

FRANK IS CHARGED BY BANK OF DRAIN

Moore and Morris Accused of Crooked Deal in Juggle of Telephone Bonds.

DEMAND MADE FOR \$8750

Suit is Also Filed Against Thomas C. Devlin for Expenses Necessary to Recover Lost Securities.

The Bank of Drain brought in the Circuit Court yesterday two suits against those connected with the affairs of the defunct Oregon Trust & Savings Bank.

Relations with Drain Bank. In the \$750 suit, brought by the Bank of Drain, Moore and Morris are said to have purchased, as officers of the Oregon Trust Bank, \$15,000 worth, face value, of the capital stock of the Bank of Drain.

Bank Officials Taken on Grand Jury's Orders. The Oregon Trust Bank purchased at 65 cents on the dollar a block of Tacoma Home Telephone bonds, receiving with each dollar's worth of bonds \$1.35 worth, face value, of stock.

MORRIS IS FIRST SEIZED Officials Accused of Accepting Deposit When Institution Was Insolvent—Other Indictments Are Expected Soon.

Bonds Sold at Par. Further than this, the bonds were sold to the Drain bank at par, it is alleged, and with a bonus of stock of only 50 per cent of the face value of the bonds.

MRS. PARRISH WINS POINT Law Passed After Case Was Filed Is Not Effective.

Hoyle Charges Mismanagement. Gross mismanagement on the part of E. B. Duff, as president of the Drain Construction Company, and of Blanche McN. Moore, as treasurer, are alleged by Mills W. Hoyle, in a suit filed in the Circuit Court yesterday.

Frank L. Day Sued for Divorce. Blanche L. Day brought a divorce suit in the Circuit Court yesterday against Frank L. Day, charging him with desertion. They were married at Fargo, N. D., May 25, 1900, and have three children, whose custody she asks.

Bank Sues to Collect Note. Dr. C. Gee Wo is made defendant in a suit brought in the Circuit Court yesterday by the United States National Bank to obtain \$150 and \$15 attorneys' fees on a \$150 promissory note.

Tries to Attack Morris. A great deal of feeling seemed to exist on the part of Mr. Lytle against Mr. Morris, whom he blames for much of the stigma which is attached to the

OREGON SAVINGS & TRUST COMPANY OFFICIALS WHO WERE ARRESTED YESTERDAY.



ARRESTS ARE MADE

Bank Officials Taken on Grand Jury's Orders.

MORRIS IS FIRST SEIZED Officials Accused of Accepting Deposit When Institution Was Insolvent—Other Indictments Are Expected Soon.

Indictment Was Expected. While Mr. Morris was waiting word from his attorneys he was asked to make a statement for publication.

Defendants on Bad Terms. Mr. Lytle and Mr. Friede, who were the last to come into the police station, however, maintained a very reserved demeanor toward the Moores and Morris.

Tries to Attack Morris. A great deal of feeling seemed to exist on the part of Mr. Lytle against Mr. Morris, whom he blames for much of the stigma which is attached to the

RAILROAD THAT HAS JUST BEEN SOLD SHOWS EVIDENCE OF STRONG BACKING.

HILL MAY BE PURCHASER Check Settling Oregon Trust Account Drawn by Man Affiliated With Empire Builder—Big Profits Are Reaped.

Evidence of the strong financial backing enjoyed by the United Railways since it changed hands a few days ago came to light yesterday when it paid off in cash its \$75,000 obligation to the receiver of the defunct Oregon Trust & Savings Company.

It also came to light yesterday that the road was bought in cash at a material advance on the original investment. In some instances the stockholders realized by the sale of their stock a net profit of 50 per cent on their original investment, and the original stockholders of the Ruth Trust Company, subsidiary of the United Railways which was sold with it, received for their stock four times as much as they originally paid for it.

This proof of the strong financial backing of the road is in accordance with the unverified statements that have been made recently to the effect that it is in the hands of a company, subsidiary of the Hill plan to develop it into an important railway. The fact that the check paid to the bank yesterday was deposited by F. A. Howard, who is known to be affiliated with the Hill lines, and was drawn on a Seattle bank in which the latter has deposits led to the theory yesterday that the United Railways is being acquired by the Hill interests.

The \$75,000 paid yesterday to the receiver of the Oregon Trust & Savings Company, represented a debt for which the stock had been placed as collateral when the management of the now defunct bank was making some of the questionable speculations that brought the institution into trouble.

The amounts paid for the stock of the United Railways varied, for much of it was purchased from original stockholders at such prices as it was held at by the various owners. Much of the stock had been purchased long before reorganization of the company, as a matter of speculation, and sold in lumps to the new owners, and thus the profits on the stock varied, but it was asserted last night by one of the stockholders that all the holders received more or less of a profit in the transaction.

The company was originally incorporated in 1900, there being 20,000 shares at a par value of \$100 each. The first efforts to finance the road were difficult, and the stock sold for much less than its par value.

The secret of handling the real estate that would develop through the extension of the road, the Ruth Trust Company was organized, the capital stock being \$200,000. The stock was sold at such prices as it was held at by the various owners. Much of the stock had been purchased long before reorganization of the company, as a matter of speculation, and sold in lumps to the new owners, and thus the profits on the stock varied, but it was asserted last night by one of the stockholders that all the holders received more or less of a profit in the transaction.

When the company recently changed hands, the owners of the original stock sold it for a total of \$400,000. The holders of the more-recently issued stock received twice its par value, but this represented only twice the investment, as they had not yet been consulted regarding the dividend previously made.

JUDGE OPPOSES PARDON Gantenbein Says Mrs. Waymire Should Serve Sentence.

Reported Deal Denied. "I never had anything to do with the United Railways. I was never the president of the company, never owned any of the stock or served in any way with the company," Mr. Edna Gantenbein, secretary, was asked to testify, he would show this to be the truth. I do not know anything about this deal except what I have read in the papers. I am not a director of the company, and I do not know anything about the deal.

Much Juggling Admitted. Morris' testimony before the grand jury yesterday was most sensational. He admitted that the surplus of \$100,000 was created by working the telephone bonds of the Puget Sound telephone company. In the purchase of the first \$500,000 of the Puget Sound telephone bonds the bank had received \$250,000 in stock as a bonus. The other half of the stock, Moore and Morris had taken just one-half, Morris admitted, and it was set down as a commission. This stock was then put back into the bank at a valuation of 50 cents on the dollar.

One-half of the stock, according to Morris' story, was thus used to create the false surplus, and the other half was sold to the bank by Moore and Morris, who, in payment for the same, received from the bank their notes for \$40,000 which they had given the bank for their capital stock. Mr. Morris said that Mr. Lytle had participated in the United Railways deal and that after paying for the road with the bank's money, some of the bonds were put back into the bank for \$75,000, which amount was drawn out and divided between Morris, Moore and Lytle. His long explanation of the Golden Eagle and other transactions were virtually to the effect that they had been done with the best intent and that they had turned out to be bad business deals.

Halloween Delights. Every hostess delights in having something novel for her guests. Pearce's puree, sausage and headcheese candies will prove an amusing and delicious addition. Royal Bakery, Washington and Park streets.

Fall Moon Tide—Clatsop Beach. Did you ever see a real high tide? Full moon tide 9 feet on Friday, Saturday and Sunday at Clatsop Beach. Round trip fare via Astoria & Columbia River R. R. only \$1.00, going Saturday, returning Monday. Trains leave 8 A. M. Daily, also 8:30 P. M. Saturday. Beach hotels open all year.

SEE TAFT FLAG. Take car with green sign.

AMUSEMENTS. TONIGHT 8-15 JOMELLI SOPRANO and Company. In the Musical Comedy "LO" at Bungalow Theater.

PORTLAND THEATER. "LO" at Bungalow Theater. Tonight and last time Tomorrow Night.

BAKER THEATER. "The Spoilers" at Baker Theater. Five Nights, Two Matinees—Opening next Sunday.

PANTAGES THEATER. "The Spoilers" at Pantages Theater. Five Nights, Two Matinees—Opening next Sunday.

THE GRAND ERNEST PANTZER AND CO. "The Spoilers" at Grand Ernest Pantzer and Co. Five Nights, Two Matinees—Opening next Sunday.

LYRIC THEATER. "The Spoilers" at Lyric Theater. Five Nights, Two Matinees—Opening next Sunday.

STAR THEATER. "The Spoilers" at Star Theater. Five Nights, Two Matinees—Opening next Sunday.

DAILY METEOROLOGICAL REPORT. PORTLAND, Oct. 28.—Maximum temperature, 48 degrees; minimum, 32 degrees.

MEETINGS NOTICES. OREGON COMMANDERY, NO. 1. Knights Templar, request the pleasure of the company of com. pany.

CLASSIFIED ADVERTISING RATE. In Effect November 1, 1909. Daily or Sunday.

THE PORTLAND PORTLAND, OR. EUROPEAN PLAN MODERN RESTAURANT. COST ONE MILLION DOLLARS.

HOTEL OREGON. CORNER SEVENTH AND STARK STREETS. Portland's New and Modern Hotel. Rates \$1 per Day and Up.

NEW PERKINS. Fifth and Washington Sts. Opened June, 1908. A hotel in the very heart of Portland's business activity.

IMPERIAL HOTEL. Headquarters—"There's a Reason" Seventh and Washington Phil. Metcahan & Sons, Props.

NORTONIA HOTEL. ELEVENTH, OFF WASHINGTON ST. BEAUTIFUL GRILL ROOM. European Plan. Rates to Families.

THE CORNELIUS. "The House of Welcome," corner Park and Alder. Portland's newest and most modern hotel.

THE SEWARD. Corner 10th and Alder. The leading hotel of Portland, opened July 1909.

HOTEL RAMAPO. Corner Fourteenth and Washington. New Hotel, Elegantly Furnished. Rates, \$1.00 and Up.

HOTEL LENOX. CORNER THIRD AND MAIN STS. European Plan. Newly Furnished Throughout. Rates \$1, \$1.50, \$2.

NOTHING DOWN NOTHING FOR 3 YEARS. We will sell choice residence lots at University Park, without any payment on the purchase price for three years.

INGLESIDE PARK. \$150 to \$200 a lot, \$10 down, \$5 a month HOOD RIVER APPLE LANDS. Yamhill County Farms, 1 to 500 Acres.

LOOK AT THIS. Splendid home, practically new, with 2 1/2 acres land, barn, chicken houses, yard, on O. W. P. Must sell. Apply real estate office Kendall Station, or first house north.

OREGON HUMANE SOCIETY. 13.66 ACRES. A snap, 13.66 acres on Foster road, near Lewis Junction, must be sold, \$250 per acre. Will be worth \$100 per lot soon.