



John A. McCall,
President.

NEW-YORK LIFE INSURANCE COMPANY,

Chicago Branch, (22) Phoenix Building,

(CHICAGO, Sept 3- 1892

Mr. J. L. Hill.

Dear Sir:

I see from the papers you have been investing in insurance. I am the originator of a system of insurance, adopted only by this Company, which the leading bankers of our city have taken and recommend to their friends. A system by which, at death, the proceeds of the policy is paid to the Company as trustee, for the benefit of the heirs, which prevents them or their friends from losing or squandering the fund, placing it beyond their reach or of their creditors. It is conceded that it is not wise to leave the whole of a female's estate in a way it can be lost or mismanaged, therefore this trust



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(CHICAGO, 189

has been adopted for that purpose.

This is not an ordinary installment or annuity policy, but a pure trust, where the money is paid to the trustee, under contract for its disposition.

This is the only large Life Company that has the power, by Charter, to act as trustee for an estate.

I send you to-day a pamphlet called "Robbery of Widows' & Orphans' Estates", which will interest you, if not surprise you. Please read it, if you do not take the trust.

Yours deeply

W. D. Paulson
Manager Trust Dept.

From an Editorial in the *Chicago Tribune*, June 30, 1888.

NEW YORK ADMINISTRATORS ROBBING ESTATES.

SURROGATE RANSOM of New York City is making a determined effort to compel administrators or executors of the estates of deceased persons to make prompt settlements and wind up the trusts committed to them as soon as possible. An examination of the records of the Surrogate's office shows an astounding state of affairs. Since 1880 over 12,000 wills have been admitted to probate, and in nearly 40,000 cases administration has been granted on the estates of persons who died intestate, and it appears that not more than fourteen in 100 of the executors and not more than eleven in 100 of the administrators have ever made an accounting. In one-fifth of the cases where a settlement has been made the work was performed by the public administrator. Of the private administrators not more than nine out of 100 have closed their affairs, passed over the property to the heirs, and been discharged. In hundreds of cases where estates were put in the hands of executors or administrators eight years ago the records do not show that a single step has been taken to effect a settlement and transfer the property to the persons entitled to it.

The shameful state of affairs disclosed by the recent investigation has induced the New York Surrogate to demand on his own motion a prompt accounting by all administrators and executors, unless good cause is shown why they should be excused. The practice of the Surrogate's court has been to wait until business was brought before it, and hence administrators have dallied with the property intrusted to them and nothing has been done to secure the rights of the heirs. In the case where the abuse of authority has been most flagrant the heirs were widows and orphans who knew nothing about their rights or how to enforce them, and put blind confidence in the legal representative of the deceased person. Frequently they would have no idea of the amount of property coming to them, or how to get it, or what to do if it was not turned over to them. Hence, however gross the misconduct of administrators or executors, it was seldom that the heirs would make any complaint to the court. * * *

In dealing with the interests of widows and minor heirs the law ought to take every precaution to protect those who are rarely in a situation to protect themselves. Such wasting, squandering, plundering, and partial perversion of estates to their own use by administrators and executors as has recently been discovered in New York is shameful.

We call attention to the above article because many estates, for the benefit of dependent heirs, are left under the control of inexperienced persons, or those who too often have selfish motives in their management.

To avoid dependents—female especially—being left in later years without support, the NEW YORK LIFE INS. CO., has adopted a system of trusteeship, which has the endorsement of leading financiers, whereby a **stated income** for *life*, beyond the control of individuals, can be **guaranteed** to the heirs.

This is a very important matter and should be examined carefully and without delay.

OFFICE OF
W. E. POULSON,
MANAGER OF TRUST DEPARTMENT,
NEW YORK LIFE INS. CO.,
PHENIX BUILDING.

TRUSTEESHIPS.

IF a person desires to leave the proceeds of a Life Insurance Policy, or other property, for the benefit of dependents, in a way that the fund cannot be reached by said dependents, or their creditors, it must be left to a *trustee* or *trustees* for their benefit.

The Supreme Court of Massachusetts, February 27, 1891, in the Marsh case, decided that because the fund had been left to *trustees*, for the use of Mr. Marsh's daughter, Mrs. Binney, (who had endorsed for a large amount for her husband, afterwards insolvent), neither her assignees nor her creditors or those of her husband could have any legal right to touch it, and she should be paid her income; and the bill of the assignees and creditors against her was dismissed.

There is no question whatever, that unless these funds be left to *trustees*, for the use of the beneficiaries, they can be reached by themselves and their creditors, and no corporation of any kind can act as trustee unless it has power, *by charter*, to receive and execute the trust.

Ordinary installment and annuity contracts are not trusts, neither do they have the protection of trusts.

Parties select trustees for their heirs' or dependents' estates on account of their ability and experience to manage property, and it is acknowledged that corporations of the right kind are safer and better trustees than individuals, and that the leading Life Insurance Companies are the strongest and most permanent corporations known; and of Life Insurance Companies, the New York Life has no superior; besides, it is the only large Life Company that has power, by charter, to "*receive and execute trusts*," and *does* issue a pure trust contract, making the Company the *trustee* for the proceeds of the policy, and beyond the reach of the beneficiaries and their creditors, and without extra charge above other policies.

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(SPECIMEN.)

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\$10,000.

TRUST CONTRACT OF THE NEW YORK LIFE INSURANCE COMPANY.

It is agreed that in the case of the death of the insured CHARLES ADAMS, during the life-time of either SARAH ADAMS, his wife, or ELLA ADAMS, his daughter, the proceeds of this policy, No. 0,000, are to be paid to the NEW YORK LIFE INSURANCE COMPANY as trustee, to be held by said Company as part of its general funds, but for the benefit of the said SARAH ADAMS, or in case of her death, for the benefit of the said ELLA ADAMS, as hereinafter set forth.

The said proceeds are to be paid to the said SARAH ADAMS by the said trustee in annual installments of **six hundred dollars** each, with a final installment equal to the remainder of the proceeds. The first installment shall be payable upon receipt and approval at the Company's office of the proofs of the death of the said insured required by the terms of the policy. The balance remaining in possession of the said Company as trustee before payment of each subsequent installment is to be credited with one year's interest at such rate (not to exceed four per cent.) as the Company may in its discretion declare for such year on funds held in trust under contracts of this kind, and it is hereby guaranteed that the rate of interest so declared shall in no case be less than three per cent. *(See note 1)*

In case the said SARAH ADAMS shall die before the said insured, or in case the said SARAH ADAMS shall die after the said insured, but while any balance of the proceeds of this policy remains in the possession of said trustee, the same is, upon satisfactory evidence of such death, to be paid, in like annual installments as above, to the said ELLA ADAMS.

If any balance of the proceeds of this policy remain in the possession of said trustee after the deaths of both the above named beneficiaries, the same is, upon satisfactory evidence of such deaths, to be paid in one sum to the executors, administrators or assigns of the said insured.

In case of the death of both the beneficiaries before this policy becomes a claim, or in case the insured shall revoke his appointment of trustee by written notice to the Company, the said appointment of trustee shall be void, and the proceeds of this policy shall be paid in one sum to the executors, administrators or assigns of the said insured.

(SPECIMEN.)

.....President.

(SPECIMEN.)

.....Actuary.

\$50,000 with only 3% interest will last 30 years, with annual installment of \$2,500; or ~~21~~²³ years with \$3,000 installments.

Co. is paying 4% at present and will probably not be below 3 1/2 %

Neither the interest of the beneficiary in the Trust Fund, or any part thereof is assignable, or reached by creditors.

NO EXTRA PREMIUM
CHARGE FOR THIS TRUST.

This interest clause was a compromise to get a guaranteed minimum rate

September 3rd, 1892

Personal.

William A. Stevens, Esqr.,
Room 57, Great Northern Railway Building,
St. Paul, Minnesota.

My Dear Sir:-

Your letter of August 30th, 1892, has just come to hand.

I am glad to inform you with reasonable accuracy concerning the present value of Lot 14, Block 477 and Lots 12 and 13 in Block 250, Townsite of Great Falls.

Lot 14 in Block 477 being a corner and situate on a good business street is a particularly choice bit of ground in my opinion. Its nearness to trackage and the important warehouse makes it valuable now for good rent-returning improvement. Its present value is approximately \$1200.00.

The Townsite Company holds unsold at this writing in the immediate vicinity of Lots 12 and 13, Block 250, the following lots: Lots 9, 10 and 11 in Block 250 and Lots 10, 11 and 12 in Block 251. Two lots, a choice of the three described in each Block, are for sale at the schedule price, namely \$3200.00 each. There are particular reasons, however, for 'bearish' inclination in placing a valuation on these lots. All of the property (excepting one lot in the immediate vicinity of the lots in question) were sold before the present Townsite schedule of price was put in force, the consideration in each case being comparatively nominal, there being no improvements made upon adjacent property and in the buying and selling that has taken place they have not as yet reached the Townsite standard in their prices. Lot 3 in Block 310 has been offered for sale within the past ninety days for \$2800.00 cash and no sale effected. Lots 1 and 2 in Block 311 sold four years ago for \$5000.00; a one-sixth interest in the lots sold within the past six months for \$1100.00. They are for sale today for \$6500.00.

Notwithstanding the conditions above stated, I consider this property particularly good because of improvements which in my opinion are bound to be made in the comparatively near future. The Opera House has been built on the rear, 70 feet of Lots 1 and 2, Block 309; the County has purchased Block 253 for public buildings; the general sentiment among real estate and business men is that a good hotel should be built, and it is believed will be built, in the vicinity of Third Street and Second Avenue North. Lots 6 and 7, Block 310, sold within the past sixty days for \$11,000.00.

W.A.S.- 2.

Accordingly, I should say, Sir, that the present value of Lots 12 and 13, Block 250, is \$6500.00, and my belief is that such a valuation will be doubled within three years' time.

It is entirely out of my line of work to undertake the sale of outside property, but Mr. Nichols will find Messrs. Barnes, Brittainshield & Wadsworth, Messrs. Dunn & Lambie and Messrs. Burghardt & Perry to be active and reliable agents for the purchase or sale of local real estate. The general custom is to list property with the real estate firms at a net figure, the real estate agents to look out for their own profits.

Mr. Paris Gibson, as you know, has the only local holding of this Company's stock and a proposition for trade such as you mention can be made directly to him if desirable.

I trust this letter may afford you the information desired and I shall be glad, Sir, to answer any other enquiries you may want to make concerning your own interests, or those of your friends, in Great Falls.

Yours very truly,





Minnesota Historical Society

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