ASSOCIATIONS EXEMPT FROM BANKRUPT ACT

Building and Loan Put On Basis With Other Corporations.

Upon investigation made by me in response to a request made by the League of Florida Building and Loan Associations to have the bankruptcy law amended so as to give building and loan associations the same exemptions as municipal, railroad, insurance or banking corporations, I find that this question had been before the District Court for the Southern Jurisdiction of New York in a case decided January 5, 1904 in re New York Building-Loan Banking Company, reported in 127 Federal Reporter, at page 471. This was a proceeding to have the New York Building-Loan Banking Company adjudged an involuntary bankrupt.

Object Stated

The object of this incorporation, as stated in its by-laws, and the actual business which it has done has been in substance, to accumulate a fund from the contribution of its own members, from which loans were made to some of its members to assist them in the purchase of real estate, the profits of the business being divided among all its members. The Company at times purchased real estate from third parties but only when a member wished to ultimately purchase such real estate and upon an arrangement that the title should be transferred to such member as soon as he completed the payments for it. No real estate was sold to third parties and the entire business of the Company was in substance, confined to transactions for the mutual benefit of the members exclusively.

Authorities Decisive

The Court said the authorities under the present act seem decisive. They hold, in substance, that the intention of the present bankrupt act, the provisions of which are much more restrictive than those of the earlier bankrupt acts, was to exclude from the operations of the act, banks, railroad, telegraph and express companies, and all corporations except those mentioned in the act. By the provisions of the present act, the corporations which can be put into involuntary bankruptcy are those "engaged principally in manufacturing, trading, printing, publishing, mining or mercantile pursuits."

These terms are to be taken in their natural and usual meaning, and any corporation which does not come within such meaning, cannot be put into bankruptcy.

Associations Not Included

I think that the ordinary building and loan association is not a corporation which is included in the provisions quoted. Admittedly, the only kind of corporation described in the act which it can be claimed to be is one engaged in either manufacturing, trading or mercantile pursuits.

I think it does not come within any of these descriptions.

This case should furnish judicial relief if another emergency should arise pending efforts that might be made to obtain legislation on the matter.

OUR BUSINESS

Our business is not to worry about arriving. Our business is to travel hopefully. Our business is to meet our obligations as faithfully as we can and not to worry and fret about results.

The Chinese have a proverb, very brief, very simple, it is this:

"The legs of the duck are short. The legs of the stork are long. We can not make the legs of the duck long, or the legs of the stork short."

Happiness In Labor

Robert Louis Stevenson, sick, tired, discouraged, wrote in the great essay on "Eldorado". "It is better to travel hopefully than to arrive, and the true happiness is in labor."

If we have made peace with ourselves, if we have taken forever to our hearts the philosophy of thrift, if we are doing the best we know, the circumstances are not important.

We shall be faced in this year with all sorts of circumstances not of our own choosing or making. We are not responsible for them—but we are responsible for our adjustments to these circumstances.

Moral: Join the Building and Loan Association, and you will travel with happy thoughts thereafter.

Mabel: "What are you feeling so blue about? Thought you didn't care about Ed?"

Jane: "I don't but it was hard to break up with him after I had sunburned his initials on my shoulder."

RULES FOR SUCCESS

"Eliminate from your vocabulary the word 'perfunctory.'"

"Think: Exercise your brain as you would your muscles."

"Be financially independent through savings."

"The most serviceable of all assets is reputation."

"Use your imagination."

"Know how to bide your time and sit tight."

"Learn thrift."

"Be neighborly. Be a good sport. Remember that you can't lift yourself by downing others."

"Work hard; it won't hurt you, and take an active interest in public affairs."

"Meet your fellow men frankly and fairly. You don't have to go through business armed to the teeth."

"Learn systematic savings in a building loan and savings association."

T. J. WEBB

(Continued From Page Seven)

very enthusiastic insurance writer.

Building-Loan Best

"I became interested in all methods of savings in which the American people are blessed with so many good institutions of life insurance, savings banks and Building and Loan Associations," he added. "As a method of savings I was attracted to the Building and Loan system five years ago, noting from statistics the absolute safety of the investment therein. I became so interested in the great movement that I personally wrote for connections to the Intermountain Building and Loan Association and after having received the appointment as district manager, I realized the good of this wonderful movement."

Helps Home Owners

Continuing his enthusiasm upon the subject he said: "We are all co-workers, attempting to bring mankind a little nearer to independence. The teaching of more thrift to the individual himself, but not at the expense of others that he may receive more effective results from his own efforts. During my position in this capacity I have seen many a happy family with very small means enabled to own their own little home through the building and loan, and have shown them how this can be done and to receive more just returns and happiness to themselves and the families.

Relative to the integrity of the company Mr. Webb said this today:

Recommends Guardian

"I am personally acquainted with the officers of the Guardian Building and Loan Association and they are men of highest integrity. I feel proud to represent them in our city. I marvel at the success of a company that only a short time ago was a very small organization to have developed into such a wonderful institution, and to my friends, present and future depositors, I can assure them of the safety of the investment and the cordial treatment which they will receive by this Association.

"I hope that every man, woman and child will be interested in savings and no account will be too small for me to give my personal services and I know that once thrift is established it can be increased and cannot help but mean independence in old age."

Bill Says

(Continued on Page Nine)

Blank had for some time been under a doctor's care."

Employer: "Now that I have decided to give yo the job, I must tell you that early hours are the rule in this store."

New Clerk: "That's good. You can't close too early for me."

"Jones!" said the schoolmaster sternly. "You have been caught in the act of flagrant disobedience. Your example to others is most injurious. In short, sir, you are going to the devil. Come with me!"

Saving begins with the cash you have.

Guardian Depositor — "So, you've been abroad? How do you like Venice?"

Another Guardian Depositor—"I only stayed a few days—the whole place was flooded."

The traffic officer had raised his hand and the lady motorist stopped with a jerk. Said the officer, as he drew out his little book: "As soon as I saw you come round the bend I said to myself, 'forty-five, at least'."

"Officer," remonstrated the lady, indignantly, "you are very much mistaken. It's this hat that makes me look so old."

Suitor—"Tommy, does a young man call here in the evening to see your sister?"

Tommy: "Not exactly to see her, because there's no light in the room when he's there."

Wages are not wealth until they are saved and invested.—F. U.

Small or large wages are without permanent advantage to a man who spends his entire salary as he earns it.

Initiative is the first step toward success. It is doing what should be done without being told.

Happiness has been defined as not knowing what other people think of us.

Every time he sends his girl a telegram, a hardware salesman put it down in his expense book as "chicken wire."

Know definitely what you are after or you are unlikely to overtake it.

Aunt: "Ruth, dear, won't you offer little Archie part of your apple?"

Ruth: "No, Eve did that, and she's been criticized for it ever since."

Learn to pay yourself first. It pays all ways—always.

OWNING HOME IS DESIRABLE

To own your own home is desirable. The more owned homes in America the better, and the happier and more prosperous our people. But no home is owned that is loaded down with mortgage indebtedness. Mortgage indebtedness is a necessary element in the buying of nearly every home that is acquired by the salary-earner or wage-earner. From the income of future labor it will be cleared off. But if the husband or father loses his earning power through illness or accident, or if he goes before the indebtedness has been materially reduced, the family is liable to lose the home.

A mortgage coverage policy which can be obtained through some reliable insurance agency will supply income if you become totally and permanently disabled, or if you are taken away it will supply the money to meet the mortgage. This protection is easily within your reach.

For your family's sake, as well as your own, do not delay obtaining this necessary protection.

Small Deposits When Young Help Protect Old Age

By making a definite plan toward saving money for the future and depositing a stipulated amount of money each month, a depositor can meet old age without worry. A college education, a long-needed vacation or even a trip to Europe can be attained by adopting the Guardian plan of saving.

Looking Ahead

Thus parents looking out for the future of their children will find that by depositing only 27 cents a day, or $8 a month, at the birth of a child, this fund will be worth $2000 when the child is 13½ years old.

Money working at 6 per cent compound sums annually will double itself in 11 years and 261 days. If nothing is saved after the child is 13½ years old, and this money is not withdrawn, it will be worth $4,000 when he is 25 years and six months old.

How Money Grows

After approximately 12 years, if the money has not been drawn, this amount will be doubled again, and when the man is 49½ years old he has $16,000, without making any payment after the age of 13½ years. At 61½ years the account has grown until it is worth $32,000.

Should this individual live to be 81½ years old and use merely the interest on his accumulation from the time he was 61½ years to 81½ years, or for the period of 20 years at 6 per cent, this money would amount to $1980 per year, or $160 a month. For the entire 20 years the amount would be $38,400, besides leaving the principal of $32,000 for his estate. The original investment by the depositor would be only $1296.

THIS AMAZING WOMAN KEEPS HUBBY RIGHT

I know a woman who is regarded by many people as being daringly individual in her views and philosophy of life.

Her husband is a successful business man who has chances to make much money. She always discourages him in these financial prospects. She contends that they have sufficient to live on in comfort, and there is no use in his working himself to death to earn more money.

Philosophy Wise

Yet the two seem happy and there is a quiet satisfaction in their financial outlook on life that makes one rather agree that she is wise in her philosophy. Their savings in a Building and Loan association contribute in no small degree to this financial complacency. For they have learned the value of financial independence through savings in these insitutions, and place this certain financial progress above rapid but uncertain acquisition of wealth.

Her husband can successfully provide for their needs and for such luxuries as they desire through his savings. Rather than make of him a business machine, she has preferred to keep him unharnessed, with leisure to devote himself to things other than work. He never fails to put aside in the Building and Loan association a regular payment. It is piling up nicely and he lets the profits ride and earn compound interest. He has purchased a home through the association and paid back all he borrowed.

"We've only one life," she reasoned, "and why spend all of that chasing money when independence can be found on an account in a Building and Loan association."

The Duty of the Business Man

Business is business because it can't be anything else. The ideal business man is like a judge. His company is an entity, apart from himself. If he is an honest business man he will, in an emergency, cut his own salary as ruthlessly as the wage of the humblest laborer. When he makes a mistake and offends a customer he will settle accounts with a check book and not with an excuse. He will deal fairly and justly with all, and always be guided by his reason and not by his feelings. You will find him on the board of directors of one of the Building and Loan associations.

This kind of business succeeds because it deserves to succeed.

No Forgery Loss In Building and Loan Companies

Out of 14,522 forgery losses recently paid by one of the large surety companies, 14,204 were caused by forgery of endorsement or signature which no check-writing machine, however perfect, could possibly prevent.

Money invested in a building and loan association is proof against forging operations because of the many safeguards which surround its withdrawal.

Even the business man would do well to convert his surplus working capital into Building and loan shares; the private individual has everything to gain by putting his savings into the safest financial institution in existence.

Young Woman: "Whose little boy are you?"

Sophisticated Willie: "Be yourself! Whose sweet mamma are you?"

Useful Gifts

to each

New Depositor

Free Pencil and Blotters

To All School Children

MORTGAGE INVESTMENT COMPANY

Offers 7% Cumulative Preferred Stock and No-Par Common in Units of

1 Share No-Par Com
2 Shares Preferred mon $250

The preferred shares are preferred as to dividends. Dividends at the rate of 7% on the Preferred Stock are payable quarterly (January 1, April 1, July 1, October 1). Redeemable at the option of the Company at any time after three (3) years from date of certificate issue at a price of $101.00 per share and any accumulated dividend. Entitled to a preference on liquidation to the extent of par and accrued dividends. Entitled to equal voting rights with the Common Stock, share for share in case of default in the payment of eight quarterly dividends.

BUSINESS: The principal purpose of the Corporation is to own and hold guarantee stock of Oregon Building and Loan associations. The present policy of the Corporation is to maintain each building and loan association owned or controlled as a separate corporate unit and to continue the management through local boards of directors an dofficers. In this way, the good will of an institution built up over a number of years will be preserved and its local character continued.

Part of this issue will be used to provide capital for the interim financing of mortgage loans on application to the Guardian Building & Loan Association. Other Mortgage Loans will be made and will be rediscounted through other financial connections. The Mortgage Investment Company will charge and collect a fee or brokerage and control all insurance on all loans made. Marketable Bonds and Approved diversified Securities will be bought and sold when it is profitable to do so.

PROPERTIES: The corporation has acquired all or a controlling interest in and to the issued and outstanding capital stock of the Guardian Building and Loan Association, Portland; The Investors Savings and Loan Association, Bend, Oregon; The Fidelity Savings and Loan Association, Portland; Willamette Building and Loan Association, Portland; The Guardian General Insurance Agency, Portland; The Aloha Finance Company, Portland, and the La Grande Building and Loan Association of La Grande, Oregon. The total assets of the above companies are approximately $1,000,000.00. The corporation is negotiating for the purchase of other building and loan associations throughout the state and these companies will be taken over when the transactions are consummated.

PURPOSE OF ISSUE: The proceeds from the sale of this issue will be used to purchase the capital stock of building and loan associations in the State of Oregon.

EARNINGS: Upon completion of the present financing program and based upon the present earning power of the Associations previously mentioned in this circular, the earnings of The Mortgage Investment Company for the first year are estimated as follows:

NET EARNINGS OF SUBSIDIARIES	$100,000.00
OTHER INCOME	40,000.00
TOTAL	$140,000.00
EXPENSES AND TAXES	67,000.00
NET PROFITS	$ 73,000.00
Annual dividend requirement on preferred stock—4,000 shares, at $7.00 per share	$ 28,000.00

MANAGEMENT: The men responsible for the growth of the associations mentioned in this circular will continue as directors of said associations and some of them will also serve as directors of The Mortgage Investment Company.

Officers and Directors

E. E. FITZWATER
President of the Mortgage Investment Company.
First Vice-President of the Multnomah Commercial & Savings Bank.

J. S. MOLTZNER
Treasurer of the Mortgage Investment Co.
Attorney at Law, Portland, Oregon.
Director of Guaranty Trust Co., Portland.

GUY NEELY
Secretary of the Mortgage Investment Company.

We offer the unsold portion of this issue in units consisting of:

2 Shares of Cumulative Preferred Stock at $100.00 per Share
and
1 Share of Class "A" No Par Common Stock at $50.00 per Share
Price per unit $250.00

We offer this stock subject to prior sale and change in price.

THE MORTGAGE INVESTMENT COMPANY

365 Yamhill Street — Portland, Oregon — Phone Beacon 8137

We advise the purchase of at least one unit of this stock as a permanent investment. Partial payment plans if desired. Get in touch with Jacob Dobrin at Guardian Office, 829 Main St., Klamath Falls, Oregon