president, Mr. D. A. Gordon, had afterwards cancelled the portion of these certificates which he had signed; and that the copyright for which the stock was paid still stands in Mr. Ostrum's name, and that the Board of Directors had recently been informed that these certificates had not been issued, and were not, up to the time he gave evidence, aware that he had them in his possession. A five-year contract, which gives Mr. Ostrum a commission on all premiums paid after his connection with the company, ceases on all business written under his management so long as the policies continue in force, and that he could not be dismissed unless impropriety was proved in open court, was another interesting feature of the evidence. It appeared that Mr. Ostrum, in the two years he had been working as promoter and manager of the company, had received some \$23,000 in salary and commission, \$1,000 of which he had applied in payment of call and part premium on \$60,000 additional stock, which he had taken. Of \$162,000 collected in cash from the subscribers, only \$100,000 remained in the treasury, the balance being eaten up in expenses. There appeared to be a direct conflict between the statement of

President Gordon respecting the issue of the 1,400 shares of stock to Mr. Ostrum, and that gentleman's statement on oath.

On resuming the examination of witnesses on the 5th instant, Mr. Tilley requested Mr. Ostrum to produce a number of certificates; as they were not forthcoming the witness was allowed to leave the box, with a request to produce them later.

Mr. T. H. Graham, 1st vice-president, informed the Commissioners that he was elected to his present position in March last. On being asked if he had ever signed certificates before that date, he testified that he had not.

Mr. Tilley produced 14 certificates showing transfers of stock to Mr. Ostrum, which the witness had signed. The western directors had objected to the manager receiving the shares, so the Crown examiner wished to know when Mr. Graham had made them over. The witness said that he thought the stock was being issued, but was not sure that it would go into Mr. Ostrum's hands when he put his name to the documents.

Mr. Tilley returned to the date of signing the certificates, and again pressed to know when Mr. Graham's signature was placed on them.

"Yesterday morning," admitted the witness.

"Just before the company came up for investigation?"

Two minor facts were brought out, one was that the witness signed two agreements after they were executed, and the other that he moved and seconded motions over the telephone. He admitted that both actions were unusual.

At the afternoon sitting the bookkeeper, Stephen Van Sickle, was under examination. He said that he had signed the 1,400 shares transferred to Mr. Ostrum, while Mr. Gordon was present. He had also prepared a statement, which he believed to be correct.