PAGE EIGHT

SECOND STRING

LINEUP STARTS

Keene Won't use Regulars

So Close to Whitman

Tilt: is Worried

Starting Lineups

LG

RG.

RT.

RE.

Q.,

RH

Willamette

McRae

Felton

Boyd

Houck

OTT .

Lorenz

Frantz

Faber

Ross

Olson

ered good for them.

even then.

utes.

Cripples Will Not

Be Used, Announced

Ingersoll

The ORIEGON STATESMAN, Salem, Oregon, Friday Morning, November 20, 1931

Albany College Real Threat in Willamette Game Tonight

But the plan was large and on this ties, or an actual stock ownership by directors of \$500,000! basis stock was sold.

Seventh, there was "no sugges-It was thus a well-fortified sales erew which took the field tion of any bonuses or other indepressed days of 1931 showing ducements tending to induce high "investors" the way out of the pressure sales of the stock." The current economic morass. Keller quoted words are by Judge Cohimself was a man of personality. show. It is true that the books He was from 42 to 45 years of of the company credit Coshow, age, heavy-set, with protruding Fetty, Keller, Stockman and stomach, large mouth, and with Adams and perhaps others, with an aggressive slant to his head. a \$3000 commission individually, His estimated weight was 250 applied on to stock, for selling pounds. When he talked, officers themselves their stock. It is true and salesmen of Empire listened. that W. C. Hagerty of McMinn-As Keller pictured the possibili- ville was credited with \$1000 on ties of Empire, there was magic in his stock subscription when he his words and the salesmen left signed his contract as president his office with the zeal of crusad- of the unincorporated Empire Casualty company. But such were not the facts portrayed by Em-

> Through the spring and summer of this year the placing of Empire Holding company securitles went on. The New York stock market went lower and lower: wheat sagged to all-time lows; business slackened alarmingly but the Empire Holding company went on its way of destiny!

Corporation Commissioner Mott tore at the financial sore-spots in Portland, he canvassed the state speaking on "financial racketeers" but Empire remained untouched. It was not until October 20, 1931, that the records of the Empire Holding company show any signs that the stock peddling campaign showed signs of slack--usually the operators traveled ening. On that day, according to the company's minute books, by a 4 aye and 3 nay vote, officers and directors adopted the follow-

> ing resolution: 'Now therefore, it is hereby resolved by the board of directors that it is important that the number of salesmen be reduced not to exceed 15 and that C. J. Keller and his assigns be and hereby are directed to reduce the number of salesmen, not to exceed 15; that the greatest amount of money to be appropriated by the treasurer to C. J. Keller forcall purposes, including salesmen. shall not exceed \$1000 per week. C. J. Keller was a brother of Frank Keller, Jr., and worked with him in his selling promo-

On November 5, 1931, State after giving every opportunity to the company was going and why further stock sale was justified. cancelled the permit of the Empire Holding company to sell its stock in the state of Oregon. In the 11 months lacking five days in which the Empire's salesman had

bought from \$100, some purch-

ases reaching in cash and securi-

ties paid the \$20,000 mark "paid

for in actual money" a state

which had been reached on No-

vember 14, 1930, when Coshow.

Fetty, Keller, Stockman and Ad-

ams swore their solemn oath

Yet certain energetic Empire

salesmen were not to be deterred.

On November 6, 1931, near Tilla-

mook, they approached Empire

"investor" K. I. Franklin. His

tragic letter to the state corpora-

tion commissioner speaks for it-

that a man can get his money

back from that company? I would

like to know if it is all right?

Their salesmen claim they have

would like to get out of it if

Tomorrow The Statesman

will reveal more financial facts

shown by the Empire Holding

company's books. Then it will

discuss in some detail the rec-

ord of Frank J. Keller, Jr.,

ales counsellor. It will also de-

vote some space to Judge Cosh-

ow's connections and previous

experience. The Statesman de-

sires in conclusion to discuss

briefly plans of "reorganiza-

tion," the impending officers.

directors and shareholders

squabble and to give the news events now pending leading to

an official an i sweeping grand jury investigation of the bus-

iness affairs and the official

family of the Empire Holding

"Mr. Mott, is there any way

been subscribed for

this afternoon. Preliminaries in entire period the tide of Empire

out for the several events will

ior, and Robert Parker or Lloyd tion. work in Roseburg, Coshow's old

Orwig, sophomore. Distance plunge-George Wa-"enormous" profits to be made in

representatives to be named this pire was so necessarily providing afternoon.

ald Chappell, junior, and Robert Parker, senior.

Win Needham, sophomore; associates and caught up in the Charles Perry, junior, and Lloyd Waltz, senior.

No preliminaries were held for First, the personnel of the officers and directors. Impressive the 180 yard freestyle race

Notably Successful (Continued from page 1) was included in the individual office equipments. high, 45 to 0, in a muddy battle **Reception** Room is Beautifully Decked The reception room of the Em-

pire Holding company was gra-

points, set by Huston Stockton, they could be closeted with the Columbia, in 1920.

Jefferson's team also is the first the Empire were in harmony with sleven to hold its interscholastic the other accountrements of the eague opponents scoreless business. through an entire season since



brought with him from other Vying for interclass honors, states amply attest the assertion. high school boys will swim in Keller had certain basic ideas their best and speedlest form at which he enunciated and then rethe Y pool starting at 4 o'clock iterated constantly throughout the

most of the events were run off was in full sweep. Moreover, Kelyesterday. ler captivated his officers and di-Class representatives weeded rectors on these ideas and thus a united sales front was presented

whether the Empire story was be-Fifty yard-Robert Hug, jun- ing told in metropolitan Portland or small-town Ontario; whether Waltz, who tied for senior posi- Empire salesmen were hard at

Fifty yard backstroke-Vernon home town, or were leading La-MacQuaid, junior and Lawrence Grande citizens from the desolation of low priced wheat to the

terman, junior, and other class the give-away insurance deal Emthe citizens of this great state. Fifty yard breast stroke-Don-

One hundred yard free style-

grist of letters in the prospectuses, was tersely this:

Keller himself, according to auditors of the state corporation pire's salesmen. commission department, kept no ciously appointed. A combined individual banking accounts. Rather, one of his personal employes worked in this office and gave was handed Keller's handsome commission checks and at Keller's the sales counsellor's funds. Per-

haps one reason for this action Empire's leaders. Good-looking was a series of judgments in other states which a reliable financial service reveals to he Statesman were made against Frank J. Keller, Jr.

Approached Friends It must not be overlooked that **Of Officers First**

while the original value of the office furniture exceeded \$17,600, The methods used in selling and while \$16,868 is listed as an Empire stock, if not ingenious. were undoubtedly clever and asset, not all of the Empire's furhighly successful. niture has yet been paid for, ac-When the salesman or salesmen cording to the audit of July 31,

in pairs-came to a city such as LaGrande, Roseburg, Medford,-Frank J. Keller, Jr., sales counthey would ordinarily first apsellor, was a self-admitted genius proach friends of their officers. at stock selling and the records he a Medford, Adams had contacts;

in Roseburg, Coshow. Hagerty's insurance agents throughout the state were early solicited for for their own subscription and data on their clients, and with a considerable degree of success.

Then the Empire's salesmen would see lawyers and doctors. When the lawyer was a friend of Judge Coshow, Empire president, there was an open avenue to a sales talk. Frequently lawyers were approached on the score that the Empire would need legal services when its five-way insurance business was going and the lawyer's subscription was asked as a prelude to his being named

as Empire's counsel in his own county. Similar tactics prevailed among the doctors who were to be examiners for the life insurance busi-The program for selling the ness the Empire was speedily to Empire Holding corporation, as be doing. defined by Keller, repeated by his

The Westerner, Empire subsidized magazine to the extent of \$16,868, was being "sold" for one dollar for a year's subscription. operated, more than \$800,000 in A nonchalant salesman would ap-

tions. Corporation Commissioner Mott. the directors to show what way

stock in the Empire Holding com-

enterprise.'

The lineup he has chosen includes some men who were expected at the opening of the seaon to be first string material.



Juggernaut Jolters, Indeed!!

-By HARDIN BURNLEY-

RAY MORRISON THE

Gets Five Touchdowns When Super-Sales Methods Used Jefferson Runs Wild on By Empire Company are Commerce, 45 to 0 PORTLAND, Ore., Nov. 19-(AP) — Jefferson high school's football team crushed Commerce

SCORING MARK

GRAYSON SETS

on Multnomah field here today. The game gave Bobby Grayson, efferson quarterback, a new individual scoring record in the Portland Interscholastic league. telephone girl and greeting clerk He carried the ball across for five touchdowns today bringing ample notice to the head men of his season's total to 117 points. the company who was coming and request, received and disbursed The former record was 104 in turn told visitors when and if

By virtue of today's victory stenographers and secretaries of

another Jefferson team performed the feat in 1918.



and who would have been except for injuries which kept them inactive while the first string offensive was being organized. This team is as strong as some first lineups Willamette has had in past years, and it may be able to hold Coach Balcom's Pirates, but will not enjoy any appreciable edge over them. Hence tonight's game may be one of the best of the season

Albany's entire starting lineup is strong, with some real threats in the backfield including Adamscheck and Klockars, new men this year, as well as McClain and B. Buchanan. Still another member of the Buchanan family also works in the backfield part of the

The admission price for this game is the lowest that has been charged for college football here in many years.



Did it ever occur to you-that when a fellow is unknown or unsung, life is likely to be a lot

-0-

In sports, the dark horse gets

a lot of glory if he wins and no

particular mention if he loses;

but the recognized performer

gets small mention if he wins,

and six-inch headlines if he

slips up. And yet he may be,

and usually is, better when he

slips than he was when he got

all the sudden fame. Just test

it out on somebody or some

Bobby Grayson scored 117

years ago. Last year it was ter-rible when they failed to re-peat, and if they make it this year nobody will burst a blood

vessel. It was generally regard-

ed as a disgrace when they lost

team you know about.

MONMOUTH, Nov. 19 - The sweeter than after he is recogniz-Donut series of basketball coned as a top notcher at something tinues to hold interest at the or other? Or even when he's rec-Oregon Normal school. ognized as pretty good?

Tuesday evening six teams played off games, all being rather lop-sided as to score. Senior cottage maintained its right to enter the semi-finals by defeating Merrimack, 36-8. Third Floor B downed First Floor-East Jackson group, 22-3; while Third Floor A dropped but one point to Wallulah Hall's A team, with a score of 33-1.

Thursday evening Cornelius Hall defeated Wallulah Hall's B team 29-5, and White Hall emerged victorious over Second Floor C, 14-5.

points for Jefferson high of Port-Present standing of various land this football season. Good teams and their opponents: Class thing it's his last year in high A., undefeated. Senior Cottage vs. school. He has been acclaimed so Third Floor B. Town Girls A. loudly this fall, that if he came vs. BYE. Class B, defeated once: back next year and some game Cornelius Hall vs. South Moncame up in which he failed to mouth. White Hall vs. winner score a touchdown, that fact would of Jobason-Colonial Coeds and be emblazoned on all the sport Second Floor A. pages. As it is, he'll have to go

kid.

a game.

After all teams have been eliminated except the two in the finals, one from Class A and one from Class B, these two will meet just fair, whereas even if he's the in a grand finale to determine chief performer at Oregon State the championship.

Maple Asserts Players Didn't Perform, 1928

Howard Maple, assistant football coach at Willamette university, played football at Oregon State college in the games in which it is now claimed Buck Hammer and Byington played four years ago and which, if it is true, would make them inis true, would make them in-eligible for playing in any games All-Star Coed this season

Maple believes that the jerseys must have become mixed as he does not believe either man

However, other comparatively small schools are producing headline-capturing teams with pleasing forded later when the Gaels play

tough teams in that area, but they are not of the calibre of the best class of St. Mary's should be affaced by the Mustangs and Gaels. However, 'tis said, Utah is adconsistency. Every fan knows of St. Mary's, son charity game. S. M. U. is an-rapidly. Football in the Rockies which has come from obscurity to other of those small universities will rival the nation's best within

which has come from obscurity to that have been turning out top-high football ranking in a little that have been turning out top-more than six years under the notch grid teams for years under Copyright, 1931, King Postures Syndicate, Inc.

Carnera Wins Edge Over King Levinsky With Big Chicago Crowd on Hand

By CHARLES DUNKLEY |46 for Levinsky, and so did one of the judges, with the other scor-CHICAGO STADIUM, Chicago, ing 56 for Carnera and 44 for Nov. 19.-(AP)-In a battle that

Levinsky. might have been for the world's The bout knocked the depresrough and tumble championship, sion right out of the prize fight Primo Carnera, Italian giant, won industry with an attendance of the decision over King Levinsky, around 20,000 and gate receipts wild swinging, reformed fish ped- of \$62,000 gross. It was the largdler of Chicago, after the 10 est crowd to witness a fight in rounds of swinging and mauling the stadium since Young Stribling in the Chicago stadium tonight. stopped Otto von Porat last year.

Carnera handled Levinsky, in Levinsky, full of courage and fight, was unable to overcome the mauling him in the clinches, like tremendous weight handlcap and a full size man wrestling a boy. There were no knockdowns, but the six-inch disanvantage in height. He conceded 781/2 pounds that wasn't Levinsky's fault. The to Carnera, who scaled 272 1/2 to serious, sober looking Chicagoan kept swinging his heavy right 194 pounds for Levinsky.

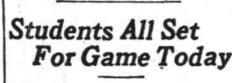
The decision of the two judges from his hips, but he might as and Referee Ed Purdy was unani- well have been banging away at mous, but the point totals were the hull of a battleship. His blows close. The towering Carnera got to the head failed to find a vulthe official verdict but Levinsky nerable spot, as Carnera either took them high, or backed away

scored 54 points for Carnera and from them.

Buena Brown and "Pat" White, forward and guard respectively, were selected for the third consecutive year on the all-star team. They are both seniors and have played on the championship feam each of those three years.

some in college to live up to all Frances Stewart, a freshman the home folks' expectations. And was the other forward; Nellie he'll get no credit at all if he's Ackerman, senior, was named center; Dorris Kemp and Lydia Wilor wherever he goes, there'll be no son, both freshmen, tied for side gratified surprise. That will be center honors, and Pauline Pratt, just what was expected of the poor another freshman, was named the

other guard. Roy S. Keene, Miss Currey, Lestle Sparks, Howard Same way with a team. Wil-Maple and Professor Jones formed lamette's warriors were great the committee which selected the heroes when they won the Northwest conference title two all-star team.



most enthusiastic pep rally staged **Hoopsters** Picked scores of Silverton high school At Willamette

the 120 yard medley relay. Officials for the meet will be: Vernon Gilmore, high school physical education instructor, starter; Robert Needham, judge, and



The Parrish junfor high squad realizes that it will not have easy picking in its game Saturday against Roosevelt junior high of

Eugene. In fact Coach Hauk's men will consider itself fortunate if a win can be obtained. Hauk has been holding practices in the gymnasium, but Thursday moved his crew to the clay field to give the backs practice in handling a slippery ball. Eighteen men will be taken to

Eugene Saturday and the game is called for 1:30. Should Roosevelt win, it would have a good claim for state honors.

Baxter will be in the starting neup at halfback. With him, Myers and DeJardin to run interference for Salstrom, a strong running attack should be possiole. Morley will start at center, Gwynn and Coons at guards, Steele and McCall tackles, and Don Coons and White guards.



The sophomores grabbed the opening game from the juniors 27 to 18 in the Willamette university interclass basketball series.

to the lead in the opening min- Holding company. A reader of the utes with Burdette doing most Empire plan or a listener to a of the scoring. Griffith for the stock salesman is reminded of sophomores was the outstanding nothing more clearly than the old player of the game while Hartley plan of a muskrat and rat farm;

to win over the seniors: Lineups: Sweet...... F..... Nutter Important Point

Burdette..... Hartley Erickson..... G..... Parks Brassfield.....G..... Egelston

Jason Lee Quint **Opens Year With Contest Tonight**

The Jason Lee church basketthe end of Center street.

names; strong faces; successful records: these were to be the lodestones to Empire's high place. Coshow, Adams, Stockman, Hagerty, Kozer, Clancy, Fetty, of such were the directors and officers of

the company. **Oregon** Opportunity Stressed Repeatedly Second, Oregon's surpassing

need of home-owned and home-operated insurance companies which would keep money in the state now going to barons of San Francisco, Chicago, and New York. Keller's program fitted perfectly in the "buy in Oregon campaign"

which shortly thereafter was to be launched as the program of the state's executive.

Third, the inherent business perspicacity shown by the officers and directors in the setup of the business structure of the Empire. t was to be, to quote again Judge Coshow, a firm well calculated "to conduct an honest, lucrative and straight business." The articles of incorporation and the by-laws of

the corporation were termed by its leaders as above reproach. Fourth, the shrewd and certain

savings to be made on a five-way insurance company. This idea was consistently harped on whenever Empire salesmen appeared. Em-

pire was to do the complete insurance job. If a customer wanted life insurance, Empire had it; if fire insurance, Empire would carry the risk. If there was need of casualty protection, an Empire casualty company was to be available while a separate company for mortgage investments was also to

function. The advantages of such an inter-locking set-up, if one may believe the prospectuses, were well nigh unbelieveable. For example, the life insurance company would write a policy. Of course it would set up a reserve, for example, a

first-mortgage loan. Instead of shopping around the country to get such a loan, Empire Life would buy the mortgage from the Empire Mortgage company and save the discount! The resultant prof-

its, of course, were to accrue to The underclassmen jumped in- the shareholders in the Empire and Moore led the juniors' at- the farm operator raising rats to

tack. The freshmen are favored feed the muskrats, whose de-pelted carcasses in turn would feed the rats who thus would feed the Juniors muskrats, ad infinitum. Moore Strong Capital is

Fifth, "the Empire is to be capitalized for an amount sufficient reasonably to inspire confi-Referee, Don Faber; scorer, dence in its success." No small George Erickson; timer, Danny venture was this "vast Holding company." First, two and onehalf millions of capital stock to be sold in 12 months! Next, five large operating companies! "Serving an Empire" was the slogan. While the salaries may have been 'modest and prudent" there was nothing small about Empire's plans. It is true that under the

Oregon code no insurance comball team will start its season pany organized in this state can tonight, meeting the Wranglers do business until \$100,000 capital at 8 o'clock in the Married Men's and \$50,000 surplus in cash or in subscription. Furthermore the Anymement club gymnasium at securities approved by the insurance act are deposited with the

Empire was to be adequately directored. Five directories to each Coach Kenneth Fleming of Ja- state treasurer! It is true that the mpany; five

proach a prospect, show him the beautifully printed, well illus- The subscriptions came from all trated and cleverly written maga- areas of the state. The purchasers zine. The prospect would subscribe. Casually the salesman would tell the prospect about the "vast company" being organized and would suggest that some time when convenient, Empire representatives would call. No obligation of course, but if the magazine buyer wanted to get in on a which was to mean so much in the good thing, why, here was a promotion of the "vast insurance chance to learn how to do it. The Westerner was disarming in its

appeal; only one page carried the direct advertising message of the Empire Holding company. The rest "told the story of an Empire." So convincing was its appeal that Portland newspapermen less than a month ago were busy self: suggesting ways and means of augmenting the force of this new

star in the Pacific slope's galaxy of printed publications. Notes Figure Largely In Sales of Stock The salesmen for Empire want-

sold something over a million and that one of their directors phoned ed cash, and took it whenever him last night that the one hunavailable, but they were content dred dollar stock was all sold and with 25 per cent down if no more wanted me to help him sell some was available. Notes could be to a friend of mine and date it Nomade for the balance. Or if money vember 4. I told him my friend was not available, bonds were perdid not want it Can you give missible payment, or first-mortme any information in regard to gages, or if some good bank stock this company? I will appreciate it. was available, the Empire could use it. possible. I subscribed for ten

The salesmen were unusually shares and paid \$250 down and successful in making such tradegave notes for balance. If there in sales. The cash book of the is any way out will you please Empire Holding corporation give me advice." (Signed) K. L. shows that up to July 31, 1931, Franklin. the company had taken in trade stocks and bonds which it had

promptly sold for \$32,489. It had at that date in its possession first mortgages held at an additional \$78.062, as much as \$20,000 in first-mortgages being taken in trade from one investor for 200 shares of Empire stock! Not all these mortgages, if still held by the Empire are first class. The liberal appraisal made by the corporation commission auditor for the total held July 31, 1931, is \$55,050 and this note is added: Only a portion of these mortgages may be accepted on account of delinquent taxes, and a possible

outlawry of the mortgage of the mortgage notes."

Since The Statesman began this series of articles, specific and uncontrivertible evidence has come to its attention that salesmen representing the Empire Holding company resorted to an offer of bribe in order to obtain in one county in this state a list of federal government income tax payers. The total sum suggested in the proferred payment was \$2500 and the person to whom the proffer was made was told to "come to Portland where the thing can

be fixed up." Sixth, there was to be nothing cheap about the directors. Not a director was to sit at the walnut tables of the Empire until he or she had subscribed for \$20,000 of stock. In fact, to quote Empire salesmen, the faith of the original officers and directors was evident in their \$100,000 actual money

BIG PIANO SALE Kimball Factory Warehouse 557 COURT ST. **5 PLAYER PIANOS** NEW USED

corporation.

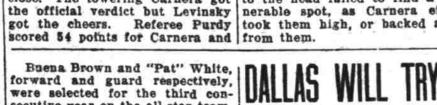
ONE A WURLITZER Small size fust like brand new. Only \$145 1000

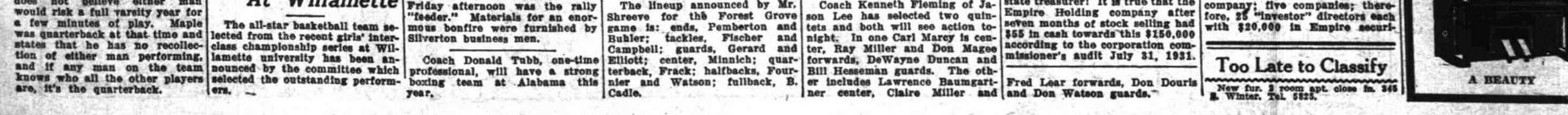


the previous ones. Coach Shreeve's team has had some alterations in the lineup since last week's game at Independence with one man out for the rest of the season due to an injury. Pemberton has been shifted from quarterback to end to

replace Doan Cadle, who was in-SILVERTON, Nov. 19. - The jured. Frack will call signals in many moons was held in now with Fournier going to halfthe downtown section tonight by back and Bill Cadle shifting from scores of Silverton high school tackle to fullback. Campbell will

students. The big contest with the Woodburn football eleven here Friday's game. The lineup announced by Mr.





Mahan.