

# Diary of a Trust Officer

All the Promoter Wanted Was the Use of Our Name. With that He Thought He Could Make a Fortune Out of Wildcat Acreage. Two Contrasting Pictures of Wards. In One Parental Foresight; in the Other Neglect. Husband Manages Estate.

May 1

**A** REPLICA of "J. Rufus Wallingford" breezed into our office this morning. He had taken options on a large block of wildcat acreage and he proposed to organize a company to develop it. He was not going to incorporate his company, but he was going to develop it on the "unit-plan" basis; that is—he desired to transfer these leases to his trustee and have the trustee issue units to be sold to the public.

Just how many units he intended to issue was uncertain. According to his plans it might have run into several millions before he got through with it. All he wanted us to do was to lend him our name as trustee of this proposition. He frankly admitted that if we would consent to act as trustee that he would have no trouble at all in putting the proposition over to the public. The breezy visitor had unbounded faith in the idea that oceans of oil were underlying his oil leases and that all he had to do was to get the money from the public to drill these wells deep enough and tap this unlimited supply, thereby making everyone rich who invested in his proposition. In all my experience as a trust officer I have never seen anyone who seemed to have more confidence in a wildcat scheme than this well dressed, smooth-talking, suave young man seemed to have in the one he was promoting. It did not seem to dampen his spirits when we frankly told him that under no circumstances would we permit our name to be used in an enterprise of this kind, and that it would be business suicide for a responsible trust company to act as trustee in a proposition such as he presented. Undoubtedly he had presented this matter to other companies and had been turned down, and no doubt he is still going. If some unsuspecting trust officer is not awake to his responsibilities this promoter will induce him to participate in an enterprise of this kind, and if he does, the Federal government and a flock of receivers will undoubtedly have a job on their hands.

## Two Pictures

May 2

**M**RS. WALTERS passed on about ten years ago, leaving an estate in her own right of approximately \$25,000. Little Billie was about eleven years old and Nancy Ann about eight when their mother died. Mrs. Walters, having acquired this estate through inheritance, provided that the entire estate should be held in trust for her two children until they became of age. Meanwhile the income was to accumulate and then it was to be paid to Billie and Nancy Ann, one-fifth every year, for a period of five years.

Mr. Walters assumed the responsibility of the maintenance, education and care of the children during their minority. But financial reverses overtook the father about two years ago, and it became necessary for the trust company to finance Billie and Nancy Ann through the last two years of their college life. After they returned from school last year we began to make distribution to them. We received a letter from Nancy Ann this morning. She was bubbling over with enthusiasm about her past year's work, and was confiding her plans for the summer. She contemplates a trip to old Mexico for the purpose of study and recreation. Billie expects to improve his time by working—preferably in some outdoor activity and we are trying to assist him in finding employment that will be to his liking.

Without the trust fund established by their mother over ten years ago a college education for Billie and Nancy Ann would have been impossible and the other side of this picture was forcefully called to our attention today. One of our wards, a girl about seventeen years, was left an orphan. Her parents had neglected to provide an educational fund for her. The father died when she was about 11 years old, and after his estate was closed there was less than \$1,000 left to take care of this little girl. She has no relatives who are in a position to help her financially, and she has been having a hard struggle in making the grade, although some assistance has been given to her during this time. She just telephoned us that she had obtained a position that will pay her \$5 a week, which will help to meet her expenses while she is attending a commercial college and preparing to earn her own living. We knew this father, and we know that he could have provided for this girl with a life insurance educational trust fund.

## The Husband Managed

May 3

**A**BOUT two years ago Mrs. Bristow received her distributive portion of her father's estate, which amounted to something over \$150,000. At that time she was unmarried—had always lived at home with her family, and had never had a care or responsibility in her life, but after receiving her inheritance she married.

Although the man she married never had been successful in his own endeavors, he immediately assumed the responsibility of managing his wife's property. She placed absolute confidence in his ability to manage her financial affairs successfully, and gave him practically unlimited authority. It soon developed that his judgment was bad, and

some surviving members of the family even questioned his good faith and integrity. This naturally caused a family breach and for the greater part of the past year Mrs. Bristow and her mother and sisters have hardly been on speaking terms, much less having cordial family relationships.

After her marriage Mrs. Bristow practically discontinued the services of the trust company and rarely consulted us regarding any of her business activities, relying solely and implicitly upon her husband's judgment and advice. Recently she came to us and told us that because during the past two years her estate had decreased about \$50,000, due to poor investments and other expenditures made on the advice of her husband, she had decided to protect the remainder of her inheritance by creating a trust for her own benefit. This she did by placing with the trust company all the remainder of her property amounting to approximately \$100,000. Mrs. Bristow advised us that she had talked this matter over with her husband and had come to a definite understanding with him in regard to her property rights and that in the future her financial affairs would be handled through the trust company. In the talk we had with Mr. Bristow today we believe that he, too, is satisfied with this arrangement as he realizes the many mistakes that he has made, and is manifesting the proper spirit of cooperation with our organization.

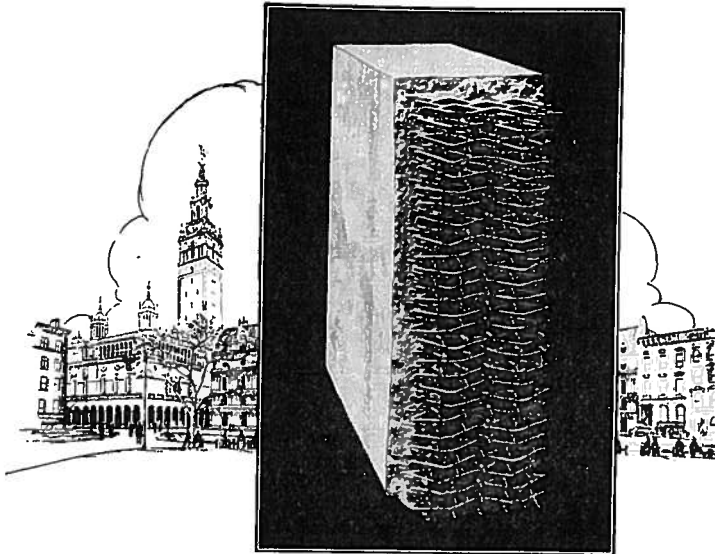
## She Refers Them To Us

May 4

**W**E have been handling Miss Sullivan's affairs for several years. A great portion of her life has been spent in the Government service at Washington. Partly through a lifetime of savings and partly through an inheritance that she received from some of her relatives she had accumulated considerable real estate holdings in our city. As the town grew larger these holdings became more valuable until today they are very valuable. On account of her advancing age—she is over seventy now—Miss Sullivan went to live with a sister. Before doing so, by a power of attorney, she constituted our company as her agent with full authority to handle her property. During the last few years she has been an invalid. One of our trust officers has visited her on different occasions in order to look after her welfare and to give her an accounting of her agency account.

On numerous occasions designing people have endeavored to inveigle Miss Sullivan into deals and contracts that would have involved her either in financial difficulties or losses, but she at all times uses our com-

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# On Guard at Madison Square!

**T**HERE comes a day when famous land marks must give way to the march of progress. Such is the case with the old Garden at Madison Square — host to every variety of exhibition — a sporting palace in days gone by.

On this famous old site, the New York Life Insurance Company has erected a magnificent building — a towering tribute to modern architecture and a monument to safety and permanence.

For the protection of its valuables, the Company has installed in this new building a Steelcrete Armor Mat Vault — the Vault System used in the New York Federal Reserve Bank and now being installed in the Baltimore Federal Reserve Bank. Steelcrete Armor Mat Vaults defy torch, drill and blasting. Walls, floor and ceiling are hard as concrete and tough as steel. Thousands of heavy strands of steel embedded in concrete make up the perfect Steelcrete entanglement.

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only by the State Banking Department but by the bankers themselves.

In one case the association succeeded in having the losses cleared out of a bank that has been closed, and the bank reopened, saving the creditors at least \$100,000 and preventing liquidation, which would have been a disaster to the community and a corresponding loss of public confidence in banks in general.

In the other two cases it set up moral standards and brought about a united action in the public interests that was most beneficial to the community.

The association is determined that no more banks shall be chartered where the needs of the community do not require them, and is conducting a most vigorous campaign of protest along this line, which already in two cases has proved most effective. In fact, the association has established this policy so thoroughly that the burden of getting a charter is so great that few will undertake it in the future unless a new bank is actually needed.

Therefore, as a result of the experience thus far of the First Nebraska Regional Clearing House Association, it may be said:

First, that it has justified its existence many times over by crystallizing public opinion as well as banking opinion along lines of safe and sane banking methods.

Second, the association has greatly improved the banking practices of its members through its quarterly round-table meetings, which have enabled them to work in harmony in stabilizing interest rates and in protecting the public against unfair practices to an extent that they had never heretofore been able to do.

Since the experiment has been under way, thousands of bankers throughout the United States have been watching it with interest and considering it with a view of urging its adoption in other states. Some states are taking it up, and commissioners of state banking departments are considering plans for its adoption on a state-wide scale. Its successful introduction is so simple that one can only marvel that it was not undertaken long ago.

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pany as a buffer and these designing friends have long since learned that we will not consider their propositions. So Miss Sullivan is enjoying the sunset of her life secure in the knowledge that her trust is now earning enough to provide for her ~~the~~ necessities and even luxuries of life, and that as long as she lives she will be free from want and poverty.

### Wholesale Prices Rise

Wholesale commodity prices have now been rising for three months, according to the indices of the National Bank of Commerce in New York. A further advance of 1.3 points in the index of May reflects the influence of unfavorable spring weather on the crop outlook, says the bank's Commerce Monthly, but there is something more fundamental involved, it adds. Since February the majority of price changes have been upward, and declines, except in special cases, have been small. A broad upward movement of this sort, the Commerce Monthly holds, is evidence of correction in the international supply and demand situation.